15 July 2024

Gore Street Energy Storage Fund plc
(the "Company" or "GSF")

Audited Full-Year Results

Strong revenue generation, increasing operational capacity and robust balance sheet

Gore Street Energy Storage Fund plc, the internationally diversified energy storage fund, is pleased to announce its Audited Full-year results for the year ended 31 March 2024.

Financial highlights for the year ended 31 March 2024:

- NAV as of 31 March 2024 was £541 million, bringing NAV total return since IPO to 48.4%.
- NAV per share as of 31 March 2024 was 107.0p (31 March 2023: 115.6p).
- The portfolio generated £41.4 million in revenue during the fiscal year (31 March 2023: £39.3 million).
- The portfolio generated an operational EBITDA of £28.4 million. (31 March 2023: £27.8 million).
- As of 31 March 2024, the Company had £60.7 million in cash or cash equivalents, as well as £58.6 million in debt headroom on its existing facilities, sufficient to cover all contractual obligations and continue to build out the Company's portfolio to over 750 MW.
- The Company maintained a low level of gearing, equal to 6.5%[1] of GAV as at 31 March 2024. During FY24/25, the Company expects to draw down on its available debt lines to support the buildout of the Company's near-term portfolio and expects net debt to reach c.15 % of GAV once fully drawn.
- Dividends announced for the period of 7.5 pence per share. Dividend yield of 11.6%[2] (31 March 2023: 6.9%).
- The Company achieved an operational dividend cover of 0.78x and a fund-level dividend cover of 0.56x.
- The weighted average discount rate increased to 10.2% (31 March 2023: 10.1%).

Operational highlights:

- Energised capacity increased by 45% to 421.4 MW (31 March 2023: 291.6 MW) following the successful energisation of Stony and Ferrymuir. As of the date of publication, both assets are revenue generating.
- Average operational capacity over the year increased by 7% to 311.5 MW (31 March 2023: 291.6 MW).
- Total revenue generation increased by 5.5% to £41.4 million (31 March 2023: £39.3 million).
- Average revenue of £133,000 per MW/yr (31 March 2023: £135,000 per MW/yr), highlighting the benefits of the diversification strategy.
- The Company increased its asset base on the Irish Grid to 385 MW (31 March 2023: 310 MW), of which 130 MW is operational, following the acquisition of a 51% stake in a 75 MW pre-construction energy storage asset (Project Mucklagh) located in the Republic of Ireland.

Capital Raising:

- The Company issued shares at the prevailing NAV at the time to strategic partners Nidec and Low Carbon for a total consideration value of c.£27 million.

ESG & Sustainability

- During the reporting period, the operational portfolio avoided 15,178 tCO_2e and stored 26,232 MWh of renewable electricity.

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[1] Includes project level and fund level debt

[2] Based on 31 March 2024 share price

- The FY 2023/24 ESG and Sustainability Report will be published and available on the Company's website in early September 2024.

Outlook

- Of the 332 MW of assets in construction due to become energised over the next seven months, 275 MW / 475 MWh is eligible to benefit from an investment tax credit (ITC) of between 30-40% of qualifying capital expenditure through the Inflation Reduction Act, which was passed in late 2022.
- The Investment Manager expects the Company to benefit from a cash inflow in the range of $60 million to $80 million.
- This includes the 200 MW Big Rock asset, which, when completed, will play a material role in supporting the CAISO grid (California)—the Company's fifth market to date—to integrate rising levels of renewable generation.

Updated Dividend Policy:

The Company will target a dividend for the financial year ending 31 March 2025 of 7.0 pence per ordinary share, which is consistent with investors' expectations based on the current NAV. This will be subject to cash generation from the underlying portfolio, reflecting prevailing market conditions and performance, financial position and outlook, and the fiscal environment in which the Company operates. From the 2024/25 financial year, the profile and quantum of dividend distributions will be more closely aligned with operational and other cashflows.

See the Chair's Statement and the Investment Manager's report for further details.

Pat Cox, Chair of the Company, commented:

"Despite challenging market conditions, the Company has achieved significant growth by raising new funds and expanding our diversified energy storage portfolio to approximately 1.25 GW across five markets.

"The Company met its dividend target, taking total NAV returns since IPO to 48.4%, and with £60.7 million in cash and £58.6 million in debt headroom, we are well-positioned to support the construction of the priority assets over the coming months. With 332 MW of new capacity expected to be added to the energised portfolio, which reached 421.4 MW in the reporting period, by the end of the current financial year in the US and elsewhere, the Company is poised to take another significant step forward in scale.

"I remain fully confident that this diversified approach will continue to deliver strong and sustainable returns to investors while contributing to the decarbonisation needed across the global energy system."

Results Presentation Today

There will be a presentation for sell-side analysts at 9.30 a.m. today, 15 July 2024. Please contact Buchanan for details on gorestreet@buchanancomms.co.uk

A presentation for investors will also be held today, 15 July 2024, on the Investor Meets Company Platform at 11:00 a.m.

Investors can sign up to Investor Meet Company for free and add to meet GORE STREET ENERGY STORAGE FUND PLC via: https://www.investormeetcompany.com/gore-street-energy-storage-fund-plc/register-investor

Annual Report:

The Company's annual report and accounts for the year ended 31 March 2024 are also being published in hard copy format and an electronic copy will shortly be available to download from the Company's webpages https://www.gsenergystoragefund.com/.

Please click on the following link to view the document: [RNS please insert here]

The Company will be submitting its Annual Report and Accounts to the National Storage Mechanism, which will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Gore Street Energy Storage Fund plc Annual report for the year ended 31 March 2024

Key Metrics

For the year ending 31 March 2024

NAV PER SHARE

107.0p

(2023: 115.6p)

OPERATIONAL EBITDA

£28.4m

(2023: £27.8m)

DIVIDEND YIELD

11.6%

(2023: 6.9%)

NAV TOTAL RETURN

for the year ended 31 March 2024

-1.2%

(2023: 12.6%)

OPERATIONAL CAPACITY

371.5 MW**

(2023: 291.6 MW)

DIVIDENDS PAID DURING THE YEAR

7.5p

(2023: 7.0p)

KEY METRICS	As at 31 March 2024	As at 31 March 2023
Net Asset Value (NAV)	**£540.7m**	£556.3m
Number of issued ordinary shares	**505.1m**	481.4m
NAV per share	**107.0p**	115.6p
NAV Total Return for the year*	**-1.2%**	12.6%
NAV Total Return since IPO*	**48.4%**	52.4%
Share price	**64.5p**	100.8p
Market capitalisation	**£325.8m**	£485.3m

Share price Total Return for the year*	**-30.0%**	-5.1%
Share price Total Return since IPO*	**-10.2%**	30.9%
Discount to NAV*	**-39.7%**	-12.8%
Portfolio's total capacity	**1.25 GW**	1.17 GW
Portfolio's operational capacity	**371.5 MW**	291.6 MW
Average operational capacity	**311.5 MW**	291.6 MW
Total portfolio revenue	**£41.4m**	£39.3m
Average revenue per MW/yr	**£132,905**	£134,774
Operational EBITDA	**£28.4m**	£27.8m
Total Fund EBITDA	**£20.2m**	£16.8m
Dividends per ordinary share paid during the year	**7.5p**	7.0p
Operational dividend cover for the year	**0.78x**	0.90x
Total Fund dividend cover for the year	**0.56x**	0.54x
Dividend Yield*	**11.6%**	6.9%
Gross Asset Value (GAV)*	**£578.1m**	£556.3m
Gearing*	**6.5%**	0.0%
Ongoing Charges Figure*	**1.42%**	1.37%

* Some of the financial measures above are classified as Alternative Performance Measures, as defined by the European Securities and Markets Authority and are indicated with an asterisk (*). Definitions of these performance measures, and other terms used in this report, are given on page 101 of the 2024 annual report together with supporting calculations where appropriate.

** The 49.9 MW Ferrymuir asset was energised during the reporting period, taking total energised capacity to 421.4 MW at year end.

Chair's Statement

On behalf of the Board of the Gore Street Energy Storage Fund plc, I am pleased to present the Company's Annual Results for the year ended 31 March 2024.

Overview and Performance

Despite challenging conditions in the Great Britain (GB) energy storage and listed markets, the 2023/24 reporting period saw the Company successfully raise new capital, increase its energy storage capacity, and extend its uniquely diversified portfolio to c. 1.25 GW across five uncorrelated markets, all while maintaining its dividend and a prudent level of debt. Total revenue grew to £41.4 million through strong consolidated asset performance, notwithstanding volatile market conditions in GB and a normalisation of power prices in Germany.

The Company met its target dividend for the year, equal to 7.5 pence per share, taking NAV total return including dividends since IPO to 48.4%.

During the reporting year, the Company energised the 79.9 MW Stony and 49.9 MW Ferrymuir projects in GB, both of which are now fully operational and generating revenue, while the energisation of the 57 MW Enderby project is scheduled to follow shortly post-period. With an energised portfolio of 421.4 MW during the period, the Company is poised to take one of its biggest steps forward in scale with a further 332 MW of capacity expected in the coming months. This includes the 200 MW Big Rock (CA, USA) and 75 MW Dogfish (TX, USA) projects, taking the energised portfolio to c.753.4 MW by the end of the current financial year.

This internationally diversified growth is the result of a strategy adopted in 2019 when we first invested in assets outside of GB as it became clear to the Investment Manager and the Company that reliance on revenues from a single grid would expose shareholders to higher volatility than a diversified portfolio. This vision has been vindicated during and after the reporting period, with sole GB investment strategies suffering from low grid services revenues due to overcapacity and the failure of a robust GB wholesale trading market to develop as expected by many.

Our fleet of operational projects across Ireland, Germany and the US provides a buffer against GB headwinds as they are not only uncorrelated with the GB market but offer different revenue streams for different durations. The Irish and Texas grids continued to provide particularly strong revenues over the reporting period, driven by fundamentals that support energy storage. Wind generation in Ireland grew, providing lucrative market opportunities for battery energy storage systems as grid operators rewarded fast-acting flexible assets. Texas continued to face challenges from periods of extreme weather that increased the grid's need for reserve services and provided attractive trading opportunities. The Company is well-placed to capitalise on these opportunities as they emerge across multiple markets.

We remain in a strong financial position as a result of good liquidity management by the Investment Manager. As at 31 March 2024, the Company had £60.7 million in cash or cash equivalents and £58.6 million in undrawn debt facilities. This ensures the construction of priority assets is fully supported and can continue at pace. We also raised new capital during the period through our long-term strategic battery partner, Nidec, and used our shares to acquire additional interests in operating assets from our strategic development partner, Low Carbon. In the case of Low Carbon, the Company increased its asset base to 385 MW in the lucrative Irish market with minimal cash consideration, agreed at 2019 prices, demonstrating our ability to grow even at a time when capital markets are effectively closed to investment trusts.

Macroeconomic Environment

The macroeconomic environment continued to impact the investment landscape throughout 2023/24, with high inflation and central bank interest rates constraining performance across the sector.

In monitoring the share price volatility experienced across the sector over the financial year, we maintain the view that the discount to Net Asset Value at which the share price has traded materially undervalues the Company and its portfolio. The results reveal the strength of our activities across multiple uncorrelated markets, and we expect to continue to deliver value for shareholders as more capacity is brought online.

Following price hikes in 2022, capex costs fell as supply chain issues related to the pandemic subsided and lower demand from the electric vehicle market resulted in greater availability of materials. This lowers the capital costs of assets currently being built and, as revenue opportunities emerge to justify additional expenditure, permits the potential augmentation of existing sites.

The Company maintains its focus on delivering market-leading revenue from a varied range of sources, using assets built at the best value per MWh fully installed, and continues to ensure capex costs are monitored by the Investment Manager when assessing capacity additions to our sites.

Strategy and Operational Performance

Maintaining high availability of the assets within the portfolio remains a priority for the Company and its Investment Manager. By exceeding 93% availability across the financial year, the assets were able to capitalise on the most lucrative opportunities possible while ensuring planned maintenance could be carried out to safeguard future operations.

Our strategy over the period focused on the fundamentals of renewable energy penetration and its associated volatility, which creates demand for ancillary services. In Ireland the ongoing DS3 programme (Delivering a Secure Sustainable Electricity System), which facilitates the integration of wind power and other non-synchronous renewable energy sources, delivered substantial revenue.

Solar deployment drove revenues in Texas, particularly over the summer when electricity demand soared during periods of high temperatures. The added impact of increasingly steep grid load ramps caused by declining solar output in the evenings resulted in an increased need for reserve services from fast responding, secure sources like energy storage.

The portfolio also delivered a broader range of activities in markets where ancillary services fell in value, such as Germany. The volatility of the previous reporting period subsided as gas supplies became less restricted and grid service prices normalised. The Company adopted a more wholesale trading-focused strategy in Germany, supported by an increasingly sophisticated data-driven approach, to ensure its asset could access additional revenue streams.

Overall wholesale trading increased as a proportion of revenues across all markets to 7% compared to the previous financial year's 3% as the Company continued to diversify its revenue stack to deliver sustainable returns to shareholders. These actions, taken as part of the Company's diversified approach, were essential in managing the impact of market saturation and limited wholesale market volatility in GB.

We are pleased that the outperformance of our international portfolio compared to the GB assets allowed the Company to achieve higher absolute revenues than in the previous reporting period despite declines in GB revenue. The Company is hopeful that GB market conditions will improve, with some signals towards the end of the financial year and post-period suggesting a recovery across some revenue streams. We remain well positioned to maintain strong performance from our international portfolio in addition to any improved revenue generation from GB assets.

NAV Performance

Despite best-in-class operational performance across the portfolio and pro-active management delivering strong returns, external factors, including central banking monetary policy to manage inflation and discount rates across the sector, contributed to a NAV decrease across the financial year from 115.6p per share as of 31 March 2023 to 107.0p per share.

We expect to see improving market conditions as inflation continues to subside and rates come down. The Company remains confident in its ability to continue to deliver long-term value to shareholders as we deploy additional operational capacity by the end of the fiscal year. This will have a positive effect on revenue generation and dividend coverage.

Discount Management

The Board continues to retain the ability to repurchase shares at a price lower than NAV in the interests of discount management. The Company remains fully committed to the build-out of the portfolio with support from shareholders, with the additional debt added during the period dedicated to these construction efforts. Healthy returns are expected to continue from across the portfolio as more capacity is added, including in the CAISO market in California, and discount rates will continue to be unwound as we progress from construction to operations.

We, therefore, maintain the position that the repurchase of shares is not the right course of action for the Company at the current time, although the Board will continue to monitor the performance of the share price and will act to employ appropriate discount control mechanisms as needed.

Debt

The Company increased its £15 million revolving debt facility with Santander to £50 million, including an accordion option to increase beyond £50 million to up to 30% of Gross Asset Value. We also added debt finance secured at the project level for the first time, with $60 million from First Citizens Bank tied to the deployment of the 200 MW/400 MWh Big Rock asset in California, the Company's largest to date. We have long heralded the promise of long-term secured revenue from the Resource Adequacy (RA) mechanism in CAISO and the backing provided by this loan vindicates this position as we look ahead to energising the asset by the end of 2024.

Capital Allocation

The Company continues to focus on the correct allocation of capital to ensure long-term, sustainable returns are achieved in the interests of shareholders. This includes prioritising the construction of specific assets to deliver optimal value through their scale, revenue opportunities and geographical spread. We expect to deploy the majority of available cash and lines of credit, both project and fund-level facilities, by the end of the 2024/25 financial year to fund the buildout of 57 MW in GB through the Enderby project and 275 MW across the US projects Big Rock and Dogfish.

The Company has comfortable headroom to meet its current contractual obligations and we will continue to act prudently regarding leverage in what remains a high interest rate environment. We are also encouraging the Investment Manager to continue exploring options to recycle capital from the portfolio and will keep the market informed of any relevant progress.

Dividends

The Board has approved a fourth interim dividend of 1.5 pence per share, bringing the total dividend announced for the period ended 31 March 2024 to 7.5 pence per share in line with the Company's Dividend Policy (the ex-dividend date being 27 June 2024, with the record date of 28 June 2024). The dividend will be paid on or around 15 July 2024.

Dividend Policy

We remain committed to regular capital allocation reviews and comprehensive analytical assessments, while remaining receptive to shareholder feedback, to ensure the Company continues to be managed effectively for investors. Following this year's review, the Board has decided to adjust the Company's dividend policy to better align it with the construction schedule of the portfolio.

It is the Directors' intention to continue to pay, in the absence of unforeseen circumstances, a dividend of 7.0 pence per ordinary share for the financial year subject to market conditions and performance, financial position and outlook, and fiscal environment. This is consistent with investors' expectations based on the current NAV but, from the 2024/25 financial year, the profile and quantum of dividend distributions will be more closely aligned with operational and other cashflows rather than NAV.

Moving from roughly equal payments across all quarters, the Board has determined to target a dividend of 1.0 pence per Ordinary Share for each of the first three quarters of the financial year. It is intended the amount of the final quarterly dividend (announced in June and paid in July) will make up the balance of the annual dividend target subject to cash flows at the time. As with the current dividend policy, all dividends remain at the discretion of the Board.

This is a prudent adjustment to the dividend policy reflecting the maturing nature of the Company's portfolio, with a transformative year for increasing operational and revenue-generating capacity.

Sustainability

The Company is rooted in sustainability and continues to increase disclosures across a range of ESG metrics measuring the impact of its own operations. Publication of our second ESG & Sustainability report in September 2023 covering the FY 2022/23 reporting period took account of investments in California and Texas, with the latter exposing the Company to a grid system with higher levels of fossil-fuel generation. As these markets increase their renewables deployment, the

crucial role of the Company's battery storage assets in enabling decarbonisation will increase while supporting stable grid operations during increasingly frequent periods of extreme weather.

The ESG & Sustainability Report covering FY2023/24, due to be published in early September, will consolidate the Company's latest Sustainable Finance Disclosure Regulations (SFDR) and Task Force on Climate-Related Financial Disclosures (TCFD) disclosures. An assessment of the Company's Principal Adverse Impacts (PAI) under SFDR is included in the appendix of this report.

The Company remains committed to increasing transparency in the market for green investment products. As part of this, we will report on progress towards integration of the Principles for Responsible Investment (PRI) for the first time in 2024. We are proud of our track record of transparency across all metrics and will continue to deliver leading levels of disclosure to the market.

Board Composition and Succession Planning

As reported last year, the remuneration and nomination committee continue to plan director succession to ensure the four directors appointed at IPO in 2018 retire in an orderly manner. Work on future appointments is advancing, and details are included in the committee's report.

AGM

The AGM will be held at the offices of Stephenson Harwood, 1 Finsbury Circus, London EC2M 7SH on Wednesday 18 September 2024 at 10.00 am. Further details are included in the Notice of AGM on page 88. I look forward to welcoming shareholders attending in person.

If you are not able to attend in person, or prefer to vote by proxy, but have questions for the Board, please contact the Company Secretary at cosec@gorestreetcap.com.

Outlook

The new capacity due online in the coming months, including the 200 MW asset in California, represents a step-change for the Company as we extend our operational and geographical diversification even further.
Despite recent issues for our sector, I remain fully confident that this diversified approach will continue to deliver strong overall returns while contributing to the decarbonisation needed across the global energy system.

