



Since 1857

Gresham House
Specialist asset management

GRESHAM HOUSE ENERGY STORAGE FUND PLC

PROSPECTUS
INITIAL PUBLIC OFFERING AND PLACING PROGRAMME



SOLE BOOKRUNNER AND FINANCIAL ADVISER

OCTOBER 2018

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus (the “**Prospectus**”) relating to Gresham House Energy Storage Fund PLC (the “**Company**”) prepared in accordance with the Prospectus Rules made under section 84 of FSMA and made available to the public for the purposes of section 85 of FSMA. This Prospectus has been approved by and filed with the Financial Conduct Authority and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Potential investors are recommended to seek advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out on pages 19 to 37 of this Prospectus.

GRESHAM HOUSE ENERGY STORAGE FUND PLC

(Incorporated and registered in England and Wales with registered number 11535957 and registered as an investment company under section 833 of the Companies Act 2006 (as amended))

Prospectus relating to the Issue in connection with the acquisition of the Seed Portfolio and Placing and Offer for Subscription of up to 200 million Ordinary Shares and the Placing Programme of a number of Ordinary Shares and/or C Shares subject to a maximum of 200 million Ordinary Shares and C Shares in aggregate

Cantor Fitzgerald Europe as Sole Bookrunner and Financial Adviser

The Company, whose registered office appears on pages 51 and 116 of this Prospectus, and the Directors, whose names appear on pages 51 and 83 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import of such information.

Application will be made to the Financial Conduct Authority for any Ordinary Shares issued pursuant to this Prospectus to be admitted to the specialist fund segment of the main market of the London Stock Exchange plc. It is expected that Admission will occur, and that unconditional dealings in Ordinary Shares issued pursuant to the Placing and Offer for Subscription will commence, at 8.00 a.m. on or around 5 November 2018. The International Security Identification Number (“**ISIN**”) for the Ordinary Shares to be admitted to trading is: GB00BFX3K770. The ISIN for the C Shares to be admitted to trading is: GB00BDZ2X353.

Neither the Ordinary Shares nor the C Shares are dealt in on any other Recognised Investment Exchange and no other such applications have been made or are currently expected.

The Specialist Fund Segment securities are not admitted to the Official List of the Financial Conduct Authority. Therefore the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Financial Conduct Authority’s Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

Cantor Fitzgerald, which is authorised and regulated by the Financial Conduct Authority, is acting for the Company in connection with the issue of Ordinary Shares and C Shares (together “**Shares**”) as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald or for advising any such person in connection with the issue of the Shares and as described in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cantor Fitzgerald by FSMA or the regulatory regime established thereunder, Cantor Fitzgerald accepts no responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company or the Shares. Cantor Fitzgerald accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been taken by the Company or Cantor Fitzgerald that would permit an offer of the Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Shares described in this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or the securities laws of any states of the United States or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or their respective territories or possessions. Accordingly, the Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or their respective territories or possessions. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such legislation. Persons resident in territories other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the Shares.

In particular, the attention of persons resident in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan is drawn to paragraph 17 of Part 14 (*General Information*) of this Prospectus. This Prospectus does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful.

The Company will not pay commission to third parties that advise investors to subscribe for Ordinary Shares in the Company. In relation to the Placing, the Ordinary Shares will be issued to Placees at the Issue Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Placing. In relation to the Placing Programme, the Ordinary Shares and C Shares (as applicable) will be issued fully paid to Placees at the applicable Placing Programme Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Placing Programme.

This Prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA and EU Regulation 2017/1129. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions.

Gresham House Asset Management Limited, pursuant to the AIFM Rules, notified the FCA of its intention to market the Shares in the UK.

17 October 2018

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PROSPECTUS DIRECTIVE SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These elements are numbered in sections A-E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for the Shares and the Company. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

It is possible that no relevant information can be given regarding a required Element. In this case a short description of the Element is included in the summary with the mention of “**not applicable**”.

