

Gresham House Energy Storage Fund plc

30 June 2024



Fund manager

Ben Guest

Managing Director, New Energy



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Overview

Gresham House Energy Storage Fund plc (GRID or the Fund) seeks to capitalise on the growing intraday supply and demand imbalances caused by the ever-increasing reliance on renewable energy.

The Fund aims to provide investors with an attractive and sustainable dividend by investing in a portfolio of utility-scale Battery Energy Storage Systems (BESS) located in Great Britain and internationally, which primarily use batteries to import and export power, accessing the multiple revenue sources available in the power market.

The Fund targets an unlevered Net Asset Value (NAV) total return of 8.0%+ per annum¹ and levered NAV total return of 15% per annum net of Fund expenses. Returns are not correlated to the absolute level of wholesale power prices and are not dependent on any government subsidies.

Fund information

Ticker GRID

Listing LSE Specialist Fund Segment

ISIN GB00BFX3K770

Year end 31 December

Key facts as at 30 June 2024

Share price (closing price) 70.30p

NAV per share 109.16p

Market Capitalisation £400.1mn

Net assets £621.2mn

Mgt. fee 1.0% net assets <£250mn
0.9% net assets from £250mn-£500mn
0.8% net assets >£500mn

Ongoing charges¹ 1.19%

Ordinary Shares in issue 569,064,139

Total return as at 30 June 2024

	YTD	1 yr to date	3 yr to date	Since inception (Nov 2018)
Share price total return	-35.50%	-49.81%	-33.68%	-9.64%
NAV total return	-15.43%	-23.67%	13.35%	45.00%

Financial highlights

- As of 30 June 2024, NAV per share decreased 15.40% to 109.16p
- Operational portfolio reached 790MW on 30 June 2024 vs 690MW on 31 December 2023
- During the half year period, the most significant changes to NAV per share included:
 - 19.47p from lower third-party revenue curves
 - 2.14p from the reduction of 2024 inflation rates
 - 1.88p from contracted revenue changes reflecting the impact from valuing tolling revenues at 8.5% in place of merchant forecasts
 - +0.51p from the fair value movement of interest rate swaps
 - +0.64p gain on share buybacks
 - +1.09p from revaluing Penwortham as in commissioning (25bps discount rate reduction) and York as operational
 - +1.35p from model roll-forward, modelling adjustments, working capital movements, fund, and debt costs

- The discount rates for projected merchant cash flows and capacity market cash flows are unchanged despite the significant reduction in forecasts
- The weighted average discount rate fell from 10.87% to 10.76% reflecting a lower rate for tolling revenues and as projects moved from construction to operational
- Operational assets have been valued at £639k/MW. The discounted cashflow valuation represented £628k/MW of this total while working capital, which includes cash, batteries and other equipment held for upgrades, represented the remainder

1. As at 31 December 2023 updated annually

Capital at risk. Past performance is not a reliable indicator of future performance.

