

6 September 2023

Gore Street Energy Storage Fund plc

(the "Company" or "GSF")

Unaudited NAV

International portfolio outperforms GB assets. NAV continues an upward trajectory.

Gore Street Energy Storage Fund plc, the internationally diversified energy storage fund, is pleased to announce its unaudited Net Asset Value ("NAV") as at 30 June 2023. The unaudited NAV increased to 116.0 pence per Ordinary Share from 115.6 pence per Ordinary Share at 31 March 2023. Allowing for the 2.0 pence dividend paid during the period, the quarterly NAV total return was 2.1%. The continued steady NAV progression highlights the resilience of the Manager's international diversification strategy. The total NAV return, including dividends paid, amounting to 50.5% since the IPO in May 2018.

Financial Highlights:

- NAV increased by 0.4% to £558.4m (£556.3m as of 31 March 2023), or 116.0 pence per share (115.6 pence per share as of 31 March 2023), with an annualised NAV Total Return of 8.7% for the June end quarter.

	£ millions	Pence per Ordinary Share
NAV as at 31 March 2023	556.3	115.6
Fund and Subsid. Holding Companies Operating Expenses	(2.7)	(0.6)
Dividends	(9.6)	(2.0)
Cash Generation	4.8	1.0
Asset depreciation and other DCF changes	3.7	0.8
Opex Savings	5.9	1.2
NAV as at 30 June 2023	558.4	116.0

- The Company's Board of Directors has approved a dividend of 2.0 pence per share for the June-end quarter, in line with the Company's progressive dividend target.
- Key long-term assumptions such as inflation, revenue and estimated build-out capex remain unchanged.
- NAV assumptions updated during the period reflect opex savings from optimisation and internalisation of maintenance and asset management engagements.
- The weighted average discount rate applied to the portfolio remains at 10.1%.

Operational & Portfolio Update:

- The operational fleet demonstrated strong performance, generating a weighted average revenue of £10.67/MW/hr during the June-end quarter.
- The Company's international assets (Texas, Ireland & Germany) performed exceptionally well during the three-month period, generating £12.76/MW/hr, over 75% higher than the Company's GB assets.
- The GB portfolio generated an average revenue of £7.19/MW/hr, accounting for 25% of total revenue for the period, and 15% above the 1-hour quarterly benchmark based on data from Modo Energy (April to June leaderboards).
- Post period updates:
 - Operational performance: the international assets, specifically in ERCOT and NI, exceeded expectations with revenue generation estimated at £81.1/MW/hr and £24.0/MW/hr, respectively, over the months of July and August.
 - Construction progress: (i) the Stony asset, located near Milton Keynes, will have energisation completion by September-end; and (ii) Ferrymuir is expected to have energisation completion by November-end. Once complete, the operational capacity in GB will amount to 239.5 MW, giving a total operational capacity across four grids of 421.4 MW.

Strong Balance sheet:

- The Company remains well-capitalised, with £99.0m in cash or cash equivalents as of 30 June 2023.
- During the period, the Company successfully upsized its Revolving Credit Facility to £50.0m. As at 30 June, the Company had not drawn down on the facility.
- The Company continues to progress well towards securing a bridge loan in the US. This debt, denominated in USD, will be secured at the project level of the 200 MW / 400 MWh Big Rock asset in California, US.
- As at July-end 2023, the contractually committed outstanding capex amount was £77.4m, significantly lower than the current availability of cash on balance sheet and credit facility.

Portfolio Update & Market Commentary

Grid	Average revenue 01.01.23 - 31.03.23 (£/MW/hr)	Average revenue 01.04.23 - 30.06.23 (£/MW/hr)	6-month Average revenue 01.01.23 - 30.06.23 (£/MW/hr)
GSF Fleet	13.40	10.67	12.03
GSF Irish Portfolio	20.29	13.84	17.05
GSF Texas Portfolio	3.65	12.29	8.00
GSF German Portfolio	10.39	6.99	8.68
GSF Great Britain Portfolio	8.49	7.19	7.84
Great Britain Market Average (1-hour duration)*	7.64	6.26	6.95
Great Britain Market Average (2-hour duration)*	8.64	8.86	8.75

* Note: based on Modo Energy data on leaderboards for January to June, including CM revenue. Inclusion in the leaderboard is subject to minimum requirements, including >7 MW capacity and monthly availability of greater than 50%.

The Company's diversified portfolio performed well during the reporting period, outperforming both the 1-hour and 2-hour GB markets on an average revenue per MW basis by 70% and 20% respectively, highlighting the benefits of its international focus.

Ireland (EirGrid & Soni):

The Company's best-performing assets during the quarter were its 100 MW Northern Irish assets. Under the DS3 uncapped contract, high wind penetration is directly linked to the level of revenue received, which resulted in a high average revenue during the period.

Texas (ERCOT):

A heatwave in early June provided a tailwind for pricing in this market. The Texas assets outperformed forecasts for the quarter, as these months are a transitional period that historically has offered lower revenue levels than the highs seen in the summer and winter months.

Great Britain (National Grid):

Revenue in this market remained broadly in line with the forecasted downward trajectory, a function of service procurement levels by the grid operator and increased operational capacity. The Company successfully secured longer-term (monthly) FFR contracts for most of its assets in favour of shorter (daily) contracts, as these shorter contracts experienced higher levels of volatility and ultimately lower average revenue. The remaining portion of the fleet pursued a blended strategy of DCMR, trading, and BM activities.