Section A – Introduction and warnings										
Element	Disclosure requirement	Disclosure								
A.1	Introduction and warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.								
A.2	Consent to use Prospectus in respect of Issue	Not applicable; no consent will be given for the use of this Prospectus for the subsequent resale or final placement of Shares by financial intermediaries.								
Section B – Issuer										
B.1	Legal and commercial name	Gresham House Energy Storage Fund PLC.								
B.2	Domicile, legal form, legislation and country of incorporation	The Company was incorporated in England and Wales on 24 August 2018 with registered number 11535957 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act. The Company is an alternative investment fund pursuant to the AIFM Rules.								
B.5 B.6	Group structure Notifiable interests, different voting rights and controlling interests	<p>Not applicable; the Company is not part of a group.</p> <p>The Directors intend to subscribe for the following Shares under the Offer for Subscription:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Shares</th> </tr> </thead> <tbody> <tr> <td>John S Leggate</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Duncan Neale</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>David Stevenson</td> <td style="text-align: right;">5,000</td> </tr> </tbody> </table> <p>The Directors, members of the Gresham House management team, funds under management of the Gresham House Group, Noriker and the shareholders of Noriker intend to invest approximately £32 million, in aggregate pursuant to the Issue.</p>		Shares	John S Leggate	5,000	Duncan Neale	5,000	David Stevenson	5,000
	Shares									
John S Leggate	5,000									
Duncan Neale	5,000									
David Stevenson	5,000									

		<p>As at the date of this Prospectus, other than as set out below, there are no persons known to the Company who, directly or indirectly, will be interested in 3.0 per cent. or more of the Company's issued share capital or voting rights on Admission.</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Shareholder</th> <th style="text-align: center;">Number of Ordinary Shares to be held</th> <th style="text-align: center;">Percentage held (based on 200 million Ordinary Shares being issued at Admission)</th> </tr> </thead> <tbody> <tr> <td>Ben Guest*</td> <td style="text-align: center;">10,000,000</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Gresham House (Nominees) Limited, as nominee for BSIF**</td> <td style="text-align: center;">16,500,000</td> <td style="text-align: center;">8.25</td> </tr> </tbody> </table> <p>The Ordinary Shares issued to the Shareholders described above which, for the avoidance of doubt, shall not include the Directors, will be subject to the provisions of the Lock-up and Orderly Market Deed.</p> <p>* Ben Guest will receive 3,219,934 Consideration Shares under the Seed Portfolio Share Purchase Agreement. Lux Energy Limited, a company wholly-owned by Ben Guest has entered into the Subscription Agreement with the Company under which, conditional only on Admission, it will subscribe on the date of Admission for 6,780,066 Ordinary Shares at the Issue Price.</p> <p>** BSIF will receive 491,618 Consideration Shares under the Seed Portfolio Share Purchase Agreement and has entered into the Subscription Agreement with the Company under which, conditional only on Admission, it will subscribe on the date of Admission for 16,008,382 Ordinary Shares at the Issue Price.</p>	Shareholder	Number of Ordinary Shares to be held	Percentage held (based on 200 million Ordinary Shares being issued at Admission)	Ben Guest*	10,000,000	5.00	Gresham House (Nominees) Limited, as nominee for BSIF**	16,500,000	8.25
Shareholder	Number of Ordinary Shares to be held	Percentage held (based on 200 million Ordinary Shares being issued at Admission)									
Ben Guest*	10,000,000	5.00									
Gresham House (Nominees) Limited, as nominee for BSIF**	16,500,000	8.25									
B.7	Historical Financial Information	Not applicable; the Company has been recently incorporated, has not commenced operations and no financial statements have been made up.									
B.8	Pro forma financial information	Not applicable; this Prospectus does not contain pro forma financial information.									
B.9	Profit forecasts	Not applicable; this Prospectus does not contain profit forecasts or estimates.									
B.10	Qualifications in the audit report	Not applicable; no audit reports have been published.									
B.11	Insufficiency of working capital	Not applicable; the Company is of the opinion that, on the basis that Net Proceeds of not less than £100 million are raised through the Issue the working capital available to it is sufficient for the Company's present requirements (that is, for at least twelve months from the publication date of this Prospectus).									
B.34	Investment objective and policy	<p><i>Investment objective</i></p> <p>The Company seeks to provide investors with an attractive and sustainable dividend over the long term by investing in a diversified portfolio of utility scale operational energy storage systems, which utilise batteries and may also utilise generators, located in Great Britain. In addition, the Company seeks to provide investors with the prospect of capital growth through the re-investment of net cash generated in excess of the Target Dividend in accordance with the Company's investment policy and the requirements of the IT Regulations.</p>									