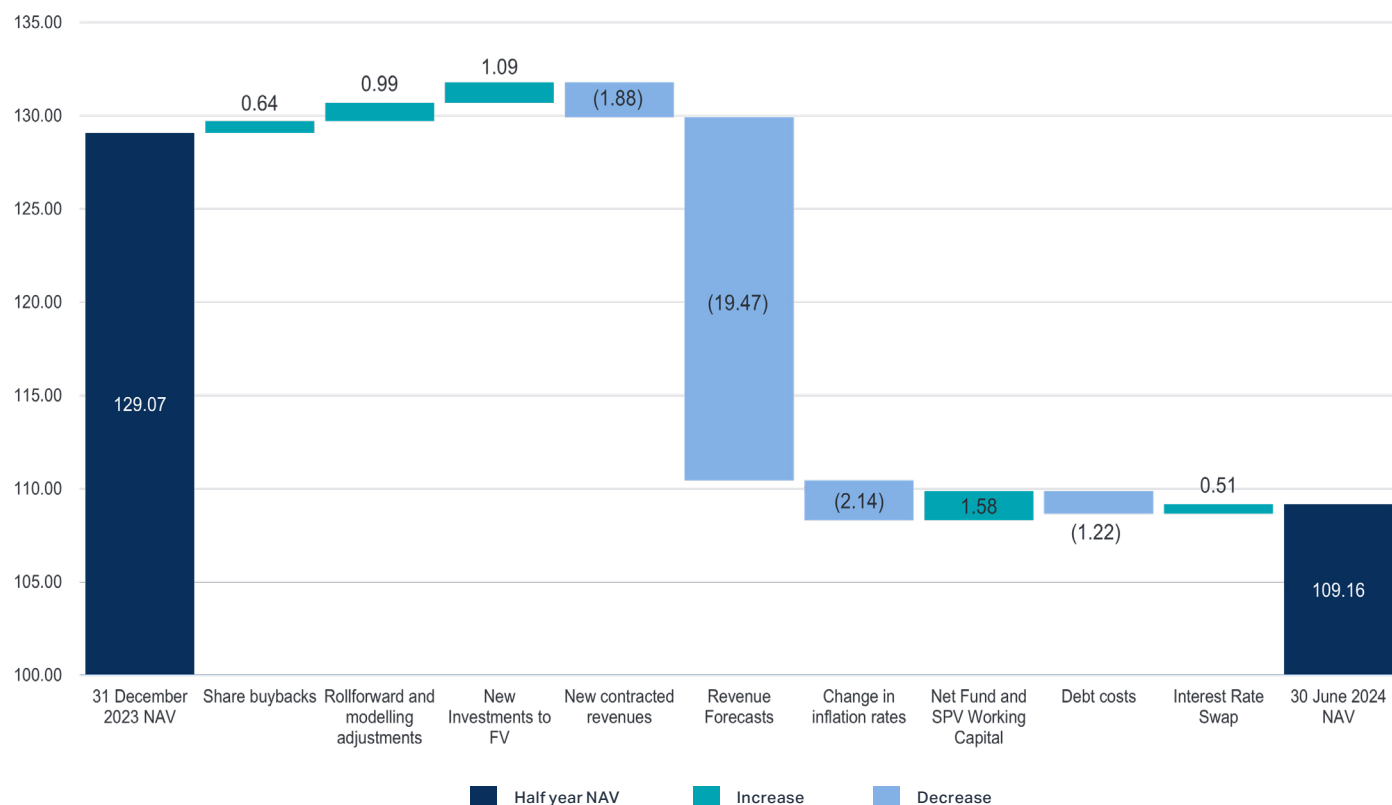
H1 2024 highlights

- The operational portfolio generated net revenues of £17.9mn (H1 23: £20.5mn) and EBITDA of £10.4mn (H1 23: £13.8mn), down 14.5% and 24.6%, respectively. Lower revenues were driven by an especially weak first quarter, following which revenues recovered and stabilised albeit at a lower level than expected over the longer term
- Construction of projects and site augmentations continued to progress; as at 30 June 2024 the operational portfolio increased to 790MW (up 14.5% since 31 December 2023) / 931MWh (up 18.1%)
- Landmark tolling agreement signed with Octopus Energy fixing revenues at above recent merchant revenue levels for two years on 568MW; over 50% of the target portfolio of 1072MW

Highlights in the period from 30 June 2024 to date

- Early net revenue figures for July and August are averaging at the highest levels of the year so far and are c.25% higher than average net revenues in H1 2024
- Operational capacity increased further to 790MW / 1031MWh following the energisation of Enderby and West Didsbury extensions, taking operational MWh capacity to over 1GWh for the first time
- Four projects (representing 105MW) have been onboarded by Octopus Energy so far and commenced their tolling agreement. All projects contracted under the tolling agreement are expected to have been technically enabled and onboarded by Octopus Energy by the end of 2024. All tolling contracts are for two years from the date of onboarding a project
- GRID cancelled a further £30mn of its debt facility, reducing the total size of the facility to £195mn
- Interim results announcement on 30 September
- In October, the Manager will host site visits for institutional and retail investors
- In November, the Company will host a Capital Markets Day (CMD) which will include the details of a three-year plan from 2025 to 2027

NAV (p/share) bridge from 31 December 2023 to 30 June 2024



Source: Gresham House New Energy, 30 June 2024

Targets may or may not materialise. Capital at risk. Past performance is not a reliable indicator of future performance.



