



ginger
ENERGY

Energy Market Review

January 2023 – December 2023



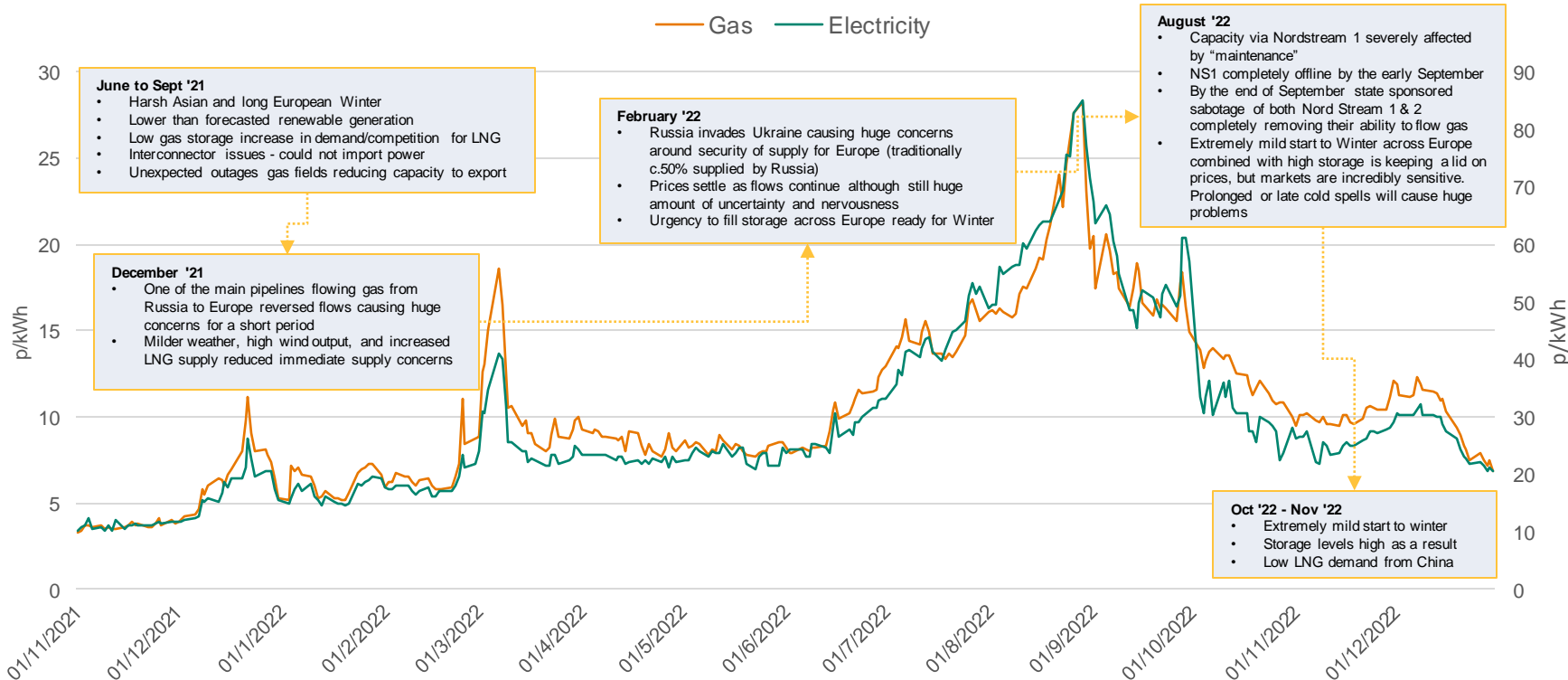
Market Context

2021/2022

Seasonal Continuation - at any point in time the price represents the cost of buying energy to be delivered for the next immediate season (e.g., the price in January 24 would represent the cost of energy to be delivered in Summer '24 (Apr 24-Sep 24) when in April the price represents the cost of energy to be delivered in Winter '24 (Oct 24-Mar 25).