		<p><i>Investment policy</i></p> <p>The Company will invest in a diversified portfolio of utility scale energy storage systems (“ESS Projects”), which utilise batteries and may also utilise generators. The ESS Projects comprising the Portfolio will be located in diverse locations across Great Britain.</p> <p>Individual projects will be held within special purpose vehicles into which the Company will invest through equity and/or debt instruments. It is intended that each ESS Project Company will hold one project but an ESS Project Company may own more than one project. The Company will typically seek legal and operational control through direct or indirect stakes of up to 100 per cent. in such ESS Project Companies, but may participate in joint ventures or co-investments, including, without limitation with other investors or entities managed, operated or advised by the Gresham House Group, where this approach enables the Company to gain exposure to assets within the Company’s investment policy, the like of which the Company would not otherwise be able to acquire on a wholly-owned basis. In such circumstances the Company will seek to secure its shareholder rights through protective provisions in shareholders’ agreements, co-investment agreements and other transactional documents.</p> <p><i>Asset type and diversification</i></p> <p>The Company currently intends to invest primarily in ESS Projects using lithium-ion battery technology as such technology is considered by the Company to offer the best risk/return profile. However, the Company is adaptable as to which energy storage technology is used by the projects in which it invests and will monitor projects and may invest in projects with alternative battery technologies such as sodium and zinc derived technologies, or other forms of energy storage technology (such as flow batteries/ machines and compressed air technologies), and will consider such investments (including combinations thereof), where they meet the Company’s investment objective and policy.</p> <p>The Company also intends to invest in ESS Projects which use gas generators or diesel or dual-fuel diesel-and-gas reciprocating generators on projects which have a “net export” connection. These are likely to be generators in the range of 0.5 to 10MW per generator.</p> <p>The Company intends to invest with a view to holding assets until the end of their useful life. ESS Projects may also be disposed of, or otherwise realised, where the Manager determines in its discretion that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.</p> <p>The Company intends that the ESS Projects in which it invests will primarily generate revenue from in front of meter services, but may also provide behind-the-meter services.</p> <p>ESS Projects will be selected with a view to achieving appropriate diversification in respect of the Portfolio.</p> <p>First, diversification will be sought by geographical location of the ESS Projects in which the Company invests across Great Britain.</p> <p>Second, it is the Company’s intention that from the end of the Initial Investment Period, when any new investment is made, no single project (or interest in any project) will have an acquisition price (or, if an additional interest in an existing investment is being acquired, the combined value of the Company’s existing investment and the additional interest acquired shall not be) greater than 20 per cent. of Gross Asset Value (calculated at the time of investment). However, in order to retain flexibility, the Company will be permitted to invest</p>
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		<p>in a single project (or interest in a project) that has an acquisition price of up to a maximum of 30 per cent. of Gross Asset Value (calculated at the time of acquisition). The Company will also, from the end of the Initial Investment Period, target a diversified exposure with the aim of holding interests in not less than five separate projects at any one time.</p> <p>Third, the Company intends to achieve diversification by securing multiple and varied revenue sources throughout the Portfolio by investing in ESS Projects which benefit from a number of different income streams with different contract lengths and return profiles through individual ESS Projects, as well as by enabling the ESS Projects in which the Company invests to take advantage of a number of different revenue sources. Initially, it is intended that the main revenue sources will be:</p> <ul style="list-style-type: none"> ● Firm Frequency Response – the Company intends to invest in ESS Projects that generate FFR revenues from FFR contracts through which the Company and/or its subsidiaries will provide, on a firm basis, dynamic or non-dynamic response services to changes in frequency, to help balance the grid and avoid power outages (“FFR”) to, initially, be entered into by Noriker with the National Grid and its subsidiaries. ● Asset optimisation – the Company intends to invest in ESS Projects that generate revenues from importing and exporting, or generating and exporting in the case of an ESS Projects including generators, power in the wholesale market and the National Grid-administered Balancing Mechanism (“BM”). ● Triads and other National Grid-related income – the Company intends to invest in ESS Projects that generate revenues from the three half-hour periods of highest system demand on the Great Britain electricity transmission system between November and February each year, separated by at least ten clear days (“Triads”) and other National Grid-related income including Generator Distribution Use of System (“GDUoS”), through which benefits are paid by DNOs to suppliers, which are passed through to electricity generators in their power purchase agreements and the National Grid’s Balancing Use of System (“BSUoS”), which recovers costs through charges levied on electricity generators and suppliers. In addition, the balancing system produces small half-hourly residual cashflows that are generally negative (a disbenefit to distributed generators) but can be positive (a benefit) and are allocated to suppliers in the same way as BSUoS charges. ● Capacity market – the Company intends to invest in ESS Projects that generate revenues by access to the benefit of contracts, or through entering into new contracts, to provide back-up capacity power to the Electricity Market Reform delivery body via 1 year and 15 year capacity market contracts. <p>ESS Projects in which the Company invests may diversify their revenue sources further by collaborating with renewable generators or large users of power in close proximity to an ESS Project, or providing availability based services to restore electric power stations or part of electric grids to operation. In such circumstances, the proportion of revenues coming from electricity sales may materially increase from that indicated above. From 2019, ESS Projects in which the Company may invest may also be able to enter into FFR contracts with Distribution System Operators</p>
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		<p>(“DSO”) and provide reactive power services to the National Grid the timing of which is according to the current emerging DSO model.</p> <p>Fourth, the Company aims to achieve diversification within the Portfolio through the use of a range of third party providers, insofar as appropriate, in respect of each energy storage project such as developers, EPC contractors, battery manufacturers and landlords.</p> <p>Finally, each ESS Project internally mitigates operational risk because each ESS Project will contain a battery system with a number of battery modules in each stack, each of which is independent and can be replaced separately, thereby reducing the impact on the project as a whole of the failure of one or more battery modules.</p> <p>The Company intends to invest in the Seed Portfolio immediately after Admission and has identified the Exclusivity Portfolio in which the Company may invest, subject to completion of adequate due diligence and contract.</p> <p><i>Other investment restrictions</i></p> <p>The Company will generally invest in ESS Projects where construction is substantially completed and at such a point that the ESS Project is capable of commercial operations. As a minimum, all ESS Projects will need to have in place a completed lease on satisfactory terms in relation to the land where that ESS Project is situated and an executed grid connection agreement and a certificate confirming completion of commissioning tests (“G59 Certificate”).</p> <p>The Company may also provide loan finance to ESS Projects prior to acquisition so that the ESS Projects can acquire equipment prior to construction, provided that no more than 15 per cent. of Gross Asset Value (calculated at the time that finance is provided based on the latest available valuations) may be exposed in aggregate to any such investments.</p> <p>The Company does not intend to invest in listed closed-ended investment funds or in any other investment fund (other than, potentially, in money market funds as cash equivalents) and in any event shall not invest any more than 15 per cent. of its total assets in listed closed-ended investment funds or in any other investment fund.</p> <p><i>Investment in Developers</i></p> <p>The Company may invest in one or more Developers of ESS Projects through equity issued by the relevant Developer, provided that investment in Developers (calculated at the time of investment) shall be capped at £1 million in aggregate.</p> <p><i>Cash management</i></p> <p>Uninvested cash or surplus capital may be invested on a temporary basis in:</p> <ul style="list-style-type: none"> ● cash or cash equivalents, money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having a “single A” or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU; and ● any UK “government and public securities” as defined for the purposes of the FCA Rules. <p><i>Derivatives</i></p> <p>Derivatives may be used for currency, interest rate and power price hedging purposes as set out below and for efficient portfolio management. However, the Directors do not anticipate that</p>
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		<p>extensive use of derivatives will be necessary. At the date of this Prospectus, the Company has not incurred any borrowings or indebtedness or other leverage and has not granted any mortgages, charges or security interests over or in relation to any of its assets.</p> <p><i>Efficient portfolio management</i></p> <p>Efficient portfolio management techniques may be employed by the Company, and this may include (as relevant) currency hedging, interest rate hedging and power price hedging.</p>
B.35	Borrowing limits	<p>The Company intends to assess its ability to raise debt and is expected to introduce leverage (at the Company level and/or the ESS Project Company level) once sufficient assets have been acquired and to the extent funding is available on acceptable terms. In addition, it may from time to time use borrowing for short-term liquidity purposes which could be achieved through a loan facility or other types of collateralised borrowing instruments. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company's assets. The Directors will restrict borrowing to an amount not exceeding 50 per cent. of the Company's Net Asset Value at the time of drawdown. There will be no cross collateralization between the Projects.</p>
B.36	Regulatory status	<p>The Company is not regulated by the FCA or by any financial services or other regulator but, in common with other issuers admitted to trading on the Specialist Fund Segment, is subject to the Disclosure Guidance and Transparency Rules made by the FCA, the Takeover Code, the Market Abuse Regulation and the rules of the London Stock Exchange, and is bound to comply with applicable laws including the Act and FSMA.</p>
B.37	Typical investor	<p>The typical investors for whom the Shares are intended are institutional investors, professional investors, professionally advised and knowledgeable investors and non-advised private investors who fall within the criterion above who are capable themselves of evaluating the merits and risks of an investment in the Company and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing in the Shares. The Specialist Fund Segment is intended for investment products targeted at institutional, professional, professionally advised and knowledgeable investors and, accordingly, applications under the Offer for Subscription received direct from retail investors may be rejected by the Company.</p>
B.38	Significant exposure	<p>It is the Company's intention that from the end of the Initial Investment Period, when any new investment is made, no single project (or interest in any project) will have an acquisition price (or, if an additional interest in an existing investment is being acquired, the combined value of the Company's existing investment and the additional interest acquired shall not be) greater than 20 per cent. of Gross Asset Value (calculated at the time of investment). However, in order to retain flexibility, the Company will be permitted to invest in a single project (or interest in a project) that has an acquisition price of up to a maximum of 30 per cent. of Gross Asset Value (calculated at the time of acquisition). The Company will also, from the end of the Initial Investment Period, target a diversified</p>

