

GRESHAM HOUSE ENERGY STORAGE FUND PLC

FACTSHEET AS AT 31 DECEMBER 2018



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 use batteries and sometimes generators to import and export power, accessing multiple revenue sources within 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^{1,2}. 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, before fees and expenses, on 13 November 2018 with £100m of gross proceeds. The Fund is currently c.60% invested in five seed ESS projects and the Manager expects the remaining proceeds from the IPO to be fully committed in the first half of 2019.

As at 31 December 2018, the Net Asset Value (NAV) of the Fund was 98.04p, taking into account net income, launch costs and costs associated with the acquisition of the seed assets. The Fund's first dividend is expected to be declared in April and paid to investors in May 2019.

The Fund's ESS projects generate revenues primarily from Firm Frequency Response (FFR), Asset Optimisation (Trading), Capacity Market (CM) and other grid connection-related charges, including Triads. Revenues from the portfolio's seed ESS projects are currently skewed to FFR revenues, FFR being the provision to the National Grid of a dynamic response service to maintain the grid's electrical frequency at 50Hz. Over the coming year, operations are expected to be increasingly targeted towards Asset Optimisation, as this becomes the more profitable business activity. There are several additional revenue opportunities emerging for the portfolio as a series of regulatory changes are implemented.

The Manager has been actively working to earn as many of the three winter Triad payments available between November and February, as possible. To do this the Fund's ESS projects must generate during certain half-hourly peaks in demand over the National Grid. The Manager has hit the three potential peaks so far this winter. Triad revenues will be notified to the Fund during March 2019, once National Grid publishes its review of the 18/19 winter period. The Fund models a 66.6% success rate for achieving these peaks.

KEY FACTS AS AT 31 DECEMBER 2018

Ticker:	GRID
Share price (mid-market):	103.00p
NAV per Share:	98.04p
Market capitalisation:	£103.00m
Net assets:	£98.04m
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

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PORTFOLIO ACTIVITY & MARKET OUTLOOK

The Fund's seed portfolio was acquired at the IPO in November, with an effective transaction date of 30 September 2018. The acquisition was for 70MW at a cost of £57.2m. The Manager is now focused on deploying the remaining cash raised at IPO.

The construction of the next project, Wolverhampton, a 5MW symmetrical battery project is underway. Acquisition of this project will complete after commissioning which is expected to take place in Q2 2019. During February, signing of an EPC contract for the next 50MW project is set to commence, for potential acquisition by the Fund in Q3 2019. Other pipeline projects are expected to follow over the coming months (see table p.2). In order to build out the remaining pipeline of exclusive projects highlighted at the time of the IPO, it is our intention to raise additional funds in 2019 as part of the placing programme allowed under the Prospectus.

The UK's exposure to renewable energy generation has increased significantly over the last few years and the pace has not lessened despite the removal of legacy subsidies to onshore wind and solar. This is largely because the development of offshore wind installations has continued apace. As a result, generation from wind is having a growing impact on the grid, generating a volatile supply of energy 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

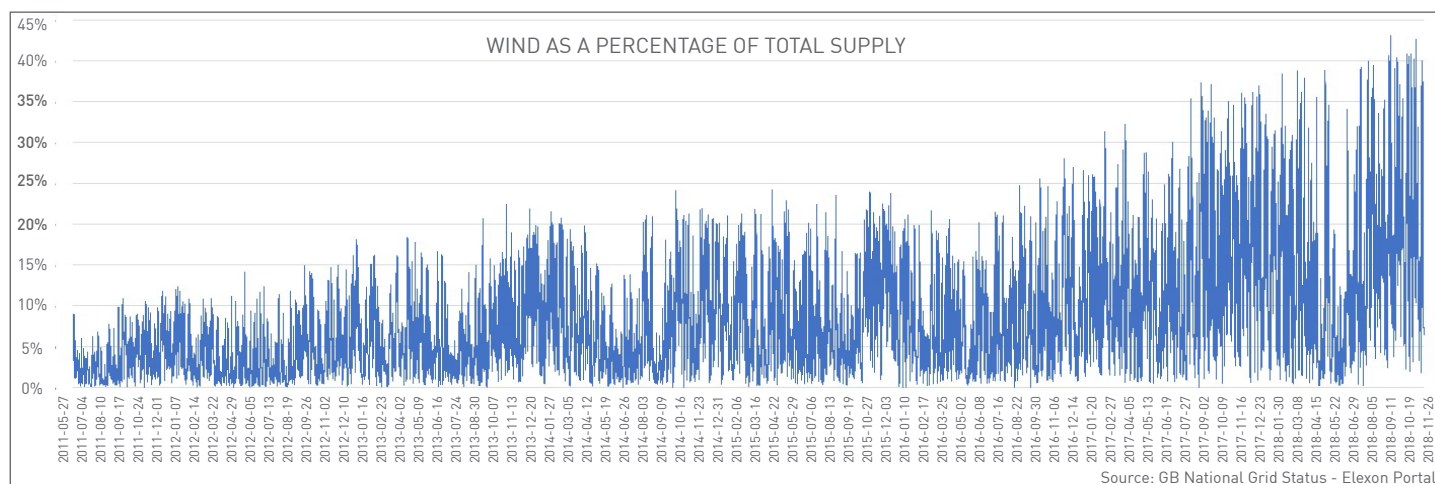


Chart above shows:

- Rapid growth in overall generation from wind reflecting rapid project deployment
- Generation is very volatile creating challenges in balancing supply and demand

CURRENT PORTFOLIO

Project	Location	MW	Site type	Commissioning
Staunch	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
Total		70		

PIPELINE

Project ¹	Location	MW	Site type	Commissioning ²
Wolverhampton	West Midlands	5	Battery, symmetrical	Expected Q2 2019
Wickham Market	Suffolk	50	Battery, net export	Expected Q3 2019
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q3 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q4 19/Q1 20
Red Scar	Lancashire	49	Battery and generators, symmetrical	Expected Q4 19/Q1 20
Littlebrook 2 (extension) ³	Kent	5	Battery, symmetrical	Expected Q1 2020
Total		187		

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

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