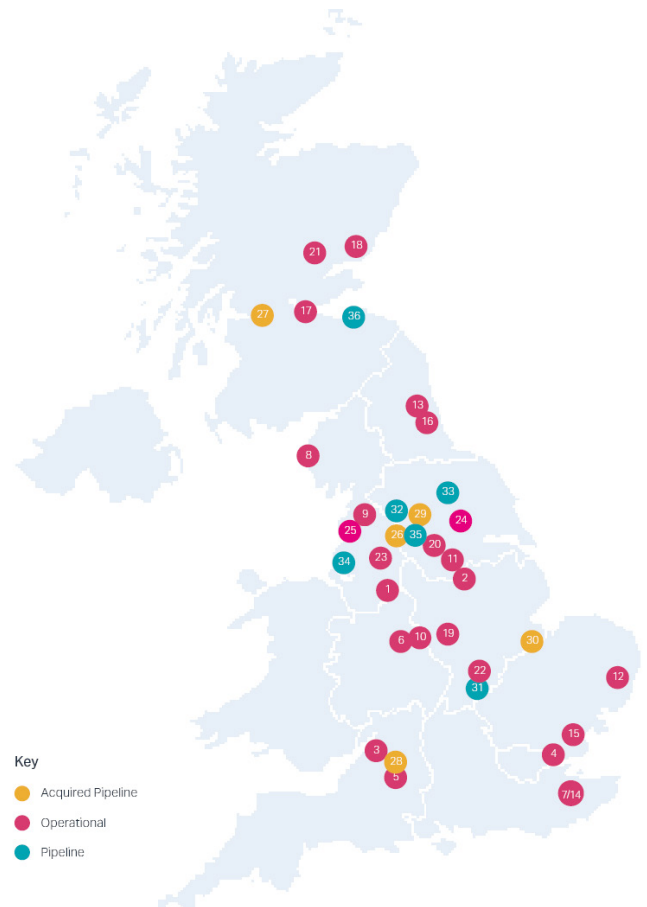


Portfolio & pipeline

Project	Location	MW	Status
1. Staunch	Staffordshire	20	Operational
2. Rufford	Nottinghamshire	7	Operational
3. Lockleaze	Bristol	15	Operational
4. Littlebrook	Kent	8	Operational
5. Roundponds	Wiltshire	20	Operational
6. Wolverhampton	West Midlands	5	Operational
7. Glassenbury	Kent	40	Operational
8. Cleator	Cumbria	10	Operational
9. Red Scar	Lancashire	49	Operational
10. Bloxwich	West Midlands	41	Operational
11. Thurcroft	South Yorkshire	50	Operational
12. Wickham Market	Suffolk	50	Operational
13. Tynemouth	North Tyneside	25	Operational
14. Glassenbury Extension	Kent	10	Operational
15. Nevendon	Essex	10	Operational Augmentation: Nov 2024
16. Port of Tyne	Tyneside	35	Operational
17. Byers Brae	West Lothian	30	Operational
18. Arbroath	Scotland	35	Operational Augmentation: completed
19. Enderby	Leicester	50	Operational Augmentation: completed
20. Stairfoot	North Yorkshire	40	Operational
21. Coupair Angus	Scotland	40	Operational Augmentation: Nov 24
22. Grendon 1	Northampton	50	Operational
23. West Didsbury	Manchester	50	Operational Augmentation: completed
24. York	York	50	Operational
25. Penwortham	Preston	50	Operational Augmentation: Oct 24
Total operational		790	
26. Elland 1	West Yorkshire	50	Target Oct 24
27. Shilton Lane	Scotland	40	Target Oct 24
28. Melksham	Wiltshire	100	Target: Oct 24 Augmentation: Dec24
29. Bradford West	West Yorkshire	87	Target: Dec 24
Total operational or under construction		1,067	
30. Walpole	Cambridgeshire	100	Target TBC
Total portfolio owned by the company		1,167	

Pipeline project	Location	MW	Status
31. Grendon 2	Northampton	50	Target: TBC
32. Thurcroft 2	South Yorkshire	135	Target: TBC
33. Monet's Garden	North Yorkshire	50	Target: TBC
34. Lister Drive	Merseyside	50	Target: TBC
35. Elland 2	West Yorkshire	100	Target: TBC
36. Cockenzie	Scotland	342	Target: TBC
Total additional pipeline not owned by the Company*		727	
Total portfolio and additional pipeline		1,894	

* Construction of additional pipeline not owned by the Company is not planned at this stage



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Portfolio manager

Gresham House Asset Management Ltd (GHAM)

As the operating business of Gresham House, GHAM manages and advises funds and co-investments across a range of differentiated alternative investment strategies for third-party clients. Gresham House is a specialist asset manager and adviser with c.£8.8bn AUM.

Source: Gresham House as at 30 June 2024.

Important information

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Gresham House is committed to meeting the needs and expectations of all stakeholders and welcomes any suggestions to improve its service delivery.

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