Investment Manager's Report

Dr Alex O'Cinneide

CEO of Gore Street Capital, the Investment Manager

"I'm proud to report the Company continued to achieve growth while demonstrating leadership and resilience during an extremely turbulent period. The international portfolio continued to deliver consistent average revenue of £15.1 per MW/hr through best-in-class operational performance and capital management. The Company achieved an operational dividend cover of 0.78x for the year from an average operational fleet of 311 MW. With the energised capacity reaching 421 MW and 332 MW more to follow in the coming seven months, all while maintaining a prudent approach to leverage, the Company is well-positioned to increase dividend cover and continue delivering value for shareholders by generating robust and stable cash flow from its well diversified asset base."

Operational Highlights:

- The portfolio generated £41.4 million of revenue during the fiscal year. This amounted to £28.4 million in operational EBITDA.
  - The Company achieved an average revenue per MW/hr of £15.1, highlighting the stable revenue profile of the Company.
  - With its international portfolio, the Company averaged £19.6 per MW/hr over the period, 2.2x the GB portfolio, inclusive of liquidated damages.
  - The Company achieved an operational dividend cover of 0.78x and a fund-level dividend cover of 0.56x.
  - Energised capacity increased by 45% to 421.4 MW, following the successful energisation of Stony (79.9 MW) and Ferrymuir (49.9 MW). As of the date of publication, both assets are revenue generating.
  - Of the 332 MW of assets in construction due to come online over the next 7 months, 275 MW / 475 MWh is eligible to benefit from an investment tax credit of between 30-40% of qualifying capital expenditure through

  the Inflation Reduction Act, which was passed in late 2022. The Investment Manager expects the Company to benefit from a cash inflow in the range of $60 million to $80 million.

- The Company continued to show good liquidity management. As of 31 March 2024, the Company had £60.7 million in cash or cash equivalents, as well as £58.6 million in debt headroom on its existing debt facilities, sufficient to cover all contractual obligations and build out the Company's portfolio to over 750 MW.
  - As of 31 March 2024, the Company's gearing was 6.5% of GAV.
- The Company increased its asset base on the Irish Grid to 385 MW, of which 130 MW is operational, following the acquisition of a 51% stake in a 75 MW pre-construction energy storage project (Project Mucklagh) located in the Republic of Ireland.
- The Company's assets continued to support the energy transition by providing services needed to integrate more renewable energy sources into the grid. During the reporting period, the operational portfolio avoided 15,178 tCO_2e and stored 26,232 MWh of renewable electricity.

Net Asset Value:

- NAV as at 31 March 2024 was £541 million, bringing NAV total return since IPO to 48.4%
- NAV per ordinary share of 107.0 pence per share
- The main drivers of NAV during the period where updated macro assumptions, reflecting the current environment in which the Company was operating in, as well as pro-active management, resulting in continued strong cash generation and a material increase in energised capacity.

Table 1: Movement in NAV since March 2023

Movement in NAV since March 2023	Changes in NAV (PPS)
NAV March 2023	115.6
Offering Proceeds	–
Dividends	-7.4
Revenue Curves	-7.0
Inflation	-1.5
Discount Rates	-2.8
Net Portfolio Returns	10.1
NAV March 2024	107.0

The Investment Manager's Report provides readers with an explanation of the backdrop in each of the markets the Company operates in. It details the revenues generated, how the assets performed, and the specific drivers of the portfolio's NAV. It also includes a Q&A with the Investment Manager's CIO and CFO, Sumi Arima, where he talks about the Company's strategy and his thoughts on the markets in which the Company operates. The Investment Manager's CEO, Dr Alex O' Cinneide, then gives his views on the Company's performance, and outlook of the future.

A glossary of industry terms can be found on page 104 of the 2024 annual report.

Portfolio

1.25 GW

Total portfolio (GW)

1.62 GWh

Total portfolio (GWh)+

421.4 MW

Energised

826.8 MW

Pre-construction and construction phase projects

Portfolio in GB & Northern Ireland (GBP)

Asset name		Capacity	Ownership
1	**Boulby**	6.0 MW | 6.0 MWh	99.9%
2	**Cenin**	4.0 MW | 4.8 MWh	49.0%
3	**POTL**	9.0 MW | 4.5 MWh	100.0%
4	**Lower Road**	10.0 MW | 5.0 MWh	100.0%
5	**Mullavilly**	50.0 MW | 21.3 MWh	51.0%
6	**Drumkee**	50.0 MW | 21.3 MWh	51.0%
7	**Hulley**	20.0 MW | 20.0 MWh	100.0%
8	**Lascar**	20.0 MW | 20.0 MWh	100.0%
9	**Larport**	19.5 MW | 19.5 MWh	100.0%
10	**Ancala**	11.2 MW | 11.2 MWh	100.0%
11	**Breach**	10.0 MW | 10.0 MWh	100.0%
12	**Stony**	79.9 MW | 79.9 MWh	100.0%
13	**Ferrymuir**	49.9 MW | 49.9 MWh	100.0%
14	**Enderby**	Energisation | Sep 2024	100.0%
15	**Middleton**	Grid Availability | 2026	100.0%

Republic of Ireland & Germany (EUR)

Asset name		Capacity	Ownership
16	**Cremzow**	22.0 MW | 29.0 MWh	90.0%
17	**Porterstown**	30.0 MW | 30.0 MWh	100.0%
17.1	**Porterstown Expansion**	Energisation | TBC	100.0%
18	**Kilmannock**	Grid Availability | 2026	100.0%
18.1	**Kilmannock Expansion**	Grid Availability | 2027	100.0%
19	**Mucklagh**	Grid Availability | 2028	51.0%

North America (USD)

Asset name		Capacity	Ownership
20	**Snyder**	9.95 MW | 19.9 MWh	100.0%
21	**Westover**	9.95 MW | 19.9 MWh	100.0%
22	**Sweetwater**	9.95 MW | 19.9 MWh	100.0%
23	**Big Rock**	Energisation | Dec 2024	100.0%
24	**Dogfish**	Energisation | Feb 2025	100.0%
25	**Wichita Falls**	Grid Availability | 2025	100.0%
26	**Mesquite**	Grid Availability | 2025	100.0%
27	**Mineral Wells**	Grid Availability | 2025	100.0%
28	**Cedar Hill**	Grid Availability | 2025	100.0%

* MWh included for operational sites

\+ Based on expected system duration and may be subject to change

Revenue Generation and Portfolio Performance

Renewable energy generation has continued to grow across the markets in which the Company operates, enabled by increased flexible capacity on each grid system. Battery energy storage systems (BESS) deliver value in these jurisdictions by providing frequency services, load shifting, grid balancing, energy arbitrage, and by ensuring reliability of supply during periods of stress caused by extreme temperatures and varying wind conditions.

During the fiscal year, the fundamentals driving revenues in Ireland and Texas were even stronger than the previous year. Integration of rising levels of wind generation continued to drive the Irish grid's flexibility needs and revenues for BESS, which has become a crucial technology within the ancillary services market. Electricity demand in Texas, meanwhile, continued its upward trend, increasing the system's need for fast-acting reserves. The continued deployment of solar in Texas has also driven the "Energy Reliability Council of Texas" (ERCOT) grid operator to introduce services capable of responding to grid load ramps, which have become an increasingly significant challenge during the evening ramp-down of solar generation.

German ancillary services experienced a drop in value as gas supplies were less constrained than in the previous financial year. Wholesale trading, meanwhile, offered significant opportunity throughout the year, as both supply and demand sought to rebalance positions in the continuous trading markets. This created high liquidity for traders, resulting in more lucrative opportunities for BESS operators. Germany also permitted and facilitated easier access for energy storage to new revenue streams such as aFRR, for which the German asset is now prequalified, FCR prices saw a rise post

period in Germany, which can be credited to high solar penetration suppressing mid-day energy prices, increasing the opportunity cost for traditional thermal generation to run to deliver FCR services.

The GB market was subject to one of the most challenging years to date for BESS as large amounts of energy storage capacity continued to be added to the grid and National Grid introduced changes to the ancillary services procurement methodology, causing ancillary services revenues to fall as a result of increased competition. Trading markets did not provide relief to tight ancillary services markets over the winter, driven by lower gas prices than in previous years and milder temperatures. Changes to market operation through introduction of the Enduring Auction Capability (EAC) for dynamic markets and the Open Balancing Platform in the Balancing Mechanism (BM) did not provide the increased opportunity the market had anticipated.

The difference in dynamics driving these markets highlights the benefits of the Company's globally diversified portfolio. The portfolio generated a 5.5% uplift in revenues compared to the previous financial year. This global approach has made the portfolio less susceptible to revenue variances over time caused by cyclic downturns in individual markets.

During the fiscal year, the portfolio increased the number of services offered to the market compared to the previous year (aFRR in Germany, ECRS in Texas, Balancing Reserve in GB). The assets were also more actively trading than in previous years, with 7% of revenues coming from trading, versus 3% in the previous financial year.

The Investment Manager has continuously sought to maximise the performance of the portfolio in each market. Targeted decision-making, such as changing Route to Market providers "RTMs" in multiple geographies, allowed the portfolio to benefit from uplifts in performance. Continuous monitoring of the markets, asset performance, and service delivery also enabled the Investment Manager to identify points of improvement to the portfolio's overall performance, which continues to show a robust and healthy level of revenue generation independent of individual market conditions. The announced addition of new services (Quick & Slow Reserve in GB, Dispatchable Reliability Reserve Service (DRRS) in ERCOT, Capacity Market in Germany), coupled with market changes (REMA in GB, Future Arrangements for System Services and Day Ahead System Service Auction in Ireland), are expected to produce new opportunities for BESS.

Great Britain

Table 2: Overview of the GB Market

TSO	National Grid
GB Portfolio	189.6 MW / 180.9 MWh
Market Share	5%[1]
Revenue during the period (m)	£10.1[2]
Revenue per MW/yr	£77,300/MW
Revenue per MWh/yr	£82,900/MWh

1 3,884 MW buildout at 31st March 2024, from MODO GB Asset Database

2 The figure includes c.£3.0m of Liquidated Damages

The GB market experienced a significant decrease in generated revenues from the previous financial year. Market indices indicate a 69% fall in overall market performance between FY23/24 and FY22/23, on a per MW basis, primarily driven by increased competition in ancillary services markets and suppressed volatility in the traded markets throughout the year.

GB added 1.4 GW of new BESS on the grid during FY23/24, the highest increase seen to date, while average EFA block ancillary service procurement levels increased by only 1 GW compared to the previous financial year. This uneven increase led to saturation of ancillary services markets, especially Dynamic Containment/Moderation/Regulation (DC/M/R). A further contributor to market decline was the phase-out of dynamic FFR into November 2023, reducing the number of markets accessible to BESS. Average DC prices through the year reduced by 71% in comparison to the previous financial year.

In November 2023, National Grid ESO also introduced EAC, which allowed bidding between multiple dynamic services simultaneously and negative price bidding. The platform contributed to a further reduction in dynamic services pricing, with DC/M/R seeing a weighted average drop in prices of 32% in November 2023 versus October 2023.

Simultaneously, regular trading opportunities did not materialise for BESS as energy prices decreased compared to the previous financial year. Trading in wholesale markets, therefore, did not provide a significant upside to ancillary services participation, further contributing to market saturation as assets did not have a consistent alternative revenue source.

Balancing Mechanism (BM) skip rates of batteries were widely criticised by BESS operators who grew increasingly frustrated by the apparent preference of the system operator to utilise thermal generators to provide system action rather than BESS, which were reportedly more cost-effective. The introduction of National Grid's new platform to administer the BM (Open Balancing Platform or OBP) in December 2023 sought to rectify this by automating part of the BM process, allowing the grid to take more decisions and dispatch from a wider asset base. Since the introduction of the OBP, BESS

have seen some increase in BM participation, however, this has not had a material impact on the overall revenues of batteries while increasing competition in the marketplace between smaller assets.

Further changes came to the market in March 2024 as Balancing Reserve (BR) was introduced for BM-registered sites to act as a payment for sites that are to be made available in the BM. BR did not significantly impact BESS revenue at the close of the financial year, though operational information is currently limited.

The annual Capacity Market (CM) auctions cleared at a high price, driven by increasing requirements set by The Department for Energy Security and Net Zero (DESNZ) and limited existing capacity. The Company secured a combined 251.5 MW of non-derated Capacity Market contracts across both the T-4 CM auction, which cleared at a price of £65/kW/year, and the T-1 CM auction, which cleared at £35.79/kW/year. These agreements will provide an additional c.£1.7 million in two delivery years, alongside existing CM commitments. All GB assets, therefore, continue to have ongoing CM contracts.

At the beginning of the reporting period, BESS buildout reached its highest rate on the grid to date. However, Q4 saw the lowest build-out of capacity since Q2 of FY22/23. This points towards the cyclical nature of the GB market as capacity build-out starts to slow down as a result of lower revenues. As grid volatility and ancillary services procurement increases in line with the deployment of further wind and solar across the grid, the trend of lower BESS buildout should allow increased opportunities in the future for current market participants.

Ireland

Table 3: Overview of the Irish Market

TSO	EirGrid & SONI
Irish Portfolio	130.0 MW / 72.6 MWh
Market Share	15%[3]
Revenue during the period (m)	£ 23.6
Revenue per MW/yr	£181,600
Revenue per MWh/yr	£325,200

3 849 MW of BESS capacity in both ROI and NI, based on Aurora Ireland Flexible Energy Market Report May 2024

The Delivering a Secure Sustainable Electricity System (DS3) initiative holds a pivotal role within the combined Irish energy system by facilitating the integration of non-synchronous renewable energy sources, primarily wind power. At the heart of DS3's functionality lies the System Non-Synchronous Penetration (SNSP) scalar, a real-time metric that gauges the level of intermittent renewable generation and net interconnector flows within the single electricity market of Northern Ireland (NI) and the Republic of Ireland (ROI), defined as a percentage of electricity demand on the system. DS3 rates increase as SNSP increases, meaning that batteries delivering DS3 services see increasing remuneration per hour for their response at times when the system needs it the most.

Throughout the reporting period, as the buildout of renewable generation continued across the Irish market, the system encountered a substantial increase in both absolute levels and volatility of wind power generation, exhibiting an average SNSP increase of 27% compared to the previous year. This resulted in a notable c.40% year-on-year surge in DS3 revenue. In addition, the high availability maintained by assets throughout the year contributed to a consistent monetary performance by the Irish assets.

Wholesale trading, or energy arbitrage, continued to play an important role as opportunities were capitalised on during periods of high demand and low wind generation, resulting in a spike in Day-Ahead or Intra-Day pricing. The Investment Manager's dynamic approach executed by the Company's RTM partner allowed for the reallocation of higher volumes into this wholesale revenue strategy rather than solely relying on DS3. This enabled additional access to revenues, especially for Porterstown in ROI that has a fixed price capped contract.

The Company successfully secured lucrative CM contracts at £100/kW/year for Mullavilly and Drumkee in the T-4 27/28 auction and £128/kW/year for Porterstown in the T-1 24/25 auction, adding to the existing CM contracts in place during the fiscal year. The diversification of revenue from multiple sources surpassed forecast projections, resulting in a significant performance increase of 41% for NI and 23% for ROI compared to the previous reporting period.

Wind volatility is expected to continue to shape Ireland's dynamic electricity market structure, with BESS positioned at the forefront of maintaining grid security and stability to support the increase in SNSP to up to 95% by 2030 from up to 75% today and aid in achieving Ireland's 2050 net-zero goals.

Germany

Table 4: Overview of the German Market

TSO	50 Hertz, Amperion, Tennet, Transnet BW

German Portfolio	22.0 MW / 29.0 MWh
Market Share	2%[4]
Revenue during the period (m)	£1.8
Revenue per MW/yr	£80,000
Revenue per MWh/yr	£60,700

4 As at 31 March 2024, German had 1,353 MW of grid scale BESS capacity operational

Both the German and broader European energy markets saw decreases in energy prices during the reporting period that impacted the revenues available to BESS. Gas and electricity wholesale markets prices experienced reductions of 69% and 62%, respectively, compared to the previous FY as a result of milder temperatures during the winter, increased availability of gas storage, and a steady influx of liquefied natural gas (LNG) from global sources as Germany diversified its supplies away from Russia. EU regulation aimed at ensuring gas stores are replenished led Germany to import an increasing volume of gas from the United States and Qatar. The normalised gas prices served to reduce energy price volatility, contributing to a 50% decrease in Frequency Containment Reserve (FCR) prices compared to the previous reporting period.

The Company's Cremzow asset strategically diversified its participation beyond a sole focus on FCR in anticipation of these market challenges. The Investment Manager's engagement of a new RTM provider offering algorithmic trading methods led to enhanced flexibility and revenue potential through high-frequency trading, which mitigated the risks associated with an FCR-centric strategy. Cremzow was also successfully prequalified for both sub-services of automatic Frequency Restoration Reserve (aFRR) – energy and capacity – following the PICASSO reform, which enabled participants to deliver balancing energy for 15 minutes instead of the previous requirement of at least four hours. This combined approach, leveraging additional services and algorithmic trading, allowed the equivalent capacity from the Company's German asset to surpass the revenue achievable from a strategy focused solely on FCR by 43% across the reporting period.

Despite the increase in LNG supply and the milder temperatures leading to price dips, the structural deficit in European natural gas persists due to the shortfall from lost Russian imports. European energy prices remain vulnerable to supply disruptions or spikes in demand, especially during winter, hot summers, or periods of high renewable energy penetration on the system increasing the need for flexibility. In these situations, BESS assets like Cremzow play a pivotal role in providing flexibility services to stabilise the grid and meet fluctuating energy demands.

Post-period the Company has begun accessing a broader spectrum of revenue streams with the commencement of aFRR capacity in May 2024.This strategic positioning underscores the significance of enhancing market resilience despite the challenges posed by market dynamics.

This increased market access also positions the Company to capitalise on upcoming opportunities as Germany grows its energy storage ambitions. In December 2023, the Federal Ministry for Economic Affairs and Climate Protection (BMWK) published an electricity storage strategy designed to remove barriers for the asset class to support Germany's renewable energy targets for 2035. This was followed by the announcement of a CM mechanism, set to launch in 2028, similar to those used in other markets to secure long-term contracted revenue.

Texas

Table 5: Overview of the Texas Market

TSO	ERCOT
Texas Portfolio	29.85 MW / 59.7 MWh
Market Share	1%[5]
Revenue during the period (m)	£ 6.0
Revenue per MW/yr	£200,400
Revenue per MWh/yr	£100,200

5 3,243 MW stand-alone BESS buildout at 31st March 2024, from MODO ERCOT Asset Database

Assets connected to the ERCOT market in Texas saw overall increases in revenue over the reporting period in comparison to the previous fiscal year, driven primarily by volatility over Q2. Temperatures continue to be a key driver of prices in Texas, with overall demand on the grid increasing year-on-year. Peak summer demand for 2023 was 5 GW higher than the equivalent peak in 2022, contributing to low available headroom on the grid and driving reserve prices and scarcity pricing.

In June 2023, the grid operator introduced the ERCOT Contingency Reserve Service (ECRS), an additional reserve service accessible to BESS. The more constraining and demanding requirements of ECRS participation in comparison to Responsive Reserve Service (RRS) lead to ECRS carrying a significant premium throughout the summer, with the average price of ECRS turning out 77% higher than RRS in FYQ2. The operational Texan sites made 72% of their overall

revenue in this quarter, as the summer proved once more to be the most lucrative period of the year, driven by high temperatures. The Investment Manager's decision to change RTM in the months prior to unlock access to more markets proved beneficial, allowing the assets to capture the peak ECRS pricing in August.

As load decreased into Autumn, and with the start of the permitted ERCOT maintenance windows, renewable energy generation as a factor of total demand increased. This invariably led to high price volatility throughout the ERCOT system. In West Texas, where the operational portfolio sites are located, high levels of wind provided lucrative trading opportunities as the assets participated increasingly in trading.

