

# GRESHAM HOUSE ENERGY STORAGE FUND PLC

## FACTSHEET AS AT 31 MARCH 2019



### SUMMARY

Gresham House Energy Storage Fund plc (GRID or the Fund) seeks to capitalise on the growing intraday supply and demand imbalances caused by Great Britain's 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 Energy Storage Systems (ESS) located in Great Britain, which primarily use batteries to import and export power, accessing multiple revenue sources available in the power market.

The Fund targets a Net Asset Value (NAV) total return of 8.0%+ per annum, once the Fund is fully invested, before leverage and net of Fund expenses, and a minimum target dividend of 7.0p per Ordinary Share<sup>1,2</sup>. Returns are not correlated to the absolute level of wholesale power prices and are not dependent on any subsidies.

### FINANCIAL & OPERATIONAL HIGHLIGHTS

The Fund listed on 13 November 2018 with £100m of gross proceeds. As at 31 March 2019, the Fund's NAV was 99.95p per share (before the declared dividend). The Fund has declared its first interim dividend of 1.4p per share for the period from inception to 31 March 2019, to be paid to investors on 7 June 2019. In conjunction, initial accounts for the period from inception to 28 February 2019 will shortly be filed at Companies House.

The Fund's seed ESS projects currently generate revenues primarily from Firm Frequency Response (FFR) and other grid connection-related charges, including Triads. While revenues are currently skewed to FFR services, during 2019, operations will increasingly target Asset Optimisation as this becomes the more profitable business activity.

With respect to Triads, the Manager is pleased to report that the seed portfolio successfully generated during all of the three half-hour winter Triad peaks. The Fund, which models a 66.6% Triad success rate on battery-only sites, achieved a c.98% success rate. A change to the Triad regime announced in 2016 means the value of a Triad payment is reducing and will do so for another two years, and this has been factored into revenue projections.

The Manager is pleased with the technical performance of the assets and continues both to improve operations and to seek to extract additional net income from the projects.

### KEY FACTS AS AT 31 MARCH 2019

Ticker:	GRID
Share price (mid-market):	104.50p
NAV per Share:	99.95p
Market capitalisation:	£104.50m
Net assets:	£99.95m
Mgt. Fee:	1.0% net assets <£250m 0.9% net assets from £250m-£500m 0.8% net assets >£500m

2019 target dividend per Share:	4.5p (7.0p: 2020)
Shares in issue:	100m

### KEY INFORMATION

Listing:	LSE UK Specialist Fund Segment
SEDOL:	BFX3K77
ISIN:	GB00BFX3K770
Registration:	UK
Dividend frequency:	Quarterly
Year end:	31 December

[newenergy.greshamhouse.com/funds/esf/](http://newenergy.greshamhouse.com/funds/esf/)

### PORTFOLIO ACTIVITY & MARKET OUTLOOK

At IPO the Fund was c.60% invested. Since then the Manager has been working on follow-on acquisitions. The first project, 5MW in Wolverhampton is now commissioned and will be acquired as soon as it reaches PAC (Preliminary Acceptance). Construction of the next project (50MW), which the Fund expects to acquire once operational, will commence shortly. These acquisitions, the extension of an existing project and some battery upgrades on existing projects will see IPO proceeds fully committed and deployed before the Fund's first anniversary. On 26 April 2019, the Fund announced a placing of shares at 101p per share through Cantor Fitzgerald Europe. The Manager is also pursuing the opportunity to raise a modest amount of debt finance with closing foreseen in Q3:2019. Together this would allow the Fund to acquire its pipeline of projects while also beginning to modestly enhance returns, as set out in the Prospectus.

The Capacity Market (CM) scheme remains subject to a "standstill" order following the ECJ ruling last November. The Manager believes the CM scheme is likely to be reinstated or replaced with a similar mechanism. However, if it is not, the result may be more volatile intraday electricity prices providing an opportunity for ESS projects to generate revenues under the Asset Optimisation model. This may offset any loss of income associated with the withdrawal of, or changes to, the CM mechanism.

The UK's exposure to renewable energy generation continues to increase despite the removal of subsidies to onshore wind and solar. Development of offshore wind in particular is set to take renewable generation to over 50% within two years (2021) according to government forecasts, generating an even more volatile supply of electricity and power prices which underpins the opportunity for ESS (see chart on p.2).

1. This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Fund will make any distributions at all. This target return should not be taken as an indication of the Fund's expected or actual current or future results. The Fund's actual return will depend upon a number of factors, including but not limited to the Fund's net income and the Fund's ongoing charges figure. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Fund