		exposure with the aim of holding interests in not less than five separate ESS Projects at any one time.
B.39	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable; the Company will not invest 40 per cent. or more of gross assets in another collective investment undertaking.
B.40	Service providers	<p>Gresham House acts as the alternative investment fund manager under the AIFM Agreement dated 17 October 2018. For the provision of alternative investment fund management services under the AIFM Agreement, Gresham House is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (1 per cent. on the first £250 million of Net Asset Value, 0.9 per cent. on Net Asset Value in excess of £250 million and up to and including £500 million and 0.8 per cent. on Net Asset Value in excess of £500 million exclusive of VAT). The Company will also reimburse Gresham House for reasonable expenses properly incurred by Gresham House in the performance of its obligations under the AIFM Agreement. The AIFM Agreement may be terminated by the Company or Gresham House giving to the other party not less than 12 months' written notice.</p> <p>JTC (UK) Limited is the Administrator under the Administration Agreement and among other things, acts as administrator and company secretary of the Company. For the provision of administration services under the Administration Agreement, the Administrator is entitled to receive an annual fee of £55,000 based on Net Asset Value of up to £200 million and an ad valorem fee of 0.04 per cent. on Net Asset Value in excess of £200 million. In respect of its role as company secretary, the Administrator is entitled to receive an annual fee of £60,000. For administrative and company secretarial services provided to Projects an annual fee of £7,500 per Project will be charged by the Administrator. The Administrator will charge an initial set-up fee of £10,000 for corporate governance support relating to the Company's IPO. Additional fees will be payable by the Company to the Administrator on the issuance of New Ordinary Shares and C Shares by the Company, on the establishment of Projects and transfer of ESS Projects into Projects and in respect of any Board, committee or procedural meetings, in addition to the quarterly Board meetings, that may be held from time to time. The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company, provided that the Administrator will be required to seek prior approval in relation to any single expense in excess of £200. All fees charged by the Administrator are charged exclusive of VAT. All annual fees charged by the Administrator will be subject to an annual increase by reference to the U.K. Retail Price Index prevailing at that time applied <i>pro rata</i> on an annual basis.</p> <p>The fees payable to the Depositary by the Company are £30,000 per annum (plus VAT) and are payable monthly in arrears. The Depositary fee will increase by 0.015 per cent. per annum of the value of subsequent Shares issued by the Company once £200 million of shares have been issued. Additional fees are payable where financial instruments are held in custody by a sub-custodian of the Depositary.</p> <p>The fees payable to the Registrar are based on the number of transactions in the Shares plus properly incurred expenses, subject to an annual fee of £1,080. The fees payable to the Receiving</p>