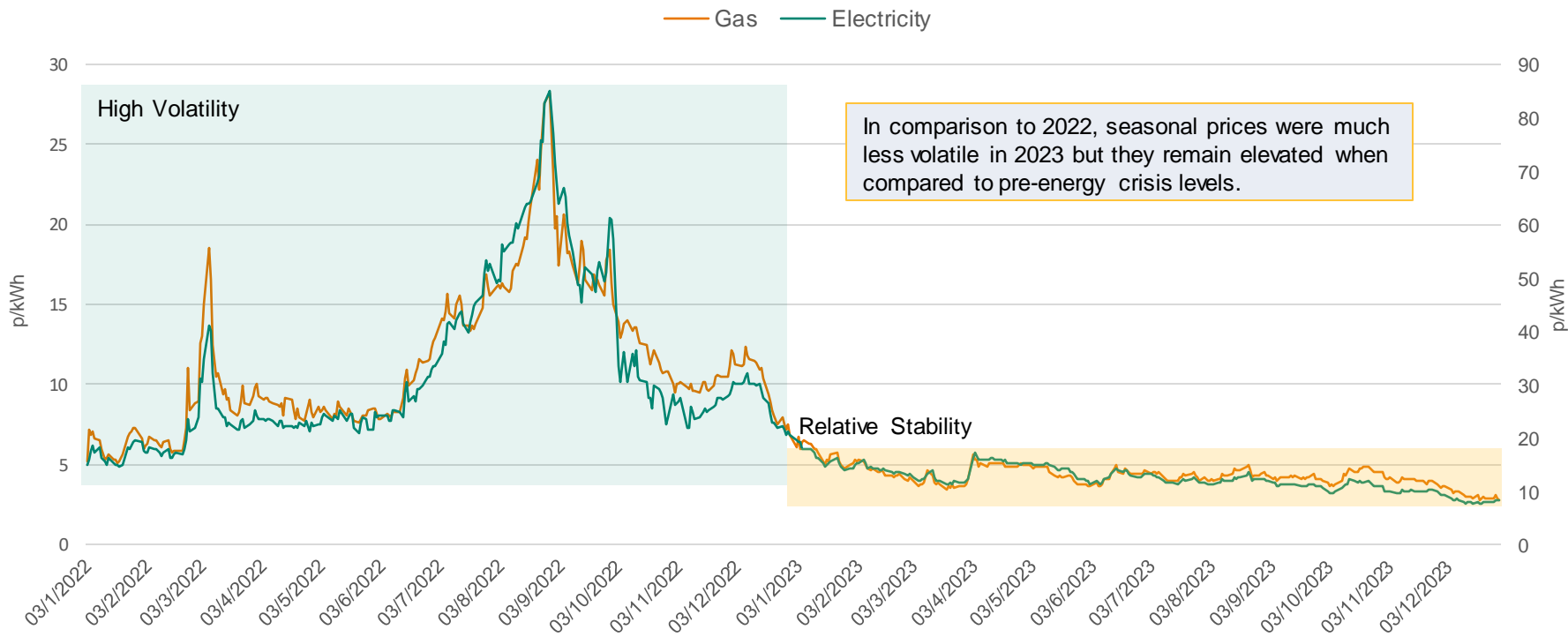
Seasonal Continuation Daily Energy Prices