Texas did not see significant disturbance from winter storms compared to previous years (winter storms Uri and Elliott). The FY22/23 storms led to considerable increases in both energy and ancillary services prices, as they reduced the amount of operational capacity on the grid and impaired infrastructure. In January 2024, winter storm Heather brought freezing temperatures to Texas for multiple days, however, the impact on grid infrastructure was limited. Reserves prices saw an increase over January, with an average ECRS price across three days of $170/MW/hr, raising the month's average to $18.8/MW/hr. The remainder of Q4 was mild, leading to low opportunity in ancillary services and reduced opportunity in wholesale trading, although milder conditions led to more trading as a percentage of revenue, with 20% coming from trading in Q4 compared to 11% in Q3.

Overall, the Texan portfolio outperformed the previous year by 57%. RRS saw a 22% increase in average price compared to the previous year, however, the distribution of RRS pricing through the year was comparatively more skewed towards higher prices. Less frequent but more exceptionally high-priced days pushed the overall average upwards at the expense of mid- and low-priced days. This further illustrates the value in capturing periods of peak pricing, as well as designing alternative strategies on days of lower prices.

California

Table 6: Overview of the Californian Market

TSO	CAISO
Current Phase	In Construction
Target Energisation	December 2024

California's grid has continued to accommodate BESS, with a further 6.8 GW planned for deployment in the 2024 calendar year[6]. This increase aligns with the additional renewable energy on the grid, as a further 4.8 GW of solar energy capacity is planned to interconnect in 2024. Such increases in renewable generation, especially from solar, have continued to drive the load shape towards a "duck-curve". High renewable penetration on the grid has increasingly led to suppressed energy pricing during peak solar generation hours. This trend is expected to yield frequent negative pricing during "shoulder months", where the load is at its lowest, increasing availability of spreads available to BESS for trading.

6 S&P Global – Outlook 2024: CAISO battery boom continues with over 6 GW planned in 2024

At the end of the previous financial year, CAISO and the CPUC approved the implementation of the mid-term reliability programme. As a result of this decision, the relative scarcity of projects available to deliver Resource Adequacy (RA) contracts has led to an increase in RA contract values. As an eligible participant, batteries that are not currently committed to an RA agreement have been able to capitalise on this opportunity.

These long-term contracts are expected to account for a significant proportion of revenue (up to c.40%), presenting a valuable opportunity for eligible battery projects, including the Company's 200 MW/400 MWh Big Rock asset.

Overall portfolio performance

The portfolio generated £41.4m in revenues, an increase of 5.5% compared to the previous year (2023 Financial Year £39.3m), with weighted annualised revenue of c. £130,000/MW (£15.12/MW/hr). This was achieved through geographical diversification and the Company's unique ability to generate revenues even when some markets were hindered by seasonal variation or saturation.

Table 7: Summary of Portfolio Performance

	£(000's)	% within grid
GB 189.6 MW / 180.9 MWh		
Ancillary Services	3,226	32%
Capacity Market	2,007	20%
Wholesale Trading	1,032	10%
Other[7]	3,795	38%
Total[8]	10,059	100%
Ireland 130 MW / 72.6 MWh		

Ancillary Services	22,474	96%
Capacity Market	734	3%
Wholesale Trading	318	1%
Other	82	0%
Total	23,608	100%
Germany 22 MW / 29 MWh		
Ancillary Services	953	54%
Wholesale Trading	807	46%
Other	–	0%
Total[9]	1,760	100%
Texas 29.85 MW / 59.7 MWh		
Ancillary Services	5,128	86%
Wholesale Trading	633	10%
Other	223	4%
Total	5,983	100%
Portfolio Total	**41,411**	

Market	Revenue £(000's)	£(000's)/ MW/yr	£/MW/hr	£(000's)/ MWh/yr	£/MWh/hr
GB	£10,059	£77	£8.80	£83	£9.44
Ireland	£23,608	£182	£20.67	£325	£37.02
Germany	£1,760	£80	£9.11	£61	£6.91
Texas	£5,983	£200	£22.82	£100	£11.41
Weighted Average	**£41,411**	**£133**	**£15.12**	**£147**	**£16.69**

Total Revenue £(000's)	Jun-end 2023	Sep-end 2023	Dec-end 2023	Mar-end 2024
GB	£1,859	£1,775	£1,647	£4,777
Ireland	£3,931	£5,797	£7,145	£6,736
Germany	£340	£509	£530	£381
Texas	£798	£4,325	£338	£522
Total Revenue	**£6,928**	**£12,406**	**£9,660**	**£12,416**
Operational Capacity	291.6 MW	291.6 MW	371.5 MW	371.5 MW

7 Includes REPs, ABSVD, NIV, and Liquidated Damages.

8 The Company holds a 49% ownership interest in Cenin (4.0 MW) and retains 49% of the generated revenue.

9 The Company holds a 90% ownership interest in Cremzow (22 MW) and retains 90% of the generated revenue, while Enertrag maintains a minority stake in the asset.

Asset Performance

The portfolio performed well with average availability incorporating all commercial operations downtime, including planned preventive maintenance, exceeding 93% across the reporting period.

Great Britain:

The GB fleet performed well during the period, with the fleet's average availability broadly in line with the consolidated portfolio average. Larport's availability was impacted due to a substation transformer failure, which was resolved in January without ongoing concern.

Ireland:

Project performance in Ireland remains a highlight for the portfolio, with over 99% availability over FY 24/25 (a small uplift on FY 22/23). All Irish projects responded to the requirements of DS3 services without issue. As in FY22/23, all DS3 events were responded to correctly and the projects continue to generate revenue in these services without penalties.

Germany:

The Cremzow project comprises two phases, a 20 MW phase and a pilot 2 MW phase. The 20 MW phase performed well during the period and met expectations, however, the 2 MW phase had lower availability as it uses older technology. The Investment Manager is currently exploring options to enhance the availability of the 2 MW phase in the long term.

US - Texas:

The three operational projects (Snyder, Sweetwater and Westover) performed well in the first half of the reporting period, which was critical for project revenues as summarised in the revenue performance section of this report. Downtime was mostly driven by inverter failures, although communications network connection failures drove some outages. These issues have been addressed by installing redundancy measures such as satellite backup. The Investment Manager has been working closely with the inverter manufacturer and O&M provider to identify measures to upgrade inverters at each site (some firmware updates and upgrades are now completed, with more upgrades due in May 2024). Preventative maintenance is being coordinated to maximise each project's capability for stable performance ahead of the summer season and peak pricing.

Asset Management Developments

This was another busy year for both the industry and the portfolio.

Trials were completed with battery analytics providers and a suitable supplier was identified for supporting the wider portfolio. Insurers valued the material risk reduction of this approach, and the Investment Manager received and accepted quotes for improved premium terms for multiple sites in GB. Shortly after the reporting period, this approach extended to a global portfolio policy utilising the same monitoring and diagnosis software: it is believed this will be the first global policy of its kind for a portfolio of battery storage systems, highlighting the Investment Manager's approach to thought leadership whilst leading by example. Additional projects (since Cremzow) are also being retrofitted with electrolyte vapour detection (an additional mitigation through hardware to avoid thermal runaway occurring), evidencing the Investment Manager's commitment to best practices in safety for the fleet.

The Investment Manager continued to identify and enact operational performance efficiencies. In GB, reduced prices were negotiated across the majority of O&M contracts and most asset management contracts were terminated in favour of in-house management enabled by the growing technical capabilities and experience of the Investment Manager. In Ireland, project warranties were reviewed and material cost savings were identified (effective Q1 FY24/25). The Investment Manager will deliver asset management activities for all three operational Irish projects moving forward. Engagement with RTMs in both Germany and Texas remains strong and will facilitate improved coordination and scheduling of downtime to best support revenue optimisation in these markets.

Data-driven asset management will be a focus of FY24/25. Partners have been identified (with contractual negotiations underway) for the entire portfolio to support data collection, battery analytics, automated operational insight and live alerting. Many benefits are expected from this approach, such as increasing availability by quicker awareness of project faults and better decision-making for RTMs and commercial optimisation teams.

Project Progress Overview

Stony (79.9 MW – Great Britain) - Operational

Construction at Stony was successfully completed in July 2023, and the site was subsequently energised in September 2023. The commissioning process went smoothly, and the asset began providing service in December 2023. Operational notifications have been received from the distribution network operator, and the asset is now active across ancillary services, trading and Capacity Market.

Ferrymuir (49.9 MW – Great Britain) - Operational

Works at Ferrymuir were disrupted by the insolvency of the contestable works contractor, Smith Brothers Contracting. The Investment Manager secured critical long lead time equipment and arranged the appointment of a replacement independent connection contractor. Working with the utility operator, Scottish Power, the completion of the contestable works was negotiated, and the site was energised in February 2024. Revenue generation from the asset began in July 2024. As site take-over was scheduled to occur at the end of May 2024, but the milestone was not achieved, the Company is pursuing its contractual remedies to compensate for lost revenues due to those delays.

Enderby (57 MW – Great Britain)

Pre-commencement planning conditions were fully discharged, and the contractors mobilised to site in late Spring 2023. Rapid progress was made on the completion of the civil engineering and drainage works at the BESS site and all of the infrastructure is now installed. The batteries, power conversion system (PCS) and substation are delivered, installed and ready for energisation. Connection to the grid has been prevented by delay to National Grid's protection system on account of rectification of security vulnerabilities. National Grid have completed their works and energisation is to commence in August.

Dogfish (75 MW – Texas)

At Dogfish, the transformer, switchgear and ancillary high-voltage equipment were procured in September ahead of the close of the EPC to minimise the impact of long lead manufacture and delivery on project schedule. The EPC was signed

with Nidec in December and design and procurement are well advanced. Physical works of a significant nature have been completed at the site to safe-harbour 2023/24 energy community designation for the investment tax credit 10% enhancement. Works are on track for energisation in February 2025. This is later than previously reported owing to selection of Nidec as the EPC delivery partner after the opportunity for supplier financing arose. Negotiation of the finance agreements together with re-opening EPC negotiations took time but offered lower risk and better alignment with the Manager's capital allocation strategy.

Big Rock (200 MW – California)

Completion of pre-commencement development obligations was completed through the summer of 2023, and ministerial permits were issued by the County ahead of mobilisation. All major procurement is complete for Big Rock and works are progressing well on site. The BESS EPC contractor has completed the access roads, grading and drainage works. All of the foundation piles are installed, and the BESS enclosures have begun to be delivered to the site. The substation and overhead line construction are progressing on schedule while transformer manufacture is complete, and delivery is planned for June. Line outage and switchyard energisation are being scheduled with the local utility for September – system conditions allowing – with commissioning on the BESS to follow. The BESS is on track to be energised in December 2024.

DEVELOPMENT AND PRE-CONSTRUCTION

The construction schedule for Porterstown II has been revised to accommodate several important factors. Notably, there was a significant 14% reduction in battery prices[10] between 2022 and 2023 onwards, with this trend extending into 2024. The Investment Manager has, therefore, made an adjustment to the construction schedule to capitalise on the declining prices and policy and liquidity considerations in order to maximise returns. This strategy is consistent with the Investment Manager's history of minimising capex through various means, such as strategic financing, exploiting pricing and policy trends. The Investment Manager is also cognisant of the current interest rate environment and signals from the BOE, and its use of debt in the current environment. Therefore, this adjustment to the construction schedule is viewed as a proactive step that is expected to result in a higher asset IRR and a good example of active management. The Investment Manager will update the market in the near term on construction dates.

10 Source: Bloomberg

The Investment Manager has completed applications for new planning consents for Kilmannock I and II to take advantage of the latest technology configurations and the nature of the site topography. The consent for Kilmannock I and for Mucklagh, the new addition to the portfolio as of March 2024, has been received. Pre-commencement planning conditions for Kilmannock I are being discharged with an archaeological investigation most recently completed in April 2024 without any finds.

At Middleton, similar archaeology works for a pre-commencement condition are planned, and work is underway on construction environmental management plans, drainage design and system design.

Long lead procurement for the main grid transformers for Kilmannock and Middleton is underway. Projects are in good readiness to proceed to construction pending final capital allocation.

Battery prices have continued to fall through 2023 and 2024, reinforcing the Investment Manager's decision not to overbuild assets, ensuring optimal capacity to serve the market opportunities present and configuring projects for future modification. Rapid growth of battery manufacturing has outpaced demand, which is leading to significant downward pricing pressure on battery makers. Looking ahead to 2025, US manufacturers benefiting from IRA subsidies are expected to further intensify competition, potentially driving prices further down. For projects currently in procurement, the Investment Manager has secured price reductions of between 8% to 34% from Q3 2023 to Q2 2024, for combined battery module and container offers.

Table 8: Sites in construction

Construction	Capacity	Target Energisation
Stony	79.9 MW	Energised
Ferrymuir	49.9 MW	Energised
Enderby	57.0 MW	Sep-24
Big Rock	200.0 MW	Dec-24
Dogfish	75.0 MW	Feb-25

Table 9: This table lists the expected availability of grid connections where contracts accepted and signed for pre-construction assets. Completion of development, procurement and ultimately construction will be scheduled to align with connection availability while optimising capital deployment.

Other Portfolio	Grid Availability

PBSL2	TBC[11]
Mineral wells	2025
Mesquite	2025
Cedar hill	2025
Wichita falls	2025
KBSL 1	2026
Middleton	2026
KBSL2	2027
Mucklagh	2028

11 Energisation target to be determined based on capex pricing and market opportunity. The Investment Manager expects to provide details in the Company's next Interim Report

Q&A with Sumi Arima

Sumi Arima

CIO and CFO of Gore Street Capital, the Investment Manager

Q: What were the key milestones reached in the 2024 fiscal year?

Unlike the previous reporting period, which was defined by a series of acquisitions that took the Company into three new international markets, FY23/24 was a milestone year in itself as the strength of the diversified strategy was illustrated. We have always believed that, as a responsible investor dedicated to delivering sustainable value to shareholders, diversification was the correct choice to lower risk and access as wide a range of revenue streams as possible. The consolidated portfolio over the reporting period has demonstrated why this choice was the right one by consistently delivering average revenue of £15.1 per MW/hr, or c.£133,000 per MW/year.

We have been able to report this average figure throughout the year as strong performance in markets like Ireland and Texas offset the decline we've seen in GB and the normalisation of revenues in Germany following the previous reporting period's unprecedented market conditions. This was particularly evident in FY Q2 driven by high volatility in the ERCOT market and our prequalification to deliver the new ECRS service. Reaching approximately £150/MW/hr for the month of August was a particular highlight as the Company's highest monthly revenue per MW ever achieved from a single market.

More important is that this story continued throughout the year, highlighting the uniquely stable revenue profile the Company has achieved through its diversification strategy.

We also saw the confidence that this approach has inspired across the market, with contracts negotiated with strategic partners to secure growth, in part, on the basis of share issues. This allowed the Company to grow its portfolio in the lucrative Irish market with a minimal cash consideration, aligning interests between the Company and key stakeholders and demonstrating the value of our track record of success.

Work is already well underway to continue to build on this record, with the Company's biggest projects to date moving ahead at pace. Energisation of the 79.9 MW Stony asset in September was a key milestone, becoming the largest energised project to date within the portfolio, while progress at the prioritised US sites is positioning the Company to once again capitalise on its international presence through access to new revenue streams.

We have been able to overcome the complexities of entry into California, one of the most regulated markets in the world, to progress the 200 MW Big Rock asset towards its targeted energisation date in December. The scale of this project compared to the Company's first 6 MW asset in GB is a true reflection of its ambition, and the results we've seen this reporting period show how important it has been to overcome the challenges associated with entering new markets over the last six years to create a diversified and successful portfolio.

Q: Did revenues emerge as expected over the reporting period?

We underwrite our assets to declining revenues on the assumption that, as a first mover across multiple geographies, new market players would emerge and build out capacity to compete with the Company's portfolio once the business case is proven and capital costs reduce. The GB market is the best example of this, having undergone cycles in which demand for grid balancing services exceeds supply, bringing new entrants into the market chasing high profitability. This inevitably leads to oversupply of capacity and a reduction in available revenues, causing new capacity additions to subside.

What did surprise us over the reporting period is how much capacity continued to be built out in GB by peers with a single market strategy. The fundamental driver of increased system volatility that stems, in part, from higher penetration of renewables on the grid was not at the level required to support so much energy storage capacity coming online, which is why the GB market has experienced such suppressed revenues over the reporting period. This situation also effectively

reinforces the decision to follow a diversified strategy, as the Company has been able to access a wide range of revenues across an international portfolio.

Seasonal variations between regions continued to play a role in the revenues that emerged over the reporting period although in a slightly less pronounced way. In Ireland, for example, higher wind generation in the summer as well as winter months resulted in consistently stronger performance throughout the year as the Company's assets helped to ensure stable integration of renewables.

We anticipated higher overall revenues from ERCOT as a result of our transition to a more sophisticated revenue strategy, which we knew would provide access to a wider range of revenue streams. The Investment Manager is in regular contact with our partners in Texas as well as the grid operator to understand what volatility is expected on a quarterly basis. This meant we were prepared for the scale of opportunity achieved over the summer.

As well as cushioning market decline in GB, the expected strong performance in Ireland and Texas also helped to reduce the impact of revenue reductions in Germany. This fall stemmed from a reduction in power prices compared to the 2022/23 period, which contained extreme gas market volatility as the EU raced to reduce its reliance on Russian gas supplies. With gas setting marginal prices for the power market, revenues available to the Company's Germany asset were higher at that time compared to what we expected to see once the market resettled. With EU efforts firmly in effect over the latest reporting period, power prices returned to more normalised levels as predicted, causing a sharp fall in revenues compared to the previous year's extreme prices. Our strategy for the year accounted for this predicted decline as we adopted a more data-driven, trading focused approach to broaden our activities beyond just ancillary services.

Q: How has the decline of GB revenues affected the Company's consolidated revenue performance?

The downturn in GB has been drastic, with a combination of saturation in ancillary services and reduced volatility in the wholesale market reducing the value that can be extracted from this single market. The decisions taken by the Company since establishing the energy storage asset class six years ago—to allocate capital across multiple, uncorrelated markets—have meant that the impact on the consolidated portfolio's performance has been minor. We also appreciated the support of shareholders back in the 2022 General Meeting, where shareholders supported an amendment to allow the Company greater flexibility to invest outside of the UK and Ireland, reducing the minimum allocation to UK from 60% to 40% which further supported our diversification strategy. The Company has, in fact, increased its overall revenue on an absolute basis compared to the previous financial year due to the uptick we've seen in other geographies, highlighting the uniquely stable revenue profile of its diversification strategy.

The average revenue of £8.80 per MW/hr we've seen in GB, including liquidated damages, compares to £19.6 per MW/ hr from the non-GB portfolio. With almost no correlation between GB revenue and non-GB revenue, the entire operational portfolio has been able to maintain consistent performance and reduce revenue volatility over half, as illustrated in figure 6 on page 22 of the 2024 annual report, compared to what would be achieved by a GB-only strategy. The confidence this provides for investors in the Company's ability to deliver consistent returns is a result of the diversification strategy enacted by the Investment Manager and how capital has been allocated across five international markets to date. We are, therefore, committed to further reducing the Company's exposure to GB as a proportion of capacity on a MWh basis to provide greater value for investors.