		Agent are based on the number of applications received pursuant to the Offer for Subscription and are subject to a minimum fee of £5,000, exclusive of VAT.									
B.41	Service providers' regulatory status	The Manager is authorised and regulated by the FCA under FSMA with firm reference number 682776. The Depositary is authorised and regulated by the FCA with firm reference number 602528.									
B.42	Net Asset Value calculations	The unaudited Net Asset Value per Ordinary Share and per C Share (if any are in issue) will be calculated as at the close of business on the last Business Day of every quarter by the Administrator and is expected to be announced through a Regulatory Information Service. Such unaudited NAV will be calculated on the same basis as the calculation of the NAV per Share for the purpose of the Company's financial statements. The Net Asset Value per Share will be calculated in accordance with IFRS and the SORP principles and the AIC's Guide. The Administrator calculates the Net Asset Value and the Net Asset Value per Share by taking the total of the value of the Projects based on a discounted cashflow calculation and making such adjustments as are required to reflect the cash held by the Company, accrued liabilities and expenses, prepayments and any other creditors and debtors of the Company and the Projects.									
B.43	Cross liabilities	Not applicable; the Company is not an umbrella collective investment undertaking.									
B.44	Financial Statements	Not applicable; the Company does not have any financial statements as it has not commenced operations.									
B.45	Investment Portfolio	Not applicable; the Company has not commenced operations.									
B.46	Net asset value	Not applicable; the Company has not commenced operations.									
Section C – Securities											
C.1	Description of securities	The securities which the Company intends to issue are Ordinary Shares of the Company of 1p each, whose ISIN is GB00BFX3K770 and C Shares of 1p each, whose ISIN is GB00BDZ2X353.									
C.2	Currency of securities	The Ordinary Shares and C Shares will be denominated in Sterling and the Issue Price or applicable Placing Programme Price will be payable in Sterling.									
C3	Amount paid up and par value	Set out below is the issued share capital of the Company as at the date of this Prospectus: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">Nominal Value (£)</th> <th style="text-align: right; border-bottom: 1px solid black;">Number</th> </tr> </thead> <tbody> <tr> <td>Redeemable Preference Shares</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">0.01</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The Redeemable Preference Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue. The Ordinary Share is fully paid up.</p>		Nominal Value (£)	Number	Redeemable Preference Shares	50,000	50,000	Ordinary Shares	0.01	1
	Nominal Value (£)	Number									
Redeemable Preference Shares	50,000	50,000									
Ordinary Shares	0.01	1									