— Gas — Electricity



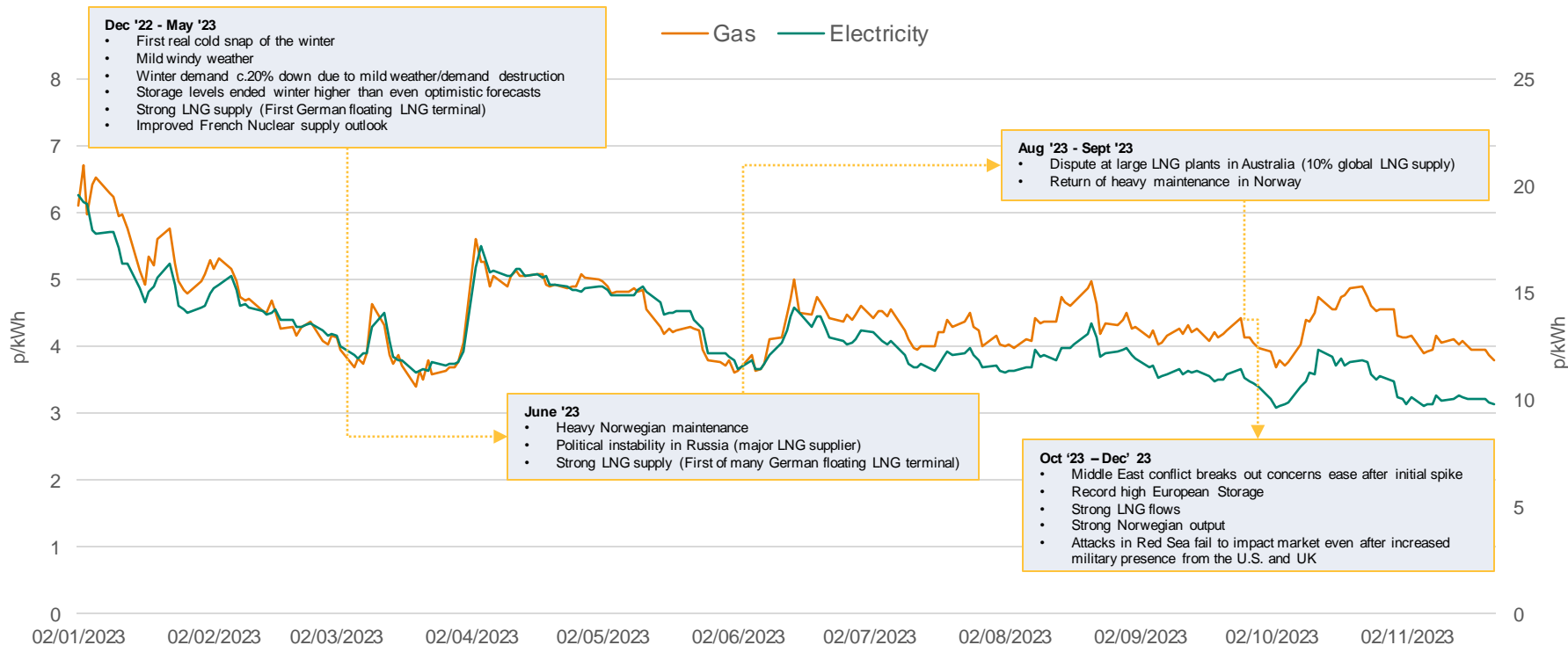
Seasonal prices shifted from high volatility in 2022 to relative stability in 2023