Markets like Ireland and Texas could experience similar cyclical declines as more capacity comes online and their markets become more saturated. The difference, however, is that these markets are adding renewables at a faster rate than we are seeing in GB, driving the fundamental economic case for energy storage. We will also be adding capacity in new markets with the scheduled energisation of the 200 MW Big Rock asset in California by the end of 2024, providing access to long-term contracted revenue from the high-value Resource Adequacy market. As with participation in other uncorrelated markets, this will contribute to revenue stability at a consolidated portfolio level.

We are already seeing the current weaknesses of the GB market discourage new market entrants and capacity additions, potentially kickstarting the next cycle of recovery. Energy storage is a long-term asset experiencing volatility year by year but, as more renewables are added and the flexibility needs of grid operators increase, the crucial role of the asset class remains strong.

Q: What is the Company's view on GB market recovery?

As the Company has a dedicated focus on delivering sustainable returns through its diversified approach, monitoring profitability over the long term rather than reacting to short-term trends is a key role fulfilled by the Investment Manager to ensure this is achieved.

As one of the first active players in the GB market, we have seen high revenue years followed by overbuild and a subsequent reduction in available revenue from frequency services. This is the situation we find ourselves in today, with GB's c.4 GW of battery energy storage offering more capacity to the ancillary services market than currently required. Wholesale trading revenue, although increasing, still does not offer high enough returns on a consistent basis to make up this shortfall and so value is more difficult to extract.

In the past this has led to under-build of new projects until profitability returns to previously seen levels and we are already seeing signs of that cycle continuing, with low-capacity additions to the GB fleet in FY Q4. We have remained prudent in our build strategy throughout these cycles, designing assets to suit available revenue streams while minimising capex—on a MW and MWh installed basis—with the optionality to retrofit with additional duration when market opportunities warrant the additional capital expenditure.

While the timeline for recovery remains unclear, we are seeing National Grid ESO continue to develop new products and capabilities to better utilise the unique capabilities of battery energy storage systems. Higher revenue generation could, therefore, be on the horizon in GB but the timing of this recovery is a complex question. It is largely dependent on the pace of renewable deployment, the grid operator's frequency service procurement needs, the global gas market, and the weather over the coming winter period. Any one of these factors could result in a switch to high revenue generation for the Company's GB portfolio, but it is impossible to forecast the exact timing.

This illustrates the underlying value of the Company's diversified operational portfolio as it is able to deliver returns for investors throughout these market cycles from across four uncorrelated markets to date, with CAISO in California soon to follow.

Q: Would you ever consider a tolling agreement to offset revenue risk in the future?

We regularly test the market for tolling agreements and are yet to be convinced they offer an attractive alternative or addition to our diversified approach to revenues. The recently and widely reported large tolling agreement in GB appears to fall in line with the price levels we've seen when testing the tolling market and, while it may serve to improve confidence among lenders, locking in an agreement at a low point in the market has considerable disadvantages. Any upside from market recovery is eliminated for the tolling agreement period which, for investors, means they are forced to settle for a certain but potentially low return.

Remaining merchant allows the Company to retain any potential upsides across a portfolio that is already derisked by its geographical spread across five uncorrelated markets. More importantly, we have the control over each asset to optimise the Company's revenue strategy to ensure these upsides are accessible while ensuring they maintain best-in-class operational performance.

Tolls often come with increased cycle rates, which can degrade the battery, while putting in place stringent availability requirements and penalties if they dip below that level. As an active manager with an in-house commercial and asset management team working in unison to maintain availability while engaging in a wide range of optimal revenue streams, we would not rush to give up that control.

Q: Why did the Company increase its capacity in Ireland?

The strategic decision to increase capacity in the Republic of Ireland was driven by the consistently lucrative nature of this market for the Company since its initial international expansion in 2019. The Irish market has exhibited strong fundamentals and continues to represent an attractive investment opportunity aligning with our objectives.

Through these transactions, the Company acquired the remaining 49% stake in two existing operational Irish assets – the combined 90 MW Porterstown project and 120 MW Kilmannock construction asset – through the issuance of new ordinary shares to our strategic partner Low Carbon. This long-term relationship, which was established when the Company first diversified into the Irish market, also allowed us to exercise the option to secure a 51% interest in Project Mucklagh, a 75 MW pre-construction asset with targeted energisation in 2028, for a development fee agreed back in 2019. This was an attractive cash consideration on a £/MW basis compared to the prices we see now following rapid development of the Irish market, making the legal option agreed by the Company five years ago extremely cost efficient for today.

These acquisitions represent innovative and efficient capital deployment solidifying the Company's commitment to portfolio diversification across geographic markets while strengthening a strategic partnership by bringing Low Carbon onto the Company's share register. This will ensure all parties are fully aligned during buildout of the assets to ensure they are delivered at pace to join the Irish market, which will remain critical within the Company's diversified portfolio.

The Company's ability to expand its network of long-term partners enhances its access to a pipeline of development opportunities across target geographies. As evidenced by the Company's continued execution in Ireland, active management of the portfolio through strategic acquisitions and partnerships will remain a key driver of long-term growth and shareholder value generation..

Q: How did the Company overcome the difficulties faced in securing capital during a difficult time for raising new funds?

The rapid increase in interest rates since late 2022 has significantly impacted the investment trust sector, particularly renewable energy investment trusts. These trusts have historically often traded at a premium to their NAV, reflecting investor demand and confidence in the sector's growth prospects, however, as interest rates have surged, the yield offered by these trusts became less attractive over the period relative to the risk-free rates available on government bonds.

This has led to a sell-off in the sector, depressing share prices and causing trusts to trade at discounts to their NAV levels. The discount levels have become quite pronounced for even some of the largest renewable energy investment trusts. This creates challenges from a capital raising standpoint as trusts are prohibited from issuing new shares below NAV, restricting their ability to fund new projects and acquisitions.

The challenge for the Company has been to continue to pursue a growth strategy in this environment but the Investment Manager has been able to adopt alternative complex structures in which contracts can be negotiated with strategic partners to include payment, at least in part, through share issuance at NAV. During the reporting period, this allowed us to raise gross proceeds of £15.8 million from our long-term strategic partner Nidec and grow the Company's portfolio in the lucrative Irish market by c. 24% with a minimal cash consideration through well-structured negotiations with Low Carbon.

This approach reduces the immediate cash burden on the Company while aligning our objectives with partners who have demonstrated confidence in our strategy and ability to deliver strong returns over the long term. These achievements underscore the Company's ability to navigate the headwinds of the current high interest rate environment and maintain a growth trajectory through innovative problem-solving and strong industry relationships.

While discounts persist, capital raising and funding new projects will remain a key challenge for renewable energy infrastructure investment trusts to navigate, however, we have demonstrated our ability to overcome this challenge and continue to deliver growth and value to shareholders.

Q: Has the Company's use of leverage evolved in the period as project-level finance or alternative financing structures are employed?

While still a young asset class, utility-scale energy storage has evolved rapidly in the six years since the Company first listed on the London Stock Exchange. Unlike conventional renewables, which offer long-term contracted revenues to provide certainty to lenders, energy storage remains largely based on a merchant revenue stack, reflecting the uniquely complex and varying capabilities of the technology. This has historically been met with reduced appetite from lenders to provide leverage to investments on attractive terms. As the market has matured and the Company's track record of success has become well-established, lenders are more comfortable than ever with our approach.

We remain committed to ensuring resilience on the balance sheet by retaining the Aggregate Group Debt below 30% of GAV and had reached just 6.5% of GAV at the end of the financial year. We expect this to rise to c.15% after drawing down on available debt lines to support the buildout of the Company's near-term portfolio while maintaining a low level of gearing but retaining headroom to increase borrowing should it be necessary. We have shown this period that the Company is able to capitalise on its track record to secure additional debt from key partners like Santander and First Citizens Bank at the portfolio and project level.

During the period we successfully increased the Company's revolving credit facility from £15 million to £50 million to support the construction of its projects in construction. The Company also secured $60m in debt finance at the asset level for the first time to support the 200 MW Big Rock project. The loan from First Citizens Bank reflects the value this project offers to the portfolio through the addition of long-term contracted revenues for up to c.40% of the revenue stack over the project's lifetime. Once fully drawn, the $60 million facility amounts to a conservative level of gearing equal to 25-30% of the gross asset value of the project.

These agreements demonstrate the Company's ability to raise capital, both equity and debt, in the current climate as part of a strategy to demonstrate and implement appropriate and balanced liquidity management. They also show lenders have become increasingly comfortable with the Company's approach, delivered by the Investment Manager.

Q: How have capex prices changed over the reporting period and what opportunities arise from these changes?

Our strategy has always been to build assets to the requirements of revenue streams available in the market at the time of operation. We are unique in operating assets across four different markets all with different system durations, but with a strategic view on future capacity additions should capex costs align with revenue opportunities.

Many operators in GB, for example, have committed themselves to deployment of two-hour systems at a considerable cost on the assumption that trading opportunities would emerge as the dominant revenue stream to warrant such

investment. We have instead deployed capital efficiently to focus on shorter-duration systems, primarily to deliver frequency response and ancillary services but designed with the ability to augment their duration. This approach has allowed us to maintain disciplined control over capital costs and retain the potential to take advantage of changes in capex prices when they prove most advantageous for the Company and its shareholders.

We have seen capex costs fall dramatically in the last two years driven by economies of scale and technology advancements in manufacturing, alongside a change in demand from the electric vehicle market. Today we are able to purchase equipment at a considerable discount compared to the costs incurred by two-hour projects built in recent years, which remain unrepresentative of the value available on the market.

We will continue to review options to augment our systems with additional duration in this context of lower capex prices, but will maintain our prudent approach to capital allocation in response to available revenue opportunities.

We will, of course, remain vigilant about potential headwinds, such as supply chain disruptions, geopolitical tensions, and fluctuations in raw material prices as we continue to build out our portfolio. We are, however, well-positioned to navigate the dynamic energy storage landscape and deliver sustainable returns for our stakeholders.

Q: What is your key focus for the next financial year?

As we look ahead to the next reporting period and beyond, we remain committed to driving sustainable growth and maximising returns for our investors. This begins with prioritising the build out of 332 MW of new capacity over the next seven months. This includes our landmark 200 MW Big Rock project, which will fully establish our presence in the CAISO market in California. Bringing these assets online will be crucial for expanding our operational footprint and revenue generation capabilities, improving dividend cover and creating further value for shareholders as projects are derisked as they move to operational stage.

The prioritised portfolio represents the optimal allocation of capital across the five markets in which the Company has assets, and we will continue to monitor how best to utilise the Company's existing resources. This will include evaluating opportunities to recycle capital into the most attractive jurisdictions through potential asset sales and redeployment of proceeds into higher-returning geographies and revenue opportunities. Our focus remains on maximising profitability and maintaining our leading position in revenue per MW and per MWh.

Raising capital through other means will also be a priority. We have shown over the reporting period this is possible through alternative structures and are keen to continue leveraging the Company's track record and the Investment Manager's extensive network to secure new finance.

The fundamental drivers supporting energy storage remain robust, driven by climate policies and energy security needs worldwide. We are well-positioned to capitalise on these conditions and deliver sustainable growth to investors.

NAV Overview and Drivers

Table 10: NAV Bridge

	£m	Pence per share
NAV March 2023	556	115.6
Offering Proceeds	27	0.0
Dividends	(36)	(7.4)
Revenue Curves	(35)	(7.0)
Inflation	(7)	(1.5)
Discount Rates	(13)	(2.8)
Net Portfolio Returns	49	10.1
NAV March 2024	541	107.0

Table 11: Reconciliation of Reported NAV

	2024	2023
Operational Portfolio	201,662,000	166,252,000
Construction Portfolio	290,887,000	269,037,000
Fair Value of Portfolio	492,549,000	435,288,000
Group Cash	65,168,000	136,809, 000
Other Net Assets/(Liabilities)	(17,021,000)	(15,832,000)
NAV	**540,697,000**	**556,265,000**
Aggregate Group Debt	37,345,000	–
GAV	**578,042,000**	**556,265,000**

The Company's independent valuer, BDO, conducted an independent valuation as of 31 March 2024, which included a review of key assumptions. The findings from BDO's valuation aligned with the Company's year-end valuations and the key assumptions adopted which were used to determine the final NAV.

Successful active management during the period resulted in strong cash generation which along with a significant increase in energised capacity resulted in a 10.1 pence per share increase in NAV. Key macro assumptions, including inflation, revenue curves and discount rates reflecting the prevailing environment in which the Company operated, led to a decrease of 11.3 pence per share during the period. The Company also paid dividends, resulting in a 7.4 pence per share reduction in NAV. Below, the Investment Manager provides an overview of each of the key NAV drivers during the period:

1. Offering Proceeds

The Company issued 23,700,000 new Ordinary Shares to strategic partners Nidec and Low Carbon. The shares were issued at the prevailing Net Asset Value on the date of issuance. In December 2023, 14,000,000 shares were issued to Nidec, followed by an additional issuance of 9,700,000 shares to Low Carbon in January, both at the prevailing NAV.

2. Dividends (-7.4 pence):

The Company met its dividend target during the reported period, equal to 7.5p per share. Due to the issuance of additional shares partway through the reporting period, the per-share dividend included in the above NAV bridge, amounted to 7.4p.

3. Revenue Curves (-7.0 pence):

The Company maintained its approach to revenue curves, taking the mid-case scenario from third-party research houses for the purpose of asset valuation. Where available, the Investment Manager took a blended average mid-case scenario from multiple research houses to gain a more balanced view of future revenue generation. The Investment Manager considers this method to provide a fair reflection of the underlying value of the portfolio.

Throughout the year, key markets, notably Great Britain, experienced a decline in the revenue forecasts driven by recent weakness in revenue being factored in by research houses. Despite improved outlook in some markets, the net effect compared to the previous reporting period was a decrease of 7.0 pence in NAV.

Material contracts secured during the period include: one-year T-4 Capacity Market contracts for Port of Tilbury, Lascar, Hulley, Larport and the Ancala assets and one-year T-1 Capacity Market contracts for Port of Tilbury, Stony, Ferrymuir and Enderby in GB; Capacity Market contracts for Porterstown in the Republic of Ireland (October 2023 to September 2024) and the Northern Irish assets (October 2027 to September 2028). In Germany, the forecasts were adjusted to reflect the hybrid revenue strategy (ancillary services & trading) implemented during the period, resulting in a slight increase in the assets valuation. In California, even though merchant ancillary services forecasts have seen a decrease in the period primarily due to changes in CAISO rules causing further state-of-charge management-related costs to batteries, the current market environment for long term fixed price resource adequacy contracts is favourable and is expected to be accretive to NAV once a contract has been secured. The curves were also updated for the Texan assets, with slight increases and decreases in future assumptions, dependent on the node of each asset - the overall effect for the Texan fleet was net neutral.

The revenue curves used in valuing the Company's assets as of 31 March 2024 are provided in Figure 9 on page 26 of the 2024 annual report.

4. Inflation (-1.5 pence):

As presented below, inflation assumptions applied across grids for 2024 and 2025+ reflect the inflationary macro environment observed globally. These are in line with those presented in the Company's Interim Report for the period ended 30 September 2023.

Table 12: CPI Assumptions

CPI Assumptions	GB	Ireland	US	Germany
2024	2.75%	2.75%	2.75%	2.75%
2025+	2.50%	2.50%	2.50%	2.50%

5. Discount Rates (-2.8 pence):

To combat the persistent inflationary environment, central banks across different geographies raised interest rates, increasing yields for long-term government bonds. To align with the higher return environment, the Investment Manager increased the discount by 25 bps across all assets. The impact of de-risking through construction progress on discount rates for relevant assets are discussed separately below in the Net Portfolio Returns section.

The Company's discount rate matrix is provided below:

Table 13: Discount Rate Matrix

Discount Rate Matrix[13]	Pre-construction phase	Construction phase	Energised phase
Contracted Income	10.75-11.00%	9.75-10.50%	7.25-9.25%
Uncontracted Income	10.75-11.00%	9.75-10.50%	8.75-9.25%
MW	494.8	332.0	421.4

13 Porterstown uses blended discount rates across energised (Phase I) and pre-construction (Phase II) phases. MW capacity numbers for pre-construction phase includes assets held at book value.

6. Net Portfolio Returns (+10.1 pence):

Net Portfolio returns refers to cash generation, COD delays, opex savings, site upgrades, de-risking of sites and DCF changes and rollover:

- **Cash Generation (6.3 pence):** Cash generation was the primary driver within portfolio returns.
- **COD delays (-2.1 pence):** Delays in assets meeting their COD dates resulted in a reduction in NAV by 2.1 pence. This was driven by slower than expected energisation timelines given grid bottlenecks across the global fleet. Detailed dates for the energisation of assets can be found in the Project Progress Overview section above.
- **Operating Expenses (1.8 pence):** The Company amended the operating expense assumptions to reflect modified O&M, asset management, and insurance costs. Through the work done by the Investment Manager's in-house team, the premiums for RTM costs associated with the Texan, Stony and Cenin assets were reduced, further boosting the business case for storage assets.
- **Site Upgrades (2.1 pence):** The Investment Manager expects to retrofit select GB assets, which include Stony, Ferrymuir, and Enderby, with one hour of additional duration, resulting in all three sites becoming 2-hour duration assets. The Investment Manager intends to align the retrofitting timeline to take advantage of decreasing lithium-ion prices and an expected shift in the GB market, which is expected to favour a more trading-centric strategy. The upgrades are designed to capture additional revenues from the balancing market and energy arbitrage, supporting future augmentation. The Investment Manager expects to retrofit assets over the next three years. The Investment Manager will continue to monitor multiple variables and remains dynamic in its approach to ensure best value.
- **De-risking of Construction Assets (2.8 pence):** The assets that have seen discount rate premium reductions include Big Rock, Dogfish in the US, Stony, Enderby, and Ferrymuir in GB, which align with construction progress.
  - The US assets executed BOP and EPC contracts during the period and are now progressing in their construction works.
  - As reported throughout the period, Stony and Ferrymuir both achieved energisation. The Investment Manager also secured all major equipment, including batteries and inverters for the Enderby project, which were delivered to site and are currently being installed.

Due to the portfolio wide discount rate hikes of 0.25% outlined above, the weighted average discount rate of the Company's portfolio as of March-end 2024 increased slightly to 10.2% (FY23: 10.1%) despite the natural unwinding of the discount rate as a material amount of assets progressed through stages of construction.

- **Fund, Offering and Subsidiary Holding Companies Operating Expenses (-1.9 pence)**
- **Other DCF adjustments and rollover (1.1 pence):** This includes items such as updated battery cell costs for repowering capex, DCF valuation of assets previously at book value and rollover which aggregated resulted in a relatively minor negative impact on NAV.
- A fair value breakdown of the Company's assets is provided by grid and asset stage below:

Table 14: Fair Value (FV) breakdown by Grid and Asset Stage

FV Breakdown by Grid (in £m)[14]	Construction and pre-construction	Energised
Great Britain	73.5	124.0
Ireland	16.2	79.6[15]
Germany	n/a	14.3
Texas	38.1	15.2
California	128.6	n/a

14 Excludes pre-construction assets at book value.

15 Includes expansion project along with phase 1, which were previously valued separately.

Capital Allocation:

The Company regularly reviews its capital allocation policy and considers a range of options to optimise long-term sustainable returns to shareholders. As previously disclosed, the Company remains focused on constructing its near-term portfolio. Throughout the year, the Company is expected to deploy the majority of its available cash and draw down on its available lines of credit, both the project and fund-level facilities. By the end of the next fiscal year, the Company is expected to run a conservative net debt position of c.15% of Gross Asset Value[16] (equivalent to around £99 million once fully drawn to support the completion of the near-term portfolio buildout). The Investment Manager remains cognisant of the high-interest rate environment. The Investment Manager has been and will continue to be prudent in its use of leverage and managing associated refinancing risks - the Company has comfortable headroom under loan-to-value and debt service coverage covenants. The Investment Manager also notes the Company's contractual obligations and will not enter into contracts, on its behalf, without the necessary capital to fulfil them. Additionally, the Investment Manager continues to explore capital recycling options and will keep the market informed of relevant progress.