C.4	Rights attaching to the Shares	<p><i>Rights attaching to the Ordinary Shares</i></p> <p>Dividend rights: All Ordinary Shares are entitled to participate in dividends which the Company declares from time to time in respect of the Ordinary Shares, proportionate to the amounts paid or credited as paid on such Ordinary Shares.</p> <p>Rights as respect to capital: On a winding-up or a return of capital, in the event that the Directors resolve to make a distribution to Shareholders, all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them, after taking into account any net assets attributable to any C Shares (if any) in issue.</p> <p>Voting rights: Every Shareholder shall have one vote for each Ordinary Share held by it.</p> <p><i>Rights attaching to the C Shares</i></p> <p>Dividend Rights: All C Shares are entitled to participate in dividends which the Company declares from time to time in respect of the C Shares, proportionate to the amounts paid or credited as paid on such C Shares.</p> <p>Rights as respect to capital: On a winding-up or a return of capital, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided <i>pro rata</i> among the holders of the C Shares. For so long as C Shares are in issue and without prejudice to the Company's obligations under the Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to any C Shares in issue.</p> <p>Voting rights: Every Shareholder shall have one vote for each C Share held by it.</p>
C.5	Restrictions on free transferability of the Shares	<p>The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid and on which the Company has a lien provided that this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.</p> <p>In addition, the Board may refuse to register a transfer of Shares if (i) in the case of certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require.</p> <p>The Board may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST Regulations where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.</p>
C.6	Admission	<p>Applications will be made to the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Issue and for the New Ordinary Shares and/or C Shares to be issued from time to time pursuant to the Placing Programme to be admitted to the Specialist Fund Segment.</p>
C.7	Dividend policy	<p>On the basis of market conditions as at the date of this Prospectus the Company will target (i) dividend payments of 4.5p per Ordinary Share in respect of the financial year ending 31 December 2019</p>