2. 4.5p+ per Ordinary Share in the first year

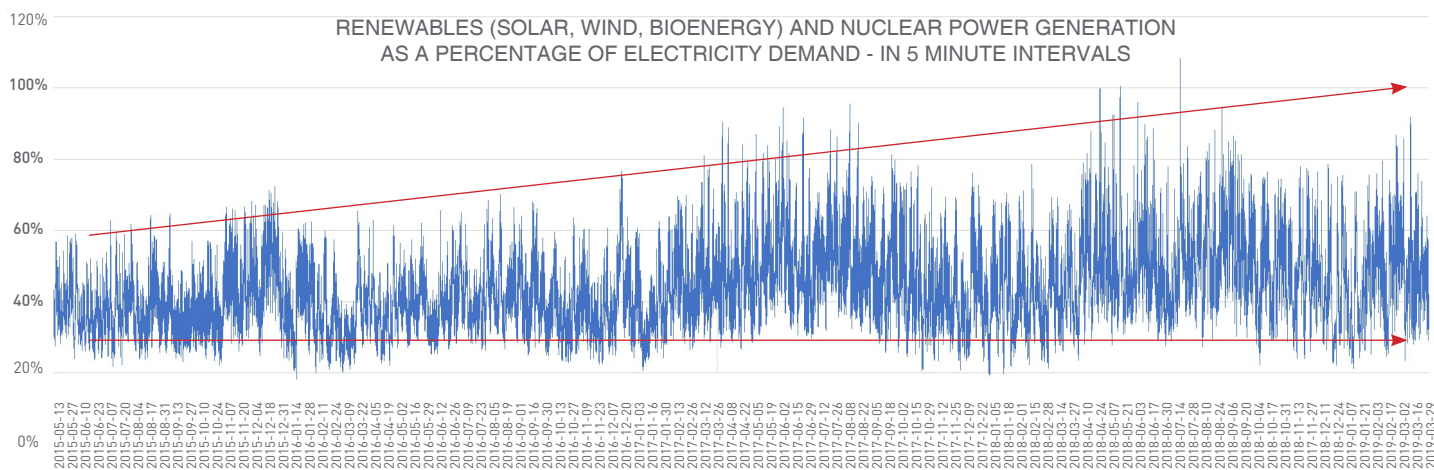


Chart above shows all low carbon generation as a percentage of total demand:

Source: GB National Grid Status - Elexon Portal

- The widening “channel” of generation (indicated in red) reflects the growing volatility as renewables penetration grows
- ESS serve an essential and profitable function in addressing intermittency, particularly when excess renewables generation results in negative power prices

## CURRENT PORTFOLIO

Project	Location	MW	Site type	Commissioning
Staunich	Staffordshire	20	Battery and generators, net export	Operational
Rufford	Nottinghamshire	7	Battery and generators, symmetrical	Operational
Lockleaze	Bristol	15	Battery, symmetrical	Operational
Littlebrook	Kent	8	Battery, symmetrical	Operational
Roundponds	Wiltshire	20	Battery and generators, net export	Operational
<b>Total</b>		<b>70</b>		

## PIPELINE

Project <sup>1</sup>	Location	MW	Site type	Commissioning <sup>2</sup>
Wolverhampton	West Midlands	5	Battery, symmetrical	Commissioned
Wickham Market	Suffolk	50	Battery, net export	Expected Q3 2019
Littlebrook 2 (extension) <sup>3</sup>	Kent	5	Battery, symmetrical	Expected Q4 2019
Red Scar	Lancashire	49	Battery, symmetrical	Expected Q4 19/Q1 20
Thurcroft	South Yorkshire	50	Battery and generators, symmetrical	Expected Q4 19/Q1 20
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q1 2020
<b>Total</b>		<b>187</b>		

1. All projects are owned by Gresham House Group or are projects in which members of the Gresham House New Energy management team have an interest and exclusivity over the projects has been granted in favour of the Fund

2. Expected commissioning dates are indicative only and based on conversations with relevant DNOs

3. Remains subject to planning consent

[newenergy.greshamhouse.com/funds/esf/](http://newenergy.greshamhouse.com/funds/esf/)

## FUND MANAGER

Gresham House Asset Management Ltd  
Ben Guest  
Lead Fund Manager, Gresham House Energy Storage Fund plc & Head, Gresham House New Energy

Gareth Owen  
Investment Director, Gresham House New Energy

Bozkurt Aydinoglu  
Investment Director, Gresham House New Energy

Rupert Robinson  
Managing Director, Gresham House Asset Management Ltd

## BOARD OF DIRECTORS

John S. Leggate CBE, FREng  
Chairman & Independent NED

Duncan Neale  
Audit Committee Chairman & Independent NED

David Stevenson  
Independent NED

Cathy Pitt  
Independent NED

## CONTACT INFORMATION

### GENERAL ENQUIRIES

Gresham House Asset Mgt Ltd  
E: [info@greshamhouse.com](mailto:info@greshamhouse.com)  
T: 020 3837 6270

Rupert Robinson  
Managing Director, Gresham House Asset Mgt Ltd  
E: [r.robinson@greshamhouse.com](mailto:r.robinson@greshamhouse.com)  
T: 020 3829 0770

### PROFESSIONAL INVESTORS

Richard Harris,  
Managing Director, Head of  
Investment Company Sales at Cantor  
Fitzgerald

T: 0207 894 8229  
E: [richard.harris@cantor.com](mailto:richard.harris@cantor.com)

### REGISTRAR ENQUIRIES

Computershare Investor Services plc  
T: 0370 703 0157  
W: [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

### ADMINISTRATOR & COMPANY SECRETARY

JTC (UK) limited, 7th Floor, 9 Berkeley  
Street, London, W1J 8DW

**IMPORTANT NOTICE:** This document has been approved as a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 by Gresham House Asset Management Limited (“GHAM”). GHAM is authorised and regulated by the UK Financial Conduct Authority. This document is intended for information purposes only and does not constitute investment advice. No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of GHAM as to the accuracy or completeness of the information or opinions contained in this document and no responsibility or liability is accepted by any of them for any such information or opinions. This document does not itself constitute an offer or invitation or any solicitation of any offer to subscribe for or purchase any shares or other securities or recommendation to invest in any shares or other securities, and should not be construed as such. The distribution of this document may be restricted by law and persons into whose possession it comes are required to inform themselves of and comply with any such restrictions. Before investing you should satisfy yourselves as to suitability and the risks involved, and you may wish to consult a financial adviser. It should be borne in mind that the shares of the Fund are admitted to trading on the Specialist Fund Segment (“SFS”) of the London Stock Exchange. The SFS is designed for highly specialised investment entities that wish to target institutional, highly knowledgeable investors or professionally advised investors only. Past performance is not indicative of future results. The value of investments may fall as well as rise and investors may not get back the amount invested.