16 Based on March-end 2024 NAV.

Dividends

The Company reviews the dividend policy annually to ensure its continued suitability. Following this year's review, the Board has decided to adjust the Company's dividend policy to better align it with the construction schedule of the portfolio. The Company will target a 7.0p dividend for the 2024/25 financial year, consistent with investors' expectations based on the current NAV. Any payment exceeding this amount will be tied to cash generation from the underlying portfolio.

The target dividend payments will also be weighted to the fourth quarter (one pence paid per quarter for the first three quarters and a four pence dividend for the final quarter), as the Investment Manager anticipates that the ITC payment will be received. This policy adjustment reflects the maturing nature of the Company and sets it well to continue to provide long-term value for shareholders.

Investment Tax Credits

Under the Inflation Reduction Act (IRA) implemented on 16 August 2022, standalone utility-energy storage projects are eligible to access Investment Tax Credits (ITC). The IRA enables taxpayers to reclaim a percentage of the cost of renewable energy systems through 'transferring' the tax benefits (ITC) to eligible third parties with current taxable profits to monetise them closer to when they are earned at the placed-in-service date. The Company's ERCOT (Dogfish) and CAISO (Big Rock) construction assets qualify to monetise these tax credits received under the IRA through transferring them. The Big Rock asset qualifies to receive an ITC of 30% of eligible capex, while the Dogfish asset is expected to benefit from a 30% tax credit along with an additional 10% adder, resulting in a total expected ITC benefit of 40% for the Dogfish asset. With a combined capacity of 275 MW/475 MWh, the financial benefit under the IRA is accretive to the Company in the form of tax-exempt income upon transfer. The Projects will be eligible for the ITC upon placed in service date (when the project begins regular operation), following which the Investment Manager will proceed to monetise the tax credit through its sale to a tax-paying entity, a process that is already in progress. The Investment Manager anticipates a total ITC benefit in the range of $60 million to $80 million.

Key sensitivities

The following sensitivities have been applied to the valuations to measure the impact of major macroeconomic factors, with the most material factors being inflation and discount rates. Please refer to Figure 10 on page 29 of the 2024 annual report.

a. Inflation rate: +/- 1.0%

b. FX volatility: +/- 3.0%

c. Discount rate: +/- 1.0%

d. EPC costs +/- 10.0%

NAV Scenarios

Various scenarios have been considered to assess the impact on portfolio valuations. Please refer to Figure 11 on page 29 of the 2024 annual report.

a. Revenue Scenarios: NAV based on third-party high & low cases reflecting the impact of different possibilities relating to renewables buildout, increase in energy demand and other factors such as regulations. The application of high case revenues result in a £112m increase while the low case revenues result in a decrease of £121m in NAV.

b. Valuation of construction portfolio using operational discount rates reflects the upside available to the NAV from the progression of non-operational assets moving forward to their respective CODs. This results in a £76m increase in NAV.

Message from Alex O' Cinneide

Dr Alex O'Cinneide

CEO of Gore Street Capital, the Investment Manager

I'm proud to report the Company continued to achieve growth while demonstrating leadership and resilience during an extremely turbulent period. The international portfolio continued to deliver consistent average revenue of £15.1 per MW/hr through best-in-class operational performance and capital management. The Company achieved an operational dividend cover of 0.78x for the year from an average operational fleet of 311 MW. With energised capacity reaching 421.4 MW, and 332 MW more to follow in the coming seven months, all while maintaining a prudent approach to leverage, the Company is well-positioned to increase dividend cover and continue delivering value for shareholders by generating robust and stable cash flow from its well-diversified fleet of assets.

Market conditions in Great Britain have demonstrated why the strategy of diversification is vital to success in our sector. Continued buildout of energy storage capacity in GB has led to saturation in the ancillary service market while limited wholesale volatility has meant alternative revenues are not available to fill the gap. The Company's resilience within this context through its diversified portfolio has showcased this reporting period as one of the most illustrative in the Company's history. The value in GSF's international reach, continues to set it apart from competitors.

The consolidated portfolio generated average revenue of £15.1 per MW/ hr consistently across the period, demonstrating the stable revenue profile of an operational portfolio spread across four uncorrelated markets. This has allowed the Company's overall revenues to outpace peers by c.3x as its international portfolio overcomes the constraints of singular exposure to the GB market, which offers similar revenue generation across all asset owners. This consistent outperformance is a testament to the Company's prudent approach to capital allocation across multiple jurisdictions and operational excellence over our six-year history. The expertise built up in-house at the Investment Manager over this period has been a key contributor to this success and will only grow further as we develop new capabilities to further monetise the Company's assets.

Investment decisions made back in 2019 to enter the Irish market and in 2022 to take on operational assets in Texas have paid off over this period. Early pre-qualification of the Company's assets to deliver ERCOT's ECRS service over the summer resulted in approximately £150/MW/hr in August, marking the highest monthly revenue per MW ever achieved by the Company in a single grid. This was followed by record-high revenue from the Company's Northern Irish assets during FY Q3.

As each season passed, revenue opportunities across the portfolio shifted and balanced into the consistent revenue profile we were able to achieve in this reporting period, underscoring the advantages of activity across diverse, uncorrelated grids within an energy storage portfolio.

I am pleased to report that this portfolio continues to grow around the world as we pursue our diversified strategy. Over the period the Company's energised capacity grew to 421.4 MW with the addition of its biggest project to date – the 79.9 MW Stony asset, which became commercially operational in FY 2024 – and subsequently the 49.9 MW Ferrymuir project, which overcame delays caused by resourcing issues at the network operator and the insolvency of a main sub-contractor. Progressing these projects was a key focus over the reporting period to move the Company's construction assets towards revenue generation. Together they represent a significant boost in energised capacity achieved by year-end, marking a considerable increase in the scale of built assets in the Company's portfolio.

The Company was also able to add new capacity and projects to the wider portfolio and take overall capacity to 1.248 GW (FY23: 1.17 GW) while securing new finance through innovative agreements with strategic partners. With capital markets largely closed to the infrastructure investment trust community over the period, I am proud of the Investment Manager's ability to raise funds on behalf of the Company from its strategic partners to continue its growth and delivery of sustainable returns for investors.

The acquisition of the remaining 49% in two of the Company's existing Irish projects through share issuance was completed alongside the addition of the 75 MW Mucklagh project, which was achieved thanks to a legal option to purchase agreed in 2019 at a lower cash consideration than would have been agreed today. These transactions

demonstrate our ability to execute new deals successfully and drive returns for shareholders through a diversified asset base.

We have also strengthened relationships with long-term partners and secured project-level finance for the first time for our 200 MW California project, Big Rock. These new achievements ensure the Company continues to deliver on its strategy of achieving a varied and market-leading stream of income, built on the best value per MWh installed with high system availability and resilience, and leading optimisation of revenue opportunities, around the world.

The ongoing deployment of renewables globally continues to be a fundamental driver of the business case for energy storage, and policy in key markets is rapidly catching up to that fact. The recommendations made by the European Commission in March 2023, which placed energy storage at the heart of a clean and stable future European grid system, are to be adopted following a vote by the European Parliament in April. These measures are paving the way for Member States to shift their flexibility focus towards energy storage and other non-fossil sources as more renewables are deployed, and will build on the improving market conditions of individual countries. Germany, for example, has announced plans for a market-based, technology-neutral capacity mechanism to be established in 2028, which could offer similar long-term, contracted revenue to energy storage as seen in various other markets. We will continue to monitor these emerging opportunities across various countries to determine how best to allocate capital in the future.

While different measures are being introduced at a Union-wide and Member State level, we are hopeful this legislative push to clean flexibility will create as positive an environment for energy storage as in the US under the Inflation Reduction Act. Over $270bn[17] of new investments in clean energy projects and manufacturing was announced within the first year of the legislation being passed and 33.8[18] GW of new US utility-scale solar, wind and energy storage capacity was added over 2023.

17 Source: American Clean Power

18 Source: American Clean Power

With 44 GW[19] of new utility-scale solar and wind capacity expected across the USA in 2024, much of it to be deployed in Texas and California, the Company is primed to deliver crucial grid services and capitalise on any new opportunities– as we did over the reporting period – to ensure the ERCOT and CAISO grids are able to integrate this new clean power.

19 Source: US Energy Information Administration

Our focus will, therefore, remain on building out the Company's construction portfolio while maintaining capital discipline to reduce exposure to GB and maximise returns from the international portfolio.

We continue to invest in Gore Street Capital's in-house resources to fulfil the needs of the Company across construction, asset management, and commercialisation services, as well as supporting activities in administration, ESG, legal and investment. This will ensure we continue to play a material role in the success of the Company and position it to deliver long-term value to shareholders.

Delivery against Strategy

Despite what has undoubtedly been a challenging period for the entire sector, the Investment Manager is pleased to report significant progress towards achieving the Company's objectives and delivering long-term sustainable growth. Key achievements over the past year include:

Financial Performance:

The Company demonstrated a steady revenue profile during the period, one of the key benefits of the Company's unique allocation strategy, especially as a dividend-paying stock that has continued to meet its dividend targets. The Company achieved an Operational EBITDA of £28.4m, which translates into an operational dividend cover of 0.78x for the year. This positive trend reflects the Company's focus on delivering long-term sustainable growth while maintaining strong financial performance.

Strategic Expansion:

The Company was able to increase its presence in the Irish market, one which has been amongst the most consistently profitable markets for BESS. The Investment Manager utilised sophisticated transaction structures for its Irish acquisitions during the year which included a 51% stake of Project Mucklagh, as well as the remaining 49% stake in projects Kilmannock and Porterstown. The transaction structures included joint ventures, acquiring a majority stake in an asset as opposed to 100% through exercising an option put in place back in 2019, enabling transactions at extremely attractive price points, as well as the majority of the combined consideration being settled via issuance of shares in the Company.

Capital Raising:

The Company was pleased to be amongst a very small group of trusts that successfully issued shares during the period. Both issuances were made at the prevailing NAV to strategic investors: Nidec and Low Carbon.

Financial Management:

The Company secured an initial $60m loan financing from First Citizens Bank at a competitive cost and secured at the asset level. This capital structure is part of the manager's overall liquidity management. The Company has maintained a strong balance sheet and made appropriate use of debt. The Company also upsized its RCF facility with Santander from £15m to £50m.

Strong revenue profile:

The advantages of the Company's diversification strategy were made clear during the year through the portfolio's strong and consistent revenue profile. The Company generated an industry-leading average revenue of £15.1 per MW/hr during the year (£133,000 MW/yr), far in excess of listed peers on both an average and consolidated basis.

Operational Success:

Despite the volatility in the market, the Company continued to deliver operationally. Strong technical management resulted in a high level of asset availability, achieving a weighted average of over 93% throughout the year, including scheduled downtime. Multiple construction milestones were also achieved, increasing the Company's energised capacity to 421.4 MW by the end of the period.

ESG:

The Company remains committed to sustainability and responsible business practices. The Company publishes an annual ESG & Sustainability Report, which provides an overview of the ESG strategy, key initiatives, and the portfolio's environmental and social performance during the year. The FY 2023/24 Report will be published and available on the Company's website in early September 2024.

Outlook

While the energy storage market remains in a nascent stage across various markets, its crucial role in supporting stable grid operations in a rapidly decarbonising world is being more widely recognised as deployment experiences rapid growth globally. The US Inflation Reduction Act continues to propel deployment of new renewable generation assets, while the European Parliament has voted to adopt a series of measures designed to promote low carbon flexibility from energy storage. This will build on the efforts of individual Member States like Germany, where the Company already has an asset that stands to benefit from measures proposed by the country's first electricity storage strategy and an announced Capacity Market, expected to launch in 2028. As an early mover in several geographies, the Company is established in leading energy storage markets and, therefore, remains well-positioned to capitalise on wider adoption of the technology to maximise shareholder value.

While the start of a new Parliament in the UK may provide uncertainty, as with every fresh election outcome, the increased climate ambition of the new government provides a welcome boost for renewable infrastructure trusts. We hope to see the investment environment improve as the government pushes towards its accelerated clean power ambitions for 2030, which will provide greater opportunities for energy storage to deliver crucial services to the grid.

The Company's primary focus over the next seven months remains fixed on the buildout of new capacity at the best value per MW/MWh fully installed across the remaining near-term portfolio of 332 MW currently under construction. This includes the 200 MW Big Rock asset which, when completed, will play a material role in supporting the CAISO grid—the Company's fifth market to date—to integrate rising levels of renewable generation. The Investment Manager aims to maximise profitability by ensuring that capital allocation is done optimally, whether by geography or by duration/capex. The Company is well-positioned to remain a market leader in terms of revenue generation on both a MW and MWh basis, given its unique exposure across multiple uncorrelated revenue streams in different markets.

The Company's diversification, which is set to increase, is expected to provide long-term value as exposure to GB decreases as a percentage of operational MWh throughout the remainder of 2024. In addition, the Investment Manager intends to make portfolio construction decisions that create value by raising and deploying capital efficiently. Both construction assets in the US, for example, offer a potential combined benefit of $60 million to $80 million to the Company through the sale of ITCs for which they are eligible, and we are exploring opportunities to deliver this value to shareholders. We are also including considering the sale of assets to recycle capital and redeploy into other geographies that offer more attractive returns. The Company is uniquely positioned to execute this activity as the only player with a presence across five markets.

The fundamental drivers of energy storage remain strong, driven by climate action and energy security policies and legislation worldwide. The difference in strategies employed by asset owners has led to materially different outcomes,

marking a turning point for the industry. In the GB market, participants are largely price takers, generating similar revenue across asset owners. However, 2023 has shown that capital allocation strategies, whether geographical or based on duration, have significantly impacted financial outcomes. This trend is likely to continue throughout 2024 and beyond and the Company is set to take advantage, with a solid diversification strategy and a unique exposure across multiple revenue streams in uncorrelated markets. With support from the Investment Manager's team, located in GB, Ireland and the US, the Company will continue to play an important role in the decarbonisation of energy systems globally.

Risk Management and Internal Control

The Board is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of principal risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the audit committee on an ongoing basis. This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Both the principal risks and the monitoring system are subject to robust review at least annually. The last review took place in July 2024.

Although the Board believes that it has a robust framework of internal controls in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

Actions taken by the Board and, where appropriate, its committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below.

*The "Change" column on the right highlights at a glance the Board's assessment of any increases or decreases in risk during the year after mitigation and management. The arrows show the risks as increased or decreased.

EMERGING RISKS AND UNCERTAINTIES

During the year, the Board also discussed and monitored risks that could potentially impact the Company's ability to meet its strategic objectives. Political risk which includes regulatory, fiscal and legal changes impacting strategy, and potential changes to national and cross-border energy policy, was assessed to be a matter to keep under consideration.

The Board has determined they are not currently sufficiently material for the Company to be categorised as independent principal risks. The Board receives updates from the Manager, Company Secretary and other service providers on other potential risks that could affect the Company. The Board also considered the uncertainties caused by the conflict in Ukraine and Gaza, an uncertain economic outlook and volatile energy prices although they are not factors which explicitly impacted the Company's performance.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk	Description	Mitigation and Management	Change*
Changes to Market Design	The Company's assets generate revenue by delivering balancing services to power grid operators in the United Kingdom, Ireland, Germany, Texas and California. There is a risk in any of those markets that unanticipated changes to the design of the grid, of power system services or any change in the specifications and requirements for service delivery (including network charges or changes to market rules) could negatively impact cash flow or constrain revenue projections for assets within the region in which a change occurs and thereby reduce the net asset value of the affected assets.	The Company has assets in five grids to mitigate the impact of one grid's changes. In addition, the Manager aims to stack revenue contracts to vary the types of income streams received from each system operator and within each market to mitigate against revenue risk.	⇔
Inflation	The Company's profit projections are based in part on its budget for capital and operating expenditure incurred in the construction, operation, and maintenance of its portfolio of battery storage assets. These include, amongst other things, the cost of battery cells, inverters, the cost of	The Company ensures that it generates revenues in the markets in which it incurs operating costs from a diverse mix of short, medium and long-term contracts that are subject to fixed or floating contract prices. As revenues are pegged to operating	⇔

	power required to charge the batteries and the labour costs for operations. There is a risk that unanticipated inflation will increase capital expenditure and operating costs materially beyond budget, without a commensurate impact on revenues, with the consequence of reducing profitability below the investment forecast and/or rendering projects less economic or uneconomic. There is also a risk that continued or severe inflation could positively and/or negatively change the grid power market design (see Changes to Market Design above). The Company has little exposure to debt financing but has access to debt facilities. There is a risk that increases in the inflationary index rates could render the interest rates applicable to these debt facilities less economic or uneconomic.	expenditure, the Company shall aim to neutralise inflationary increases (e.g., cost of power to charge the batteries) by rebalancing its revenue services (e.g., changing the timing or bases for charging batteries to either reduce costs or increase revenues) as appropriate to maintain its investment forecast. The long-term Capacity Market contracts of up to 15 years are index linked.	
Exposure to Lithium-Ion Batteries, Battery Manufacturers and technology changes	The portfolio currently consists only of lithium-ion batteries. The Group's battery energy storage systems are designed by a variety of EPC providers, but the underlying lithium-ion batteries are manufactured primarily by BYD, CATL and LG Chem. While the Company considers lithium-ion battery technology to be the most efficient and most competitive form of storage in today's market, there is a risk that other technologies may enter the market with the ability to provide similar or more efficient services to power markets at comparable or lower costs, reducing the portfolio's market share of revenues in the medium or long term. There is also a risk that batteries might be unavailable due to delays caused by supply chain issues.	The Company remains technology agnostic and continues to evaluate other economically viable energy storage opportunities to reduce its exposure to lithium-ion and further diversify its portfolio mix. The Company is mindful of the ESG risks associated with the production and recycling of batteries. The Company is not under an exclusivity agreement with any individual battery manufacturer and will manage its supply framework agreements in a manner that allows it to take advantage of any improvements or amendments to new storage technologies as they become commercially viable, as well as mitigating any potential supply chain issues.	
Service Provider	The Company has no employees and has delegated certain functions to several service providers, principally the Manager, Administrator, depositary and registrar. Failure of controls, and poor performance of any service provider, could lead to disruption, reputational damage or loss.	Service providers are appointed subject to due diligence processes and with clearly documented contractual arrangements detailing service expectations. Regular reports are provided by key service providers and the quality of their services is monitored. The Directors also receive presentations from the Manager, depositary and custodian, and the registrar on an annual basis. Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and	

		IT controls, and follow up of remedial actions as required.	
Valuation of Unquoted Assets	The Company invests predominantly in unquoted assets whose fair value involves the exercise of judgement by the Investment Manager. There is a risk that the Investment Manager's valuation of the portfolio may be deemed by other third parties to have been overstated or understated.	The Investment Manager routinely works with market experts to assess the reasonableness of key data used in the asset valuation process (such as revenue and inflation forecasts) and to reassess its valuations on a quarterly basis. In addition, to ensure the objective reasonableness of the Company's NAV materiality threshold and the discount rates applied, a majority of the components of the portfolio valuation, (based on a NAV materiality threshold) are reviewed by an independent third party, prior to publication of the half-year and year-end reports.	⇔
Delays in Grid Energisation or Commissioning	The Company relies on EPC contractors for energy storage system construction, and on the relevant transmission systems and distribution systems' owners (TSO) for timely energisation and connection of that battery storage asset to the transmission and distribution networks appropriately. There is a risk that either the EPC contractor or relevant TSO could delay the target commercialisation date of an asset under construction and negatively impact projected revenues.	The Company works closely with EPC contractors to ensure timely performance of services and imposes liquidated damage payments under the EPC contracts for certain delays in delivery. The Company seeks commitments from TSOs to a target energisation date as a condition to project acquisition and provides maximum visibility on project development to TSOs to encourage collaboration towards that target energisation date. The Manager factors in delays by adjusting the valuation on an ongoing basis.	⇔
Currency Exposure	The Company is the principal lender of funds to Group assets (via intercompany loan arrangements) for their investments in projects, including projects outside of the UK. This means that the Company may indirectly invest in projects generating revenue and expenditure denominated in a currency other than Sterling, including in US Dollars and Euros. There is a risk that the value of such projects and the revenues projected to be received from them will be diminished as a result of fluctuations in currency exchange rates. The diminishing in value could impact a subsidiary's ability to pay back the Company under the intercompany loan arrangements.	The Company acts as guarantor under currency hedge arrangements entered into by impacted subsidiaries to mitigate its exposure to Euros and US Dollars. The Company will also guarantee future hedging arrangements as appropriate to seek to manage its exposure to foreign currency risks.	⇔
Cyber-Attack and Loss of Data	The Company is exposed (through the server, software, and communications systems of its primary service providers and suppliers) to the risk of cyber-attacks that may result in the loss of data, violation of privacy and resulting reputational damage.	Among other measures, the Company ensures its contractors and service providers incorporate firewalls and virtual private networks for any equipment capable of remote access or control. Cybersecurity measures are incorporated for both external and internal ('local') access to equipment, preventing exposure to ransomware	↑

		attacks or unsolicited access for any purpose. The Company engages experts to assess the adequacy of its cybersecurity measures and has implemented a requirement for annual testing to confirm and certify such adequacy for representative samples for the entire fleet.	
Physical and transitional climate-related risks	The Company's assets are located in several different countries, some of which experience extreme weather, which could have a physical impact on the assets and as a result affect shareholder returns. Climate change may also affect the development of technologies, markets and regulations.	The Manager's due diligence and site design processes factor in climate change-related risks when selecting sites and assets and designing systems to operate within a range of temperatures. The Manager reports to the Board on developments in these areas regularly, including recommendations for the Company to acclimate to technological, market or regulatory change, including any driven by climate change.	↑

RISK ASSESSMENT AND INTERNAL CONTROLS REVIEW BY THE BOARD

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the audit committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

No significant control failings or weaknesses were identified from the audit committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company.