		<p>and 7.0p per Ordinary Share in financial periods thereafter.* Subject to market conditions and the level of the Company's net income, it is intended that a first interim dividend will be declared in April 2019 for the period running from incorporation to 31 March 2019 and thereafter it is intended that dividends on the Shares will be payable quarterly, all in the form of interim dividends (the Company does not intend to pay any final dividends). The Board reserves the right to retain within a revenue reserve a proportion of the Company's net income in any financial year, such reserve then being available at the Board's absolute discretion for subsequent distribution to Shareholders, subject to the requirements of the IT Regulations. The dividend policy will be subject to an annual vote at each AGM.</p> <p>In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled. The Company may, at the discretion of the Board, and to the extent possible, pay all or part of any future dividend out of capital.</p>
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Section D – Risks

<p>D.1 D.2</p>	<p>Key information on key risks specific to the Company</p>	<p>The key risks relating to the Company and its industry which are known to the Directors are as follows:</p> <ul style="list-style-type: none"> (a) The Company is a newly formed company incorporated under the laws of England and Wales with no operating history and no revenues, and investors have no basis on which to evaluate the Company's ability to achieve its investment objective. (b) The Company is reliant on Gresham House and third party service providers (including Noriker) to carry on its business and a failure by one or more service providers may materially disrupt the business of the Company. (c) The use of leverage by the Company may increase the volatility of returns and providers of leverage would rank ahead of investors in the Company in the event of insolvency. (d) The Company's NAV, revenues and returns to Shareholders will be dependent on there being no material adverse change in applicable laws (including tax laws) or regulations (or their interpretation) that affects the Company, the Portfolio, any instruments issued or held by any of them or the overall structure to be adopted to effect the investment strategy and objective of the Company. (e) Any Share buybacks in the context of the Company's discount management provisions are expected to be satisfied by the realisation of the Company's assets, which are expected to be managed on a realisation basis not intended to generate cash for immediate distribution. The Company's investments will have limited liquidity and therefore any such returns of capital may be deferred and may ultimately generate cash returns which are less than the published NAV and/or the market price for the Shares.
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* This is a target only and is based on current market conditions as at the date of this Prospectus and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