Seasonal Continuation Daily Energy Prices

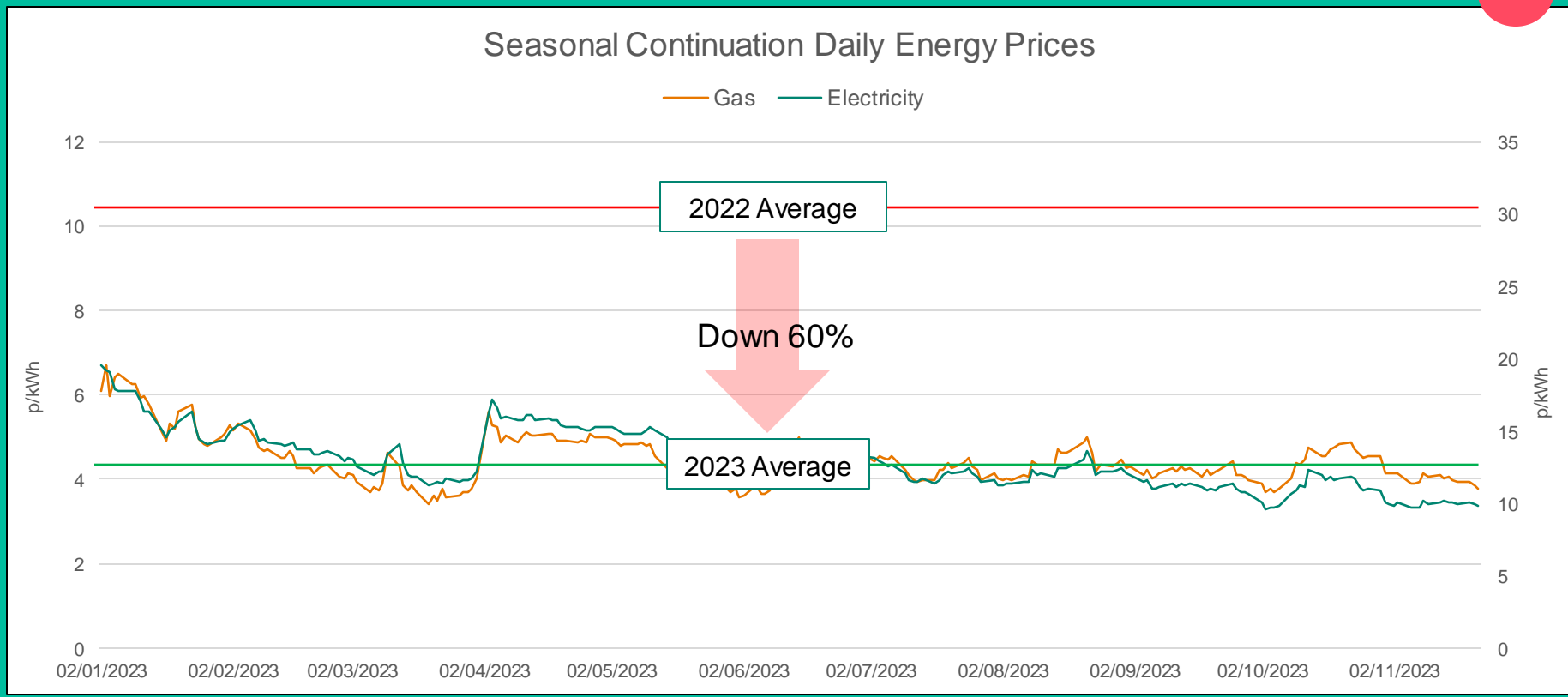


Despite geopolitical headwinds in 2023, market prices trended down

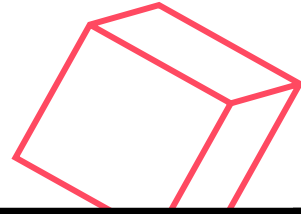
Seasonal Continuation Daily Energy Prices



Average seasonal prices for 2023 were significantly lower than 2022



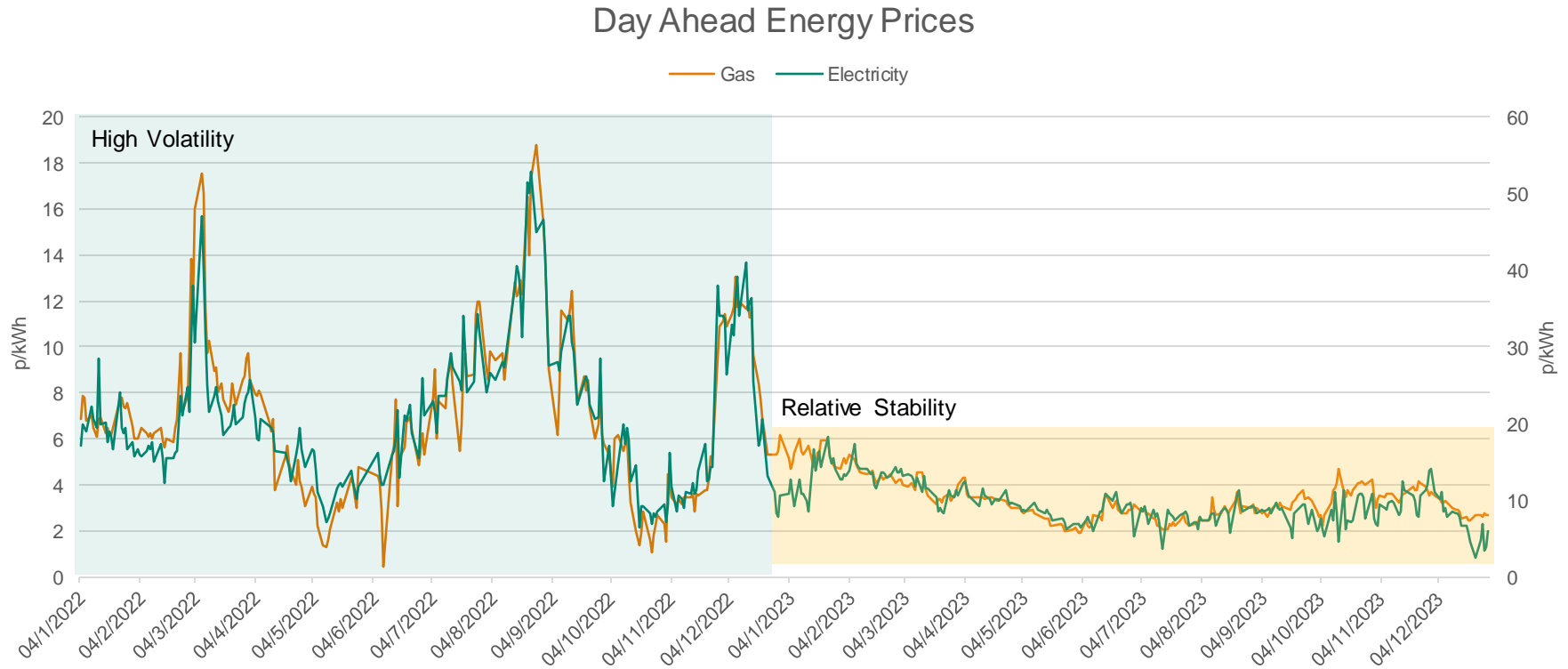
Average seasonal continuation prices Y-o-Y