A full analysis of the financial risks facing the Company is set out in note 18 to the Financial Statements on pages 80 to 82 of the 2024 annual report.

GOING CONCERN

As at 31 March 2024, the Company had net current assets of £59 million and had cash balances of £60.7 million (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the payment of dividends, costs relating to the acquisition of new assets and further investments in existing portfolio Companies, all of which are discretionary. The Company is a guarantor to GSES 1 Limited's revolving credit facility with Santander. During the year this facility was increased from £15m to £50m, with an extended term of four years to 2027. The Company also secured $60m in debt finance at the asset level for the first time to support the 200 MW Big Rock project. The Aggregate Group Debt as at 31 March 2024 was at 6.5% of GAV with £58.6 million in debt headroom available. There is no debt held at the Company level.

The completed going concern analysis considers liquidity at the start of the period and cash flow forecasts at both the Company level and project level. These forecasts take into consideration expected operating expenditure of the Company, expected cash generation by the project companies available for distribution to the Company, additional funding from the Company to project companies under construction, and continued discretionary dividend payments to Shareholders at the target annual rate. Financial assumptions also include expected inflows and outflows in relation to external debt held of the Company or its subsidiaries. The Directors have reviewed Company forecasts and projections which cover a period of 18 months from 31 March 2024, and as part of the going concern assessment have modelled downside scenarios considering potential changes in investment and trading performance, which show that the Company has sufficient financial resources.

The Directors consider the following scenarios:

- A base case scenario considering expected Company operating expenditure and dividends, and cash inflows and outflows relating to subsidiary companies under the current planned strategy to focus on build-out of existing construction projects. This factors in expectations of available external debt.

- Although a simultaneous reduction in project companies' revenue across the five grids they operate is not considered likely, a plausible average reduction in base case revenue has been considered as a downside scenario. This would result in a reduction in cash flow available for distribution from subsidiaries to the Company.

This analysis shows that, under both the base case and downside scenarios, the Company is expected to have sufficient financial resources available to meet current obligations and commitments as they fall due for at least 12 months until 30 September 2025. The Directors acknowledge their responsibilities in relation to the financial statements for the year ended 31 March 2024 and the preparation of the financial statement on a going concern basis remains appropriate and the Company expects to meet its obligations as and when they fall due for at least 12 months until 30 September 2025.

LONG TERM VIABILITY

In reviewing the Company's viability, the Directors have assessed the prospects of the Company over a period of five years to 31 March 2029. After assessing the risks, which include emerging risks like climate change and reviewing the Company's liquidity position, together with the forecasts of performance under various scenarios, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities over the period of five years. In making this statement, the Directors have reviewed cash forecasts over this period, taking into consideration base case expectations and potential downside scenarios. The Directors have also considered the current unlevered nature of the Company and its subsidiaries and its capacity and ability to raise further debt up to 30% of Gross Asset Value per internal policy. The diversified nature of the portfolio, across five different grids, has been taken into account when assessing concentration of any prolonged downturns to the portfolio. In addition, mitigating actions under severe downside scenarios have been considered, such as the discretionary nature of dividends and ability to delay uncontracted capital expenditure on build out of construction phase projects in the portfolio. This assessment has not considered the potential for further fundraising through equity markets.

Statement of Comprehensive Income

For the Year Ended 31 March 2024

		Year Ended 31 March 2024			Year Ended 31 March 2023		
	Notes	Revenue (£)	Capital (£)	Total (£)	Revenue (£)	Capital (£)	Total (£)
Net (loss)/gain on investments at fair value through profit and loss	7	**–**	**(30,041,779)**	**(30,041,779)**	–	60,826,822	60,826,822
Investment income	8	**32,298,791**	**–**	**32,298,791**	12,466,909	–	12,466,909
Other income		**10,355**	**–**	**10,355**	–	–	–
Total income		**32,309,146**	**(30,041,779)**	**2,267,367**	12,466,909	60,826,822	73,293,731
Administrative and other expenses	9	**(7,925,906)**	**–**	**(7,925,906)**	(9,881,436)	–	(9,881,436)
(Loss)/profit before tax		**24,383,240**	**(30,041,779)**	**(5,658,539)**	2,585,473	60,826,822	63,412,295
Taxation	10	**–**	**–**	**–**	–	–	–
(Loss)/profit after tax and (loss)/profit for the year		**24,383,240**	**(30,041,779)**	**(5,658,539)**	2,585,473	60,826,822	63,412,295
Total comprehensive (loss)/income for the year		**24,383,240**	**(30,041,779)**	**(5,658,539)**	2,585,473	60,826,822	63,412,295
(Loss)/profit per share (basic and diluted) – pence per share	11	**5.02**	**(6.19)**	**(1.10)**	0.55	12.76	13.31

All Revenue and Capital items in the above statement are derived from continuing operations.

The Total column of this statement represents the Company's Income Statement prepared in accordance with UK adopted IAS. The (loss)/profit after tax and (loss)/profit for the year is the total comprehensive income and therefore no additional statement of other comprehensive income is presented.

The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issue by the Association of Investment Companies.

Statement of Financial Position

As at 31 March 2024

Company Number 11160422

	Notes	31 March 2024 (£)	31 March 2023 (£)
Non – Current Assets			
Investments at fair value through profit or loss	12	**481,659,515**	434,762,146
		481,659,515	434,762,146
Current assets			
Cash and cash equivalents	13	**60,667,572**	123,705,727
Trade and other receivables	14	**519,853**	843,825
		61,187,425	124,549,552
Total assets		**542,846,940**	559,311,698
Current liabilities			
Trade and other payables	15	**2,150,447**	3,046,853
		2,150,447	3,046,853
Total net assets		**540,696,493**	556,264,845
Shareholders equity			
Share capital	20	**5,050,995**	4,813,995
Share premium	20	**331,302,899**	315,686,634
Special reserve	20	**–**	349,856
Merger reserve	20	**10,621,884**	–
Capital reduction reserve	20	**75,089,894**	111,125,000
Capital reserve	20	**95,542,635**	125,584,414
Revenue reserve	20	**23,088,186**	(1,295,054)
Total shareholders equity		**540,696,493**	556,264,845
Net asset value per share	19	**1.07**	1.16

Statement of Changes in Equity

For the Year Ended 31 March 2024

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Merger reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders' equity (£)
As at 1 April 2023	4,813,995	315,686,634	349,856	–	111,125,000	125,584,414	(1,295,054)	556,264,845
Loss for the year	–	–	–	–	–	(30,041,779)	24,383,240	(5,658,539)
Total comprehensive loss for the year	–	–	–	–	–	(30,041,779)	24,383,240	(5,658,539)
Transactions with owners								
Ordinary Shares issued at a premium during the year	237,000	15,666,000	–	10,670,000	–	–	–	26,573,000
Share issue costs	–	(49,735)	–	(48,116)	–	–	–	(97,851)
Movement in special reserve	–	–	(349,856)	–	349,856	–	–	–
Dividends paid	–	–	–	–	(36,384,962)	–	–	(36,384,962)
As at 31 March 2024	**5,050,995**	**331,302,899**	**–**	**10,621,884**	**75,089,894**	**95,542,635**	**23,088,186**	**540,696,493**

Capital reduction reserve and revenue reserves are available to the Company for distributions to Shareholders as determined by the Directors.

For the Year Ended 31 March 2023

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders equity (£)
As at 1 April 2022	3,450,358	269,708,123	186,656	42,258,892	64,757,592	(3,880,527)	376,481,094
Profit for the year	–	–	–	–	60,826,822	2,585,473	63,412,295

Total comprehensive profit for the year	–	–	–	–	60,826,822	2,585,473	63,412,295
Transactions with owners							
Ordinary Shares issued at a premium during the year	1,363,637	148,636,363	–	–	–	–	150,000,000
Share issue costs	–	(2,657,852)	–	–	–	–	(2,657,852)
Transfer to capital reduction reserve	–	(100,000,000)	–	100,000,000	–	–	–
Movement in special reserve	–		163,200	(163,200)	–	–	–
Dividends paid	–	–	–	(30,970,692)	–	–	(30,970,692)
As at 31 March 2023	**4,813,995**	**315,686,634**	**349,856**	**111,125,000**	**125,584,414**	**(1,295,054)**	**556,264,845**

Capital reduction reserve and revenue reserves are available to the Company for distributions to Shareholders as determined by the Directors.

Statement of Cash Flows

For the Year Ended 31 March 2024

	Notes	Year Ended 31 March 2024 (£)	Year Ended 31 March 2023 (£)
Cash flows generated from operating activities			
(Loss)/profit for the year		**(5,658,539)**	63,412,295
Net loss/(profit) on investments at fair value through profit and loss		**30,041,779**	(60,826,822)
Decrease/(increase) in trade and other receivables		**323,973**	(797,348)
(Decrease)/increase in trade and other payables		**(896,407)**	671,610
Net cash generated from operating activities		**23,810,806**	2,459,735
Cash flows used in investing activities			
Funding of investments		**(69,850,873)**	(225,765,788)
Loan principal repayment from investment		**3,678,725**	32,592,883
Net cash used in investing activities		**(66,172,148)**	(193,172,905)
Cash flows used in financing activities			
Proceeds from issue of Ordinary Shares at a premium		**15,806,000**	150,000,000
Share issue costs		**(97,851)**	(2,657,852)
Dividends paid		**(36,384,962)**	(30,970,691)
Net cash (outflow)/inflow from financing activities		**(20,676,813)**	116,371,457
Net decrease in cash and cash equivalents for the year		**(63,038,155)**	(74,341,713)
Cash and cash equivalents at the beginning of the year		**123,705,727**	198,047,440
Cash and cash equivalents at the end of the year		**60,667,572**	123,705,727

During the year, interest received by the Company from investments totalled £29,155,404 (2023: £8,835,389) and interest received from bank deposits totalled £3,143,387 (2023: £3,631,520).

Total repayments from subsidiaries during the year amounted to £32,834,129 (2023: £41,428,272).

Notes to the Financial Statements

For the Year Ended 31 March 2024

1. General information

Gore Street Energy Storage Fund plc (the "Company"), a public limited company limited by shares was incorporated and registered in England and Wales on 19 January 2018 with registered number 11160422. The registered office of the Company is 16-17 Little Portland Street, First Floor, London, W1W 8BP.

Its share capital is denominated in Pound Sterling (GBP) and currently consists of Ordinary Shares. The Company's principal activity is to invest in a diversified portfolio of utility scale energy storage projects currently located in the UK, the Republic of Ireland, North America and Germany.

2. Basis of preparation

STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with UK adopted international accounting standards. The Company has also adopted the Statement of Recommended Practice issued by the Association of Investment Companies which provides guidance on the presentation of supplementary information.

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities at fair value through the profit or loss.

The Company is an investment entity in accordance with IFRS 10 which holds all its subsidiaries at fair value and therefore prepares unconsolidated accounts only.

FUNCTIONAL AND PRESENTATION CURRENCY

The currency of the primary economic environment in which the Company operates (the functional currency) is Pound Sterling ("GBP or £") which is also the presentation currency.

GOING CONCERN

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries and bearing in mind the nature of the Company's business and assets, the Directors consider the Company to have adequate resources to continue in operational existence over the period to 30 September 2025, being at least 12 months from the date of approval of the financial statements. As such, they have adopted the going concern basis in preparing the annual report and financial statements.

The going-concern analysis takes into account expected increases to Investment Adviser's fee in line with the Company's NAV and expected increases in operating costs, as well as continued discretionary dividend payments to shareholders at the annual target rate. Consideration has been given to the current macro-economic environment and volatility in the markets. Based on the analysis performed, the Company will continue to be operational and will have excess cash after payment of its liabilities for at least the next 12 months to 30 September 2025.

As at 31 March 2024, the Company had net current assets of £59 million and had cash balances of £60.7 million (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the payment of dividends, costs relating to the acquisition of new assets and further investments in existing portfolio Companies, all of which are discretionary. The Company had no contingencies and significant capital commitments as at the 31 March 2024. The Company is a guarantor to GSES1 Limited's revolving credit facility with Santander. During the year this facility was upsized from £15 million to £50 million, with an extended term of four years to 2027. The Company had no outstanding debt as at 31 March 2024.

The Directors acknowledge their responsibilities in relation to the financial statements for the year ended 31 March 2024 and have prepared the financial statement on a going concern basis. The Company expects to meet its obligations as and when they fall due for at least the next twelve months to 30 September 2025.

The board has considered the impact of climate change on the investments included in Company's financial statements and has assessed that it does not materially impact the estimates and assumptions used in determining the fair value of the investments.

OPERATING SEGMENTS

Under IFRS 8, particular classes of entities are required to disclose information about any of their individual operating segments. A vast majority of the Company's portfolio is held through the Company's direct subsidiary, GSES 1 Limited, except for two new direct investments which do not meet any of the quantitative thresholds to require separate disclosure under IFRS 8. Therefore, the Directors are of the opinion that there is only one segment and therefore no operating segment information is given.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the year the Directors considered the following significant judgements, estimates and assumptions:

ASSESSMENT AS AN INVESTMENT ENTITY

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment-related services to the Company. As such, the Directors are required to make a judgement as to whether the Company continues to meet the definition of an investment entity. To determine this, the Company is required to satisfy the following three criteria:

a) the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

b) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

c) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of energy storage investments;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually; and

- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

Having assessed the criteria above and in their judgement, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

VALUATION OF INVESTMENTS

Significant estimates in the Company's financial statements include the amounts recorded for the fair value of the investments. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant. These estimates are discussed in more detail in note 17.

4. New and revised standards and interpretations

NEW AND REVISED STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of the financial statements have been consistently applied during the year ended 31 March 2024.

In February 2021, the International Accounting Standards Board issued further amendments to IAS8: Accounting Policies, Changes in Accounting Estimates and Errors. Those amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They further clarify how entities use measurement techniques and inputs to develop accounting estimates. These amendments are effective for periods beginning on or after 1 January 2023 and having reviewed the amendments, the Board is of the opinion that these amendments do not have a material impact on the Company's financial statements.

In May 2021, the IASB issued amendments to IAS 12: Income Taxes regarding deferred tax relating to Assets and Liabilities arising from a Single Transaction. The amendments introduce an exception to the 'initial recognition exemption' for an entity, whereby deferred tax previously did not need to be recognised when, in a transaction that is not a business combination, an entity purchased an asset that would not be deductible for tax purposes (even though there is a difference between the asset's carrying amount and its tax base). These amendments are effective for periods beginning on or after 1 January 2023 and having reviewed the amendments, the Board is of the opinion that these amendments do not have a material impact on the Company's financial statements.

In February 2021, the IASB issued amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 requiring that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy with examples of when an accounting policy is likely to be material and also the application of the 'four-step materiality process' described in IFRS Practice Statement 2. These amendments are effective for periods beginning on or after 1 January 2023 and having reviewed the amendments, the Board is of the opinion that these amendments do not have a material impact on the Company's financial statements.

There have been no other new standards, amendments to current standards, or new interpretations which the directors feel have a material impact on these financial statements.

NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

In January 2020, the International Accounting Standards Board issued amendments to IAS 1: Presentation of Financial Statements to clarify how an entity classifies debt and other financial liabilities as current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and having reviewed the amendments, the Board is of the opinion that these amendments will not have a material impact on the Company's financial statements.

5. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

INVESTMENT INCOME

Interest income is recognised on an accrual basis in the Revenue account of the Statement of Comprehensive Income.

Investment income arising from the portfolio assets is recognised on an accruals basis in totality, with amounts received in cash recognised in investment income and the unrealised portion disclosed in net gain on investments at fair value through profit and loss.

EXPENSES

Expenses are accounted for on an accrual basis and charged to the Statement of Comprehensive Income. Share issue costs are allocated to equity. Expenses are charged through the Revenue account except those which are capital in nature, these include those which are incidental to the acquisition, disposal or enhancement of an investment, which are accounted for through the Capital account.

NET GAIN OR LOSS ON INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

Gains or losses arising from changes in the fair value of investments are recognised in the Capital account of the Statement of Comprehensive Income in the period in which they arise. The value of the investments may be increased or reduced by the assessed fair value movement.

TAXATION

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/29999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010 and the Statutory Instrument 2011/29999. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

From 1 April 2023 the main UK corporation tax rate increased from 19% to 25%. Current Tax and movements in deferred tax asset and liability are recognised in the Statement of Comprehensive Income except to the extent that they relate to the items recognised as direct movements in equity, in which case they are similarly recognised as a direct movement in equity. Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period. Any closing deferred tax balances have been calculated at 25% as this is the rate expected to apply in future periods.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised where, in the opinion of the Directors, it is more likely than not that these amounts will be realised in future periods, at the tax rate expected to be applicable at realisation.