Germany (50 Hertz):

The Company recently changed its route to market provider for its German asset, Cremzow. This new provider facilitates access to supplementary revenue streams, including energy arbitrage. These additional revenue streams proved profitable during the quarter, with trading contributing materially to overall revenue. As gas prices subdued due to warmer temperatures across the continent, leading to a decline in FCR prices, energy arbitrage emerged as a lucrative alternative to ancillary services.

Post Period: July and August

Seasonal market conditions in ERCOT allowed revenues in that grid to surge, whilst Ireland provided high returns following persistent windy weather. This had a positive impact on overall portfolio revenue and highlights the importance of geographic diversity. The estimated revenue for the GSF fleet for July and August is £14.3/MW/hr and £26.3/MW/hr, respectively.

- Ireland benefited from unseasonably high wind penetration, with levels regularly reaching the system maximum of 70% throughout July and August and resulted in estimated revenues of over £20.8/MW/hr and £18.9/MW/hr, respectively, a notable increase when compared to the reported figures of the previous year for July and August 2022 of £7.3/MW/hr and £7.8/MW/hr, respectively.
- Texas portfolio generated its highest ever monthly revenue in August. This is in line with historical trends as the highest revenues tend to occur during the summer due to heatwaves and scarcity on the grid. More frequent occurrences of price spikes compared to the same period in 2022 have resulted in an estimated average revenue of £12.7/MW/hr and £149.4/MW/hr in July and August.
- GB revenue picked up during the start of July as grid oscillations in Scotland meant higher procurement volumes sought by National Grid, however as these issues were resolved revenue plateaued towards the end of July and into August. Requirements in ancillary services markets subsequently flattened, with subdued wholesale opportunities following seasonally low demand for electricity and little impact from continental Europe compared with the events in 2022. The estimated average revenue for the GB portfolio is £7.8/MW/hr and £5.1/MW/hr in July and August.
- German asset has continued to generate a stable revenue stream, amidst the ancillary service prices' decline driven by low seasonal demand satisfied with a stable influx of wind and solar generation coupled with a constant supply of energy from gas, which has seen a decrease in prices and high levels of storage. Cremzow's ability however to participate in energy arbitrage has supplemented the bulk of the revenue stream, generating an estimate of £9.8/MW/hr & £9.3/MW/hr in July and August respectively.

Dividend Declaration

The Company's Board of Directors has approved a dividend of 2.0 pence per share for the June end quarter. The ex-dividend date will be 28 September 2023, and the record date of 29 September 2023. The dividend will be paid on or around 20 October 2023.

Any such dividend payment to Shareholders may take the form of either dividend income or "qualifying interest income", which may be designated as an interest distribution for UK tax purposes and, therefore, subject to the interest streaming regime applicable to investment trusts. Of this dividend declared of 2.0 pence per share, 1.43 pence is treated as qualifying interest income.

The Board notes the recent volatility in the share price, in the context of further weakness in bond markets, especially in the

UK, with 2-year gilt yields now significantly higher than following the mini-budget last September. This is especially disappointing given the positive response to the full year results and Annual Report in July 2023 and the subsequent strong share price performance. Since then, the company's assets have continued to perform strongly.

CEO of Gore Street Capital, the investment manager of the Company, Alex O'Kinneide, commented:

"I am pleased to present the unaudited NAV and portfolio update for the three months, which once again reflect our continued delivery against our targets, firmly supported by our diversification strategy - a cornerstone for sustainable growth. We remain committed to providing market-leading transparency on financial and operational metrics, alongside clear and appropriate valuations.

The performance of our international assets, which on average generated 1.8 times revenue per MW per hour compared to the GB average during this reported period, and in July and August, generated 4.4 times revenue per MW per hour compared to the GB average; reinforcing our position as the leader amongst our peers and the broader sector. With tight control over our projects from our asset management, commercial and investment teams we have been able to secure market leading revenues and operational performance.

In addition to superior revenue generation, our US assets also benefit from Investment Tax Credits, providing a substantial tax credit of between 30% and 40% of capex. We also expect to be able to secure project-level debt at more favourable pricing levels compared to the current levels seen in the UK due to the unique revenue profile of our California-based asset, primarily driven by a secure, long-term contract called the Resource Adequacy contract, which can account for up to 40% of its revenue.

With the imminent energisation of Stony and Ferry we continue to bring projects to operation; which is a testament to having internal teams in procurement and construction, focused on delivery.

The Company has set ambitious goals for revenue and EBITDA margin. Anticipating increased EBITDA of the underlying investment portfolio in 2023 as more projects are commissioned, and operational capacity grows, we expect growth in NAV per share and earnings per share.

We are exceptionally well-positioned to capitalise on the opportunities ahead and are committed to delivering continued value for all our stakeholders."

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Notes to Editors

About Gore Street Energy Storage Fund plc

Gore Street is London's first listed and internationally diversified energy storage fund dedicated to the low-carbon transition. It seeks to provide Shareholders with sustainable returns from their investment in a diversified portfolio of utility-scale energy storage projects. In addition to growth through increasing operational capacity and a considerable pipeline, the Company aims to deliver consistent and robust dividend yield as income distributions to its Shareholders.

<https://www.gseenergystoragefund.com>

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