Average Seasonal Continuation Price (p/kWh)

Description	Year	Gas	Y-o-Y Difference	Electricity	Y-o-Y Difference
Pre-energy Crisis	2019	1.6	n/a	5.1	n/a
Covid - low global energy demand	2020	1.1	-33%	4.1	-18%
Economic rebound leading on to start of energy crisis	2021	3.2	197%	9.8	136%
Peak of crisis due to removal of Russian piped gas	2022	11.3	250%	31.9	226%
"New Normal" relative stability	2023	4.3	-62%	12.5	-61%
Prices from 2023 were over 3x higher than pre-energy crisis levels	2023 vs 2019		167%		146%

Day-ahead energy prices have also moved from extreme volatility in 2022 to relative stability in 2023



Day-ahead energy prices Y-o-Y



Day-ahead – at any point in time the price represents the cost of buying energy to be delivered the next working day (e.g., A price in today would represent the cost of energy to be delivered in tomorrow .

Average Day-ahead Price (p/kWh)					
Description	Year	Gas	Y-o-Y Difference	Electricity	Y-o-Y Difference
Pre-energy Crisis	2019	1.2	n/a	4.3	n/a
Covid - low global energy demand	2020	0.8	-29%	3.6	-16%
Economic rebound leading on to start of energy crisis	2021	3.9	364%	12.3	238%
Peak of crisis due to removal of Russian piped gas	2022	7.1	82%	20.9	71%
"New Normal" relative stability	2023	3.4	-52%	9.5	-53%
Prices from 2023 were significantly higher than pre-energy crisis levels	2023 vs 2019		190%		124%

Market Outlook

Despite at the start of winter 23 risks being skewed towards the upside, now we are over halfway through the season the outlook is much more positive. Strong supply from Norway with very limited maintenance and a mild start to the season has provided confidence to the market that the winter will be managed comfortably. Even in cold scenarios storage is predicted to be in a good position at the end of winter, reducing bullish pressure on prices in the coming seasons. Geopolitical factors still have the potential to cause market shocks but the increased LNG regasification capacity in Europe has significantly reduced supply security risks in the future.

Downside

Strong storage position across Europe.

Even in cold weather scenarios there should be ample supply to comfortably make it through to spring.

Economic outlook could reinforce lack of demand.

Any potential for de-escalation in Middle East.

Upside

LNG diversion to Asia if their demand ramps up.

Infrastructure risk or delays (LNG and pipelines).

Cuts to remaining Russia pipeline supply.

Demand bounce back from industrial sector.

Possible further escalation in Middle East.



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