INVESTMENT IN SUBSIDIARIES

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exception under IFRS 10 Consolidated financial statements, the Company is an investment entity and therefore only consolidates subsidiaries if they provide investment management services and are not themselves investment entities. All subsidiaries are investment entities and held at fair value in accordance with IFRS 9 and therefore not consolidated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and call deposits held with the bank with original maturities of three months or less.

Restricted cash comprises cash held as collateral for future contractual payment obligations and deferred payments payable from indirect subsidiaries to third parties of the Company in relation to the Big Rock project.

All cash is recognised at fair value and subsequently stated at amortised cost less loss allowance, which is calculated using the provision matrix of the expected credit loss model (refer to note 13 for further information).

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost less loss allowance which is calculated using the provision matrix of the expected credit loss model.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

DIVIDENDS

Dividends are recognised, as a reduction in equity in the financial statements. Interim equity dividends are recognised when legally payable. Final equity dividends will be recognised when approved by the Shareholders.

EQUITY

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Comprehensive Income.

FINANCIAL INSTRUMENTS

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

FINANCIAL ASSETS

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash and cash equivalents, restricted cash, and trade and other receivables.

Financial asset measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

c) it is classified as held for trading (derivative contracts in an asset position); or

d) It is classified as an equity instrument.

The Company includes in this category equity instruments and loans to investments.

FINANCIAL LIABILITIES

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading of which the Company had none.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, including short-term payables.

RECOGNITION AND DERECOGNITION

Financial assets and liabilities are recognised on trade date, when the Company becomes party to the contractual provisions of the instrument. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

IMPAIRMENT OF FINANCIAL ASSETS

The Company holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss

allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward looking estimates.

FAIR VALUE MEASUREMENT AND HIERARCHY

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market. It is based on the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest.

The fair value hierarchy to be applied under IFRS 13 is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are carried at fair value, and which will be recorded in the financial information on a recurring basis, the Company will determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

6. Fees and expenses

ACCOUNTING, SECRETARIAL AND DIRECTORS

During the year, expenses incurred with Gore Street Services Limited (formerly Gore Street Operational Management Limited) ("GSS") for secretarial services amounted to £nil with £nil being outstanding and payable at the year end.

Apex Group Fiduciary Services (UK) Limited ("Apex") had been appointed as administrator. Through an Administration agreement, Apex is entitled to an annual fee of £50,000 for the provision of accounting and administration services based on a Company Net Asset Value of up to £30 million. An ad valorem fee based on total assets of the Company which exceed £30 million will be applied as follows:

- 0.05% on a net asset value of £30 million to £75 million
- 0.025% on a net asset value of £75 million to £150 million
- 0.02% on a net asset value thereafter.

During the year, expenses incurred with Apex for accounting and administrative services amounted to £159,714 (2023: £144,233), with £39,414 being outstanding and payable at the year end (2023: £41,829).

AIFM

The AIFM, Gore Street Capital Limited (the "AIFM"), was entitled to receive from the Company, in respect of its services provided under the AIFM agreement, a fee of £75,000 per annum for the term of the AIFM agreement.

During the year, AIFM fees amounted to £75,104 (2023: £74,793), there were no outstanding fees payable at the year end.

At the year end, an amount of £18,750 paid in the year to Gore Street Capital Limited in respect of these fees, is being disclosed in prepayments as it relates to the period 1 April 2024 to 30 June 2024.

INVESTMENT ADVISORY

The fees relating to the Investment Advisor are disclosed within note 22 Transactions with related parties

7. Net gain on investments at fair value through profit and loss

	31 March 2024 (£)	31 March 2023 (£)
Net (loss)/gain on investments at fair value through profit and loss	**(30,041,779)**	60,826,822
	(30,041,779)	60,826,822

8. Investment Income

	31 March 2024 (£)	31 March 2023 (£)
Bank interest income	**3,143,387**	3,631,520
Loan interest income received from subsidiaries	**29,155,404**	8,835,389
	32,298,791	12,466,909

The bank and loan interest income is calculated using the effective interest rate method.

9. Administrative and other expenses

	31 March 2024 (£)	31 March 2023 (£)
Accounting and Company Secretarial fees	**171,930**	191,504
Auditor's remuneration (see below)	**273,000**	303,500
Bank interest and charges	**9,515**	7,813
Directors' remuneration and expenses	**306,556**	242,313
Directors & Officers insurance	**19,272**	39,336
Foreign exchange loss	**14**	34
Investment advisory fees	**5,542,596**	4,914,324
Legal and professional fees	**1,110,554**	1,218,993
AIFM fees	**75,104**	74,793
Marketing fees	**56,295**	94,630
Performance fees	**–**	2,457,164
Sundry expenses	**361,070**	337,032
	7,925,906	9,881,436

During the year, the Company received the following services from its auditor, Ernst & Young LLP.

	31 March 2024 (£)	31 March 2023 (£)
Audit services		
Statutory audit: Annual accounts – current year	**254,500**	285,900
Non-audit services		
Other assurance services – Interim accounts	**18,500**	17,600
Total audit and non-audit services	**273,000**	303,500

The statutory auditor is remunerated £170,790 (2023: £171,350), in relation to audits of the subsidiaries. This amount is not included in the above.

10. Taxation

The Company is recognised as an Investment Trust Company ("ITC") for accounting periods beginning on or after 25 May 2018 and is taxed at the main rate of 25%. ITCs are exempt from UK corporation tax on their capital gains. Additionally, ITCs may designate all or part of dividends distributions to shareholders as an interest distribution, which is tax deductible, to the extent that it has "qualifying interest income" for the accounting period. Therefore, there is no corporate tax charge for the year (2023: £nil).

	31 March 2024 (£)	31 March 2023 (£)
(a) Tax charge in profit and loss account		
UK Corporation tax	**–**	–
(b) Reconciliation of the tax charge for the year		
(Loss)/profit before tax	**(5,658,539)**	63,412,295
Tax at UK standard rate of 25% (2023: 19%)	**(1,414,635)**	12,048,336

Effects of:		
Unrealised loss/(gain) on fair value investments	**7,510,445**	(11,557,096)
Expenses not deductible for tax purposes	**42,325**	12,064
Income not taxable	**(2,589)**	–
Tax deductible interest distributions	**(7,219,157)**	(1,371,989)
Deferred tax not recognised	**1,083,611**	868,685
Tax charge for the year	**–**	–

The Company has an unrecognised deferred tax asset of £2,917,202 (2023: £1,833,591) based on the excess unutilised operating expenses of £11,668,809 (2023: £7,334,364) at the prospective UK corporation tax rate of 25% (2023:25%). The Company may claim deductions on future distributions or parts thereof designated as interest distributions. Therefore, a deferred tax asset has not been recognised in respect of these operating expenses and will be recoverable only to the extent that the Company has sufficient future taxable profits.

11. Earnings per share

Earnings per share (EPS) amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, basic, and diluted earnings per share are identical.

	31 March 2024	**31 March 2023**
Net (loss)/gain attributable to ordinary shareholders	**(£ 5,658,539)**	£ 63,412,295
Weighted average number of Ordinary Shares for the year	**485,524,888**	476,542,691
(Loss)/profit per share – Basic and diluted (pence)	**(1.17)**	13.31

12. Investments

	Place of business	**Percentage ownership**	**31 March 2024 (£)**	**31 March 2023 (£)**
GSES1 Limited (“GSES1”)	England & Wales	100%	**470,570,558**	434,762,146
Porterstown Battery Storage Limited (“Porterstown”)	Republic of Ireland	49%	**6,765,120**	–
Kilmannock Battery Storage Limited (“Kilmannock”)	Republic of Ireland	49%	**4,323,837**	–

Reconciliation	**31 March 2024 (£)**	**31 March 2023 (£)**
Opening balance	**434,762,146**	180,762,419
Loans advanced during the year	**69,850,873**	225,765,788
Loan repayments during the year	**(3,678,725)**	(32,592,883)
Loan interest received	**(29,155,404)**	(8,835,389)
Loan interest accrued from GSES1 Limited	**29,971,133**	8,714,157
Purchase of investments in Porterstown and Kilmannock	**10,767,000**	–
Total fair value movement on equity investment	**(30,857,508)**	60,948,054
	481,659,515	434,762,146

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries or equity method account for associates but, rather, recognises them as investments at fair value through profit or loss. The Company is not contractually obligated to provide financial support to the subsidiaries and associate, except as guarantor to the debt facility entered into by its direct subsidiary GSES1 Limited, and there are no restrictions in place in passing monies up the structure.

The investment in GSES1 is financed through equity and a loan facility available to GSES1. The facility may be drawn upon, to any amount agreed by the Company as lender, and is available for a period of 20 years from 28 June 2018. The rest of the investment in GSES1 is funded through equity. The amount drawn on the facility at 31 March 2024 was £375,354,326 (2023: £309,182,178). The loan is interest bearing and attracts interest at 8.5% per annum effective from 1 April 2023. Up until that date, the interest charge was 5% per annum. Investments in the indirect subsidiaries are also structured through loan and equity investments and the ultimate investments are in energy storage facilities.

The increase in interest rate is viewed as a substantial modification to the terms of the loan facility and as a result is derecognised and re-recognised from the effective date. As the loan principal and accrued interest form part of the Company’s investments at fair value through profit or loss, the effect of this change of interest rate is captured within the revaluation and remeasurement of the total investment at period end. As a result there is no accounting impact of the

modification on the Statement of Financial Position or Statement of Comprehensive Income.

Realisation of increases in fair value in the indirect subsidiaries will be passed up the structure as repayments of loan interest and principal. The Company holds a 100% investment in GSES1 and a 49% stake in Porterstown and Kilmannock. GSES1 in turn holds investments in various holding companies and operating assets as detailed below.

	Immediate Parent	Place of business	Percentage Ownership	Investment
GSF Albion Limited ("GSF Albion")	GSES1	England & Wales	100%	
NK Boulby Energy Storage Limited	GSF Albion	England & Wales	99.998%	Boulby
Ferrymuir Energy Storage Limited	GSF Albion	England & Wales	100%	Ferrymuir
Kiwi Power ES B Limited	GSF Albion	England & Wales	49%	Cenin
GSF IRE Limited ("GSF IRE")	GSES1	England & Wales	100%	
Mullavilly Energy Limited	GSF IRE	Northern Ireland	51%	Mullavilly
Drumkee Energy Limited	GSF IRE	Northern Ireland	51%	Drumkee
Porterstown Battery Storage Limited(2)	GSF IRE (51%) / Company direct holding (49%)	Republic of Ireland	100%	Porterstown
Kilmannock Battery Storage Limited(2)	GSF IRE (51%) / Company direct holding (49%)	Republic of Ireland	100%	Kilmannock
GSF England Limited ("GSF England")	GSES1	England & Wales	100%	
GS10 Energy Storage Limited (formerly Ancala Energy Storage Limited)	GSF England	England & Wales	100%	Beeches, Blue House Farm, Brookhall, Fell View, Grimsargh, Hermitage, Heywood Grange, High Meadow, Hungerford, Low Burntoft
Breach Farm Energy Storage Limited	GSF England	England & Wales	100%	Breach Farm
Hulley Road Energy Storage Limited	GSF England	England & Wales	100%	Hulley Road
Larport Energy Storage Limited	GSF England	England & Wales	100%	Larport
Lascar Battery Storage Limited	GSF England	England & Wales	100%	Lascar
OSSPV Limited	GSF England	England & Wales	100%	Lower Road, Port of Tilbury
Stony Energy Storage Limited	GSF England	England & Wales	100%	Stony
Enderby Battery Storage Limited	GSF England	England & Wales	100%	Enderby
Middleton Energy Storage Limited	GSF England	England & Wales	100%	Middleton
GSF Atlantic Limited	GSES1	England & Wales	100%	
GSF Americas Inc.	GSF Atlantic	Delaware	100%	
GSF Cremzow GmbH & Co KG	GSF Atlantic	Germany	90%	Cremzow LP
GSF Cremzow Verwaltungs GmbH	GSF Atlantic	Germany	90%	Cremzow GP
Snyder ESS Assets, LLC	GSF Americas	Delaware	100%	Snyder
Sweetwater ESS Assets, LLC	GSF Americas	Delaware	100%	Sweetwater
Westover ESS Assets, LLC	GSF Americas	Delaware	100%	Westover
Cedar Hill ESS Assets, LLC	GSF Americas	Delaware	100%	Cedar Hill
Mineral Wells ESS Assets, LLC	GSF Americas	Delaware	100%	Mineral Wells
Wichita Falls ESS Assets, LLC	GSF Americas	Delaware	100%	Wichita Falls
Mesquite ESS Assets, LLC	GSF Americas	Delaware	100%	Mesquite
Dogfish ESS Assets, LLC	GSF Americas	Delaware	100%	Dogfish
Big Rock ESS Assets, LLC	GSF Americas	Delaware	100%	Big Rock
Mucklagh Battery Storage Facility Limited(1)	GSF IRE	Republic of Ireland	51%	Mucklagh

(1) The acquisition of Mucklagh Battery Storage Facility Limited was completed on 14 March 2024.

(2) On 25 March 2024, the Company directly acquired the remaining 49% of both Porterstown Battery Storage Limited and Kilmannock Battery Storage Limited through an issuance of shares in the Company on 26 March 2024 (see note 20). This acquisition, along with the existing 51% stake of Porterstown and Kilmannock held by GSF IRE Limited, takes total ownership for the Company and its subsidiaries to 100%. Post year end, this 49% stake was transferred down to GSF IRE Limited by way of an intercompany loan through GSES 1 Limited.

13. Cash and cash equivalents

	31 March 2024 (£)	31 March 2023 (£)
Cash at bank	**55,306,092**	99,199,093
Restricted cash	**5,361,480**	24,506,634

	31 March 2024 (£)	31 March 2023 (£)
	60,667,572	123,705,727

Restricted cash comprises cash held as collateral for future contractual payment obligations and deferred payments payable from indirect subsidiaries of the Company to third party suppliers in relation to the Big Rock project. Collateral will be released to the Company upon settlement of the contractual payments, to be made in accordance with the applicable contracts. The final payment to the supplier under the contractual agreement was made in April 2024 and subsequently the remaining £5,361,480 plus interest earned post year end was released from the collateral account in June 2024.

14. Trade and other receivables

	31 March 2024 (£)	31 March 2023 (£)
VAT recoverable	**185,712**	213,360
Prepaid Director's and Officer's insurance	**2,111**	4,085
Other Prepayments	**118,218**	36,746
Other Debtors	**–**	280,560
Bank interest receivable	**213,812**	309,074
	519,853	843,825

15. Trade and other payables

	31 March 2024 (£)	31 March 2023 (£)
Administration fees	**39,414**	73,509
Audit fees	**276,500**	283,100
Directors remuneration	**9,824**	8,222
Professional fees	**1,823,031**	2,554,634
Other creditors	**1,678**	127,388
	2,150,447	3,046,853

16. Categories of financial instruments

	31 March 2024 (£)	31 March 2023 (£)
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	**60,667,572**	123,705,727
Trade and other receivables	**519,853**	843,825
Fair value through profit and loss		
Investment	**481,659,515**	434,762,146
Total financial assets	**542,846,940**	559,311,698
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**2,150,447**	3,046,853
Total financial liabilities	**2,150,447**	3,046,853

At the balance sheet date, all financial assets and liabilities were measured at amortised cost except for the investment in equity and loans to subsidiaries which are measured at fair value.

17. Fair Value measurement

VALUATION APPROACH AND METHODOLOGY

There are three traditional valuation approaches that are generally accepted and typically used to establish the value of a business; the income approach, the market approach, and the net assets (or cost based) approach. Within these three approaches, several methods are generally accepted and typically used to estimate the value of a business.

The Company has chosen to utilise the income approach, which indicates value based on the sum of the economic income that an asset, or group of assets, is anticipated to produce in the future. Therefore, the income approach is typically applied to an asset that is expected to generate future economic income, such as a business that is considered a going concern. Free cash flow to total invested capital is typically the appropriate measure of economic income. The income approach is the Discounted Cash Flow ("DCF") approach and the method discounts free cash flows using an estimated discount rate (Weighted Average Cost of Capital ("WACC")).

VALUATION PROCESS

The Company's portfolio of lithium-ion energy storage investments has a total capacity of 1.25 GW (2023: 1.17 GW). As at 31 March 2024, 371.5 MW of the Company's total portfolio was operational (2023: 291.6 MW) and 873.5 MW pre-operational (2023: 881.6 MW) (the "Investments").

The Investments comprise projects, based in the UK, the Republic of Ireland, mainland Europe and North America. The Directors review and approve these valuations following appropriate challenge and examination. The current portfolio consists of non-market traded investments and valuations are analysed using forecasted cash flows of the assets and used the discounted cash flow approach as the primary approach for the valuation. The Investment Manager prepares financial models utilising revenue forecasts from external parties to determine the fair value of the Company's investments and the Company engages external, independent, and qualified valuers to verify the valuations.

As at 31 March 2024, the fair value of the portfolio of investments has been determined by the Investment Manager and reviewed by BDO UK LLP.

The below table summarises the significant unobservable inputs to the valuation of investments.

		Significant Inputs		Fair Value	
Investment Portfolio	**Valuation technique**	**Description**	**(Range)**	**31 March 2024 (£)**	**31 March 2023 (£)**
Great Britain (excluding Northern Ireland)	DCF	Discount Rate Revenue / MW / hr	7.25% – 11% £7 – £12	**197,453,898**	**180,714,570**
Northern Ireland	DCF	Discount Rate Revenue / MW / hr	8% – 9.25% €9 – €27	**44,381,239**	**55,049,170**
Republic of Ireland	DCF	Discount Rate Revenue / MW / hr	8.25% – 11% €8 – €13	**54,445,455**	**28,515,507**
Other OECD	DCF	Discount Rate Revenue / MW / hr	9.25% – 10.75% €9 – €12 / $8 – $29	**196,268,784**	**171,008,958**
Holding Companies	NAV			**(10,889,861)**	**(526,059)**
Total Investments				**481,659,515**	**434,762,146**

The fair value of the holding companies represents the net assets together with any cash held within those companies in order to settle any operational costs.

- **Sensitivity Analysis**

The below table reflects the range of sensitivities in respect of the fair value movements of the Company's investments and via GSES1.

		Significant Inputs		Estimated effect on Fair Value	
Investment Portfolio	**Valuation technique**	**Description**	**Sensitivity**	**31 March 2024 (£)**	**31 March 2023 (£)**
Great Britain (excluding Northern Ireland)	DCF	Revenue	+10%	**40,018,900**	**39,163,849**
			-10%	**(40,636,523)**	**(39,402,771)**
		Discount rate	+1%	**(29,165,634)**	**(25,103,594)**
			-1%	**34,203,482**	**29,658,404**
Northern Ireland	DCF	Revenue	+10%	**4,773,587**	**5,360,179**
			-10%	**(4,776,693)**	**(5,357,401)**
		Discount rate	+1%	**(2,657,793)**	**(3,239,801)**
			-1%	**3,066,071**	**3,741,944**
		Exchange rate	+3%	**(1,222,696)**	**(896,254)**
			-3%	**1,298,082**	**952,017**
Republic of Ireland	DCF	Revenue	+10%	**7,892,427**	**5,631,626**
			-10%	**(9,622,279)**	**(6,434,752)**
		Discount rate	+1%	**(8,951,937)**	**(5,936,555)**
			-1%	**10,423,597**	**6,914,698**
		Exchange rate	+3%	**(1,202,234)**	**(101,466)**
			-3%	**1,276,599**	**107,516**
Other OECD	DCF	Revenue	+10%	**29,656,856**	**24,849,092**
			-10%	**(30,077,236)**	**(25,153,598)**

Discount rate	+1%	**(16,265,625)**	**(14,401,398)**
	-1%	**18,675,891**	**16,472,024**
Exchange rate	+3%	**(5,675,505)**	**(4,689,659)**
	-3%	**6,026,567**	**4,981,974**

High case (+10%) and low case (-10%) revenue information used to determine sensitivities are provided by third party pricing sources.

- **Valuation of financial instruments**

The investments at fair value through profit or loss are Level 3 in the fair value hierarchy. No transfers between levels took place during the year. The fair value of other financial instruments held during the year approximates their carrying amount.

18. Financial risk management

The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk is considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

- **Capital risk management**

The capital structure of the Company at year end consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated gains. The Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

- **Counterparty risk**

The Company is exposed to third party credit risk in several instances, including the possibility that counterparties with which the Company and its subsidiaries, together the Group, contract with, may default or fail to perform their obligations in the manner anticipated by the Group. Such counterparties may include (but are not limited to) manufacturers who have provided warranties in relation to the supply of any equipment or plant, EPC contractors who have constructed the Company's projects, who may then be engaged to operate assets held by the Company, property owners or tenants who are leasing ground space and/or grid connection to the Company for the location of the assets, contractual counterparties who acquire services from the Company underpinning revenue generated by each project or the energy suppliers, or demand aggregators, insurance companies who may provide coverage against various risks applicable to the Company's assets (including the risk of terrorism or natural disasters affecting the assets) and other third parties who may owe sums to the Company. In the event that such credit risk crystallises, in one or more instances, and the Company is, for example, unable to recover sums owed to it, make claims in relation to any contractual agreements or performance of obligations (e.g. warranty claims) or require the Company to seek alternative counterparties, this may materially adversely impact the investment returns.

Further the projects in which the Company may invest will not always benefit from a turnkey contract with a single contractor and so will be reliant on the performance of several suppliers. Therefore, the key risks during battery installation in connection with such projects are the counterparty risk of the suppliers and successful project integration. The Company accounts for its exposure to counterparty risk through the fair value of its investments by using appropriate discount rates which adequately reflects its risk exposure.

The Company regularly assesses the creditworthiness of its counterparties and enters into counterparty arrangements which are financially sound and ensures, where necessary, the sourcing of alternative arrangements in the event of changes in the creditworthiness of its present counterparties.

- **Concentration risk**

The Company's investment policy is limited to investment in energy storage infrastructure in the UK, Republic of Ireland, North America, Western Europe, Australia, Japan, and South Korea. The value of investments outside of the UK is not intended to exceed 60% of Gross Asset Value of the Company. As at 31 March 2024, investments outside of the UK were at 42% (2023: 36%) of the Gross Asset Value. Significant concentration of investments in any one sector and location may result in greater volatility in the value of the Group's investments and consequently the Net Asset Value and may materially and adversely affect the performance of the Group and returns to Shareholders. The Company currently has investments located across 5 different grids in the UK, Republic of Ireland, North America (ERCOT and CAISO), and Germany. This diversification reduces exposure to any single grid. The investment policy also limits the exposure to any single asset within the portfolio to 25% of the Gross Asset Value of the Company.

- **Credit risk**

The Company regularly assesses its credit exposure and considers the creditworthiness of its customers and counterparties. Cash and bank deposits are held with Barclays plc, Santander UK plc and JPMorgan Chase and Co., all reputable financial institutions with Moody's credit ratings of Baa1, A1 and A1 respectively.

- **Liquidity risk**

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding. The Company may, where the Board deems it appropriate, use short-term leverage to acquire assets but with the intention that such leverage be repaid with funds raised through a new issue of equity or cash flow from the Company's portfolio. Such leverage will not exceed 30 per cent. at the time of borrowing of Gross Asset Value without Shareholder approval. The Company intends to prudently introduce a conservative amount of debt throughout the portfolio. The Company's only financial liabilities as at 31 March 2024 are trade and other payables. The Company has sufficient cash reserves to cover these in the short-medium term. The Company's cash flow forecasts are monitored regularly to ensure the Company is able to meet its obligations when they fall due. The Company's investments are level 3 and thus illiquid and this is taken into assessment of liquidity analysis.

The following table reflects the maturity analysis of financial assets and liabilities.

31 March 2024	**< 1 year**	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
Financial assets					
Cash at bank	**55,306,092**	**–**	**–**	**–**	**55,306,092**
Restricted cash	**5,361,480**	**–**	**–**	**–**	**5,361,480**
Trade and other receivables	**519,853**	**–**	**–**	**–**	**519,853**
Fair value through profit and loss					
Investments	**–**	**–**	**–**	**481,659,515**	**481,659,515**
Total financial assets	**61,187,425**	**–**	**–**	**481,659,515**	**542,846,940**
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	**2,150,447**	**–**	**–**	**–**	**2,150,447**
Total financial liabilities	**2,150,447**	**–**	**–**	**–**	**2,150,447**

31 March 2023	**< 1 year**	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
Financial assets					
Cash at bank	99,199,093	–	–	–	99,199,093
Restricted cash	19,610,119	4,896,515	–	–	24,506,634
Trade and other receivables	843,825	–	–	–	843,825
Fair value through profit and loss					
Investments	–	–	–	434,762,146	434,762,146
Total financial assets	119,653,037	4,896,515	–	434,762,146	559,311,698
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	3,046,853	–	–	–	3,046,853
Total financial liabilities	3,046,853	–	–	–	3,046,853

Investments include both equity and debt instruments. As the equity instruments have no contractual maturity date, they have been included with the >5-year category. Additionally, the debt instruments have an original maturity of 20 years.

- **Market risk**

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects currency risk, interest rate risk and other price risks. The objective is to minimise market risk through managing and controlling these risks to acceptable parameters, while optimising returns. The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks.

i) Currency risk

The majority of investments, together with the majority of all transactions during the current period were denominated in Pounds Sterling.

The Company, via GSES 1 and its direct subsidiaries (and also directly for 49% of Porterstown and Kilmannock), holds three investments (Kilmannock, Porterstown and Mucklagh) in the Republic of Ireland, an investment in Germany (Cremzow), and several investments in North America, creating an exposure to currency risk. These investments have been translated into Pounds Sterling at year end and represent 50% (2023: 46%) of the Company's fair valued investment portfolio. The Company regularly monitors its exposure to foreign currency and executes appropriate hedging

arrangements in the form of forward contracts with reputable financial institutions to reduce this risk. These derivatives are held by the Company's subsidiaries.

ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its cash balances held with counterparties, bank deposits, advances to counterparties and through loans to related parties. Loans to related parties carry a fixed rate of interest for an initial period of 20 years. The Company may be exposed to changes in variable market rates of interest and this could impact the discount rate used in the investment valuations and therefore the valuation of the projects as well as the fair value of the loan receivables. Refer to Note 17 for the sensitivity of valuations to changes in the discount rate. The Company currently has no external debt. The Company continuously monitors its exposure to interest rate risk and where necessary will assess and execute hedging arrangements to mitigate interest rate risk.

iii) Price risk

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. If the market prices of the investments were to increase by 10%, there will be a resulting increase in net assets attributable to ordinary shareholders for the period of £48,165,952 (2023: £43,476,217). Similarly, a decrease in the value of the investment would result in an equal but opposite movement in the net assets attributable to ordinary shareholders. The Company relies on the market knowledge of the experienced Investment Advisor, the valuation expertise of the third-party valuer BDO and the use of third-party market forecast information to provide comfort with regard to fair market values of investments reflected in the financial statements.

19. Net asset value per share

Basic NAV per share is calculated by dividing the Company's net assets as shown in the Statement of Financial Position that are attributable to the ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic, and diluted NAV per share are identical.

	31 March 2024	31 March 2023
Net assets per Statement of Financial Position	**£ 540,696,493**	£ 556,264,845
Ordinary Shares in issue as at 31 March	**505,099,478**	481,399,478
NAV per share – Basic and diluted (pence)	**107.05**	115.55

20. Share capital and reserves

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Merger reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 1 April 2023	4,813,995	315,686,634	349,856	–	111,125,000	125,584,414	(1,295,054)	556,264,845
Issue of ordinary £0.01 shares: 20 December 2023	140,000	15,666,000	–	–	–	–	–	15,806,000
Issue of ordinary £0.01 shares: 25 March 2024	97,000	–	–	10,670,000	–	–	–	10,767,000
Share issue costs	–	(49,735)	–	(48,116)	–	–	–	(97,851)
Movement in special reserve	–	–	(349,856)	–	349,856	–	–	–
Dividends paid	–	–	–	–	(36,384,962)	–	–	(36,384,962)
Loss for the year	–	–	–	–	–	(30,041,779)	24,383,240	(5,658,539)
At 31 March 2024	**5,050,995**	**331,302,899**	**–**	**10,621,884**	**75,089,894**	**95,542,635**	**23,088,186**	**540,696,493**

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 1 April 2022	3,450,358	269,708,123	186,656	42,258,892	64,757,592	(3,880,527)	376,481,094
Issue of ordinary £0.01 shares: 14 April 2022	1,363,637	148,636,363	–	–	–	–	150,000,000
Transfer to capital reduction reserve	–	(100,000,000)	–	100,000,000	–	–	–
Share issue costs	–	(2,657,852)	–	–	–	–	(2,657,852)
Movement in special reserve	–	–	163,200	(163,200)	–	–	–
Dividends paid	–	–	–	(30,970,692)	–	–	(30,970,692)
Profit for the year	–	–	–	–	60,826,822	2,585,473	63,412,295
At 31 March 2023	**4,813,995**	**315,686,634**	**349,856**	**111,125,000**	**125,584,414**	**(1,295,054)**	**556,264,845**

SHARE ISSUES

On 20 December 2023, the Company issued 14,000,000 ordinary shares at a price of 112.9 pence per share, raising gross proceeds from the Placing of £15,806,000.

On 26 March 2024, the Company issued 9,700,000 ordinary shares at a price of 111 pence per share, as consideration for the acquisition of the remaining 49% stake in Porterstown Battery Storage Limited and Kilmannock Battery Storage Limited (see note 12). Because this acquisition has increased the Company's indirect ownership of the two investments above 90% (from 51% to 100%), merger relief has been applied to the share issuance. As such, any premium issued on these shares has been recognised as part of the merger reserve.

Ordinary shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings and ordinary creditors.

Ordinary shareholders have the right to vote at meetings of the Company. All ordinary Shares carry equal voting rights.

The nature and purpose of each of the reserves included within equity at 31 March 2024 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount.
- Special reserve: represents a non-distributable reserve totalling the amount of outstanding creditors at the date of the Company's approved reduction in capital. During the year, these creditors were paid off and the remaining special reserve has been written off back against the capital reduction reserve.
- Merger reserve: represents a non-distributable reserve comprising any premium on a share issuance used as consideration for the purpose of obtaining at least 90% equity stake in another company.
- Capital reduction reserve: represents a distributable reserve created following a Court approved reduction in capital.
- Capital reserve: represents a non-distributable reserve of unrealised gains and losses from changes in the fair values of investments as recognised in the Capital account of the Statement of Comprehensive Income.
- Revenue reserve: represents a distributable reserve of cumulative gains and losses recognised in the Revenue account of the Statement of Comprehensive Income.

The only movements in these reserves during the period are disclosed in the Statement of Changes in Equity.

21. Dividends

	Dividend per share	31 March 2024 (£)	31 March 2023 (£)
Dividends paid during the year			
For the 3 month period ended 31 December 2021	2 pence	–	6,900,718
For the 3 month period ended 31 March 2022	1 pence	–	4,813,995
For the 3 month period ended 30 June 2022	2 pence	–	9,627,990
For the 3 month period ended 30 September 2022	2 pence	–	9,627,990
For the 3 month period ended 31 December 2022	2 Pence	**9,627,990**	–
For the 3 month period ended 31 March 2023	1.5 pence	**7,220,992**	–

For the 3 month period ended 30 June 2023	2 pence	**9,627,990**	–
For the 3 month period ended 30 September 2023	2 pence	**9,907,990**	–
		36,384,962	30,970,693

The table below sets out the proposed final dividend, together with the interim dividends declared, in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

	Dividend per share	31 March 2024 (£)	31 March 2023 (£)
Dividends declared for the year			
For the 3 month period ended 30 June 2022	2 pence	**–**	9,627,990
For the 3 month period ended 30 September 2022	2 pence	**–**	9,627,990
For the 3 month period ended 31 December 2022	2 pence	**–**	9,627,990
For the 3 month period ended 31 March 2023	1.5 pence	**–**	7,220,992
For the 3 month period ended 30 June 2023	2 pence	**9,627,990**	–
For the 3 month period ended 30 September 2023	2 pence	**9,907,990**	–
For the 3 month period ended 31 December 2023	2 pence	**9,907,990**	–
For the 3 month period ended 31 March 2024	1.5 pence	**7,576,492**	–
		37,020,462	36,104,962

22. Transactions with related parties

Following admission of the Ordinary Shares (refer to note 20), the Company and the Directors are not aware of any person who, directly or indirectly, jointly, or severally, exercises or could exercise control over the Company.
The Company does not have an ultimate controlling party.

Details of related parties are set out below:

DIRECTORS

On 1 May 2023, Lisa Scenna was appointed as a Director. Patrick Cox, Chair of the Board of Directors of the Company, is paid a director's remuneration of £77,000 per annum, (2023: £70,625), Caroline Banszky is paid a director's remuneration of £57,000 per annum, (2023: £52,500), with the remaining directors' remuneration of £47,000 each per annum, (2023: £43,750).

Total director's remuneration, associated employment costs and expenses of £306,556 were incurred in respect of the year with £9,824 being outstanding and payable at the year end.

INVESTMENT ADVISOR

The Investment Advisor, Gore Street Capital Limited (the "Investment Advisor"), is entitled to advisory fees under the terms of the Investment Advisory Agreement amounting to 1% of Adjusted Net Asset Value. The advisory fee will be calculated as at each NAV calculation date and payable quarterly in arrears.

For the avoidance of doubt, where there are C Shares in issue, the advisory fee will be charged on the Net Asset Value attributable to the Ordinary Shares and C Shares respectively.

For the purposes of the quarterly advisory fee, Adjusted Net Asset Value means Net Asset Value, minus Uncommitted Cash. Uncommitted Cash means all cash on the Company balance sheet that has not been allocated for repayment of a liability on the balance sheet or any earmarked capital costs of any member of the Group. At 31 March there was no uncommitted cash.

Investment advisory fees of £5,542,596 (2023: £4,914,324) were incurred during the year, of which £1,387,354 was outstanding as at 31 March 2024, (2023: £nil outstanding).

In addition to the advisory fee, the Advisor may be entitled to a performance fee by reference to the movement in the Net Asset Value of Company (before subtracting any accrued performance fee) over the Benchmark from the date of admission on the London Stock Exchange.

The Benchmark is equal to (a) the gross proceeds of the Issue at the date of admission increased by 7 per cent. per annum (annually compounding), adjusted for: (i) any increases or decreases in the Net Asset Value arising from issues or repurchases of Ordinary Shares during the relevant calculation period; (ii) the amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Company in respect of the Ordinary Shares at any time from date of admission; and (b) where a performance fee is subsequently paid, the Net Asset Value (after subtracting performance fees arising from the calculation period) at the end of the calculation period from which the

latest performance fee becomes payable increased by 7 per cent. per annum (annually compounded).

The calculation period will be the 12 month period starting 1 April and ending 31 March in each calendar year with the first year commencing on the date of admission on the London Stock Exchange.

The performance fee payable to the Investment Advisor by the Company will be a sum equal to 10 per cent. of such amount (if positive) by which Net Asset Value (before subtracting any accrued performance fee) at the end of a calculation period exceeds the Benchmark provided always that in respect of any financial period of the Company (being 1 April to 31 March each year) the performance fee payable to the Investment Advisor shall never exceed an amount equal to 50 per cent of the Advisory Fee paid to the Investment Advisor in respect of that period. Performance fees are payable within 30 days from the end of the relevant calculation period. No performance fees were accrued as at 31 March 2024, (2023: £2,457,164).

GSS, a direct subsidiary to the Investment Adviser, provided commercial management services to the Company resulting in charges in the amount of £672,351 being paid by the Company (2023: £855,692). During 2023, recharges related to staff under the commercial management agreement (CMA) was changed from a cash basis to an accruals basis. Historically, all staff costs were recharged under the CMA only when paid, resulting in volatility in the corporate services recharges. They are now recharged quarterly in line with the accrued expenditure throughout the year. As a result of the change in recognition during the year, a "catch-up" adjustment was posted to recognise accrued staff-related expenses in 2023. The catch-up adjustment effectively recognises costs associated with two years (2022 and 2023). In subsequent periods, all staff costs will continue to be recharged on an accrual basis - ensuring only 1 years' expenses are recognised in each reporting period.

INVESTMENTS

The Company holds 100% interest in GSES 1 Limited through equity and a loan facility. Transactions and balances held with GSES 1 for the year are all detailed within note 12.

On 25 March 2024, the Company directly acquired the remaining 49% of both Porterstown Battery Storage Limited and Kilmannock Battery Storage Limited through an issuance of shares in the Company on 26 March 2024 (see note 20). This acquisition, along with the existing 51% stake of Porterstown and Kilmannock held by GSF IRE Limited, takes total ownership for the Company and its subsidiaries to 100%. Post year end, this 49% stake was transferred down to GSF IRE Limited by way of an intercompany loan through GSES 1 Limited. Refer to Note 12 for further details.

23. Guarantees and Capital commitments

The Company together with its direct subsidiary, GSES1 Limited entered into Facility and Security Agreements with Santander UK PLC in May 2021 for £15 million. The Facility was increased to £50 million in June 2023. Under these agreements, the Company acts as chargor and guarantor to the amounts borrowed under the Agreements by GSES1 Limited. As at 31 March 2024, an amount of £5,535,292 has been drawn on this facility (2023: £nil).

The Company had no contingencies and significant capital commitments as at the 31 March 2024.

24. Post balance sheet events

The Directors have evaluated the need for disclosures and / or adjustments resulting from post balance sheet events through to 12 July 2024, the date the financial statements were available to be issued.

Post year end, further to the direct acquisition of the remaining 49% of both Porterstown Battery Storage Limited and Kilmannock Battery Storage Limited, the Company transferred these new equity stakes down to GSF IRE Limited by way of an intercompany loan through GSES 1 Limited.

The Board approved on the 11 March 2024, the issuance of an interim dividend of 2 pence per share. This dividend totalling £9,907,990 was paid to investors on 12 April 2024.

There were no adjusting post balance sheet events and as such no adjustments have been made to the valuation of assets and liabilities as at 31 March 2024.

2023 Financial Information

The figures and financial information for 2023 are extracted from the published Annual Report and Accounts for the year ended 31 March 2023 and do not constitute the statutory accounts for that year. The 2023 Annual Report and Accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

2024 Financial Information

The figures and financial information for 2024 are extracted from the Annual Report and Accounts for the year ended 31 March 2024 and do not constitute the statutory accounts for the year. The 2024 Annual Report and Accounts include the Report of the Independent Auditors which is unqualified and does not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The 2023 Annual Report and Accounts will be delivered to the Registrar of Companies in due course.

Neither the contents of the Company's webpages nor the contents of any website accessible from hyperlinks on the Company's webpages (or any other website) is incorporated into, or forms part of, this announcement.