		<p>(f) If the growth of renewable energy does not continue as expected (for example, due to low energy prices, reduced Government support, increased deployment of non-renewable/fossil fuel generating capacity such as gas fired or nuclear power stations, or increased imports from cross-channel interconnectors), this will have an adverse impact on the Company's prospects and performance.</p> <p>(g) The Projects will rely on third-party professionals and independent contractors and other service providers (including Noriker). In the event that such contracted third parties are not able to fulfil their obligations or otherwise fail to perform to standard, the Manager, on behalf of the Company or the Projects, may be forced to seek recourse against such parties, provide additional resources to undertake their work, or to engage other companies to undertake their work. This could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.</p> <p>(h) When FFR contracts expire, Projects may not be able to secure replacement contracts (or sufficiently attractive terms for replacement contracts) in the competitive allocation process, and consequently may not be able to use the energy storage systems at their maximum capacity and capabilities. This operational reality, which adversely impacts the revenues generated by the Portfolio is taken into account by the Manager by assuming that 70 per cent. of the Portfolio will be able to take advantage of FFR contracts at any one time.</p> <p>(i) As more participants enter the market, as is expected, the Manager expects a certain decline in the market price of balancing services. A greater than expected decline in the market price of balancing services could materially adversely affect the Company's revenues and ability to meet targeted returns. Any information or event which justifies the forecasting of factoring lower prices than those currently assumed prior to the commissioning of any ESS Project would justify a lower purchase price being paid for such ESS Project by the Company.</p> <p>(j) All FFR contracts are between Noriker and with NGET. Each Project has rights to those FFR contracts by way of a FFR services agreement with Noriker. To the extent further contracts can be won at levels comparable or higher to those in the financial models, then a high exposure to NGET as a counterparty shall remain. The Government does not guarantee the solvency of NGET. If NGET were to become insolvent or if its financial strength were to materially deteriorate, its obligations as a counterparty to Noriker in respect of each of the Projects may be seriously impacted or become worthless, which could materially affect the Company's NAV, revenues and returns to Shareholders. In addition, a loss of an FFR contract, termination of the FFR services agreement with Noriker or a breakdown in relations with National Grid would have a material impact on an ESS Project's ability to obtain revenues from FFR contracts, either temporarily or permanently, which could have an adverse effect on the Company's NAV, revenues and returns to Shareholders.</p> <p>(k) The Company cannot guarantee that electricity market price volatility will be at levels or frequency which will allow the Company to generate projected revenue levels or rates of return on the energy storage systems within its Portfolio. A significant drop in volatility of market prices for electricity</p>
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		<p>whilst the Company is pursuing this future revenue stream would have an adverse effect on the Company's NAV, revenues and returns to Shareholders.</p> <p>(l) The Company's investment policy is limited to investment in energy storage infrastructure, which will principally operate in Great Britain. This means that the Company has a significant concentration risk relating to the UK's energy storage infrastructure sector. Significant concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently the NAV, and may materially and adversely affect the performance of the Company and returns to Shareholders.</p>
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D.3	Key information on key risks specific to the Shares	<p>The key risks relating to the Shares which are known to the Directors are as follows:</p> <p>(a) An investment in the Shares carries the risk of loss of capital. It should be remembered that the value of a Share can go down as well as up and Shareholders may receive back less than the value of their initial investment and could lose all of their investment. The Target Total Return is based on estimates and assumptions and the actual return to Shareholders, including by way of dividends, may be materially lower.</p> <p>(b) The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market or economic conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may therefore vary considerably from its NAV.</p> <p>(c) The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.</p> <p>(d) It is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty selling such Shares.</p> <p>(e) The dividend payments to Shareholders may be lower than those targeted by the Company and there is a risk that the Company is unable to pay any dividends.</p>
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Section E – Offer

E.1	Net proceeds and expenses	Up to 200 million Ordinary Shares are available under the Issue at the Issue Price to raise up to £200 million before Expenses. Assuming that the Issue is fully subscribed, and the Issue Expenses are £4 million, (inclusive of irrecoverable VAT) the Net Proceeds will be £196 million.
E.2	Use of proceeds	The Issue and the Placing Programme is intended to raise money for investment in accordance with the Company's investment policy, including the payment of the Cash Consideration, Deferred Cash Consideration and Deferred Project Consideration in respect of the Acquisition.

The Company has, conditional on Admission, contracted to acquire the Seed Projects. These assets are deemed to comprise the Seed Portfolio for the purposes of this Prospectus. A summary of the Seed Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Commissioning date*
Staunch	Staffordshire	20	Battery and generators, net export	March 2017
Lockleaze	Bristol	15	Battery, symmetrical	July 2017
Littlebrook	Kent	8	Battery, symmetrical	December 2017
Rufford	Nottinghamshire	7	Battery and generators, symmetrical	July 2017
Roundponds	Wiltshire	20	Battery and generators, net export	April 2018
Total		70		

Furthermore, the Company may use the proceeds of the Issue and the Placing Programme to invest in some or all of the Exclusivity Portfolio, which represents Exclusivity Projects, which are either owned by a member of the Gresham House Group or, in respect of which members of the Gresham House Group have been granted exclusivity to negotiate with the owners of such Exclusivity Projects the rights to acquire, construct and operate them. Where Exclusivity Projects have not yet been acquired, there can be no guarantee that the Company will conclude its negotiations in respect of those Exclusivity Projects and/or acquire any of them, as any acquisition of an Exclusivity Project remains subject to completion of adequate due diligence and a sale and purchase agreement on suitable terms.

A summary of the Exclusivity Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Indicative commissioning date
Wolverhampton	West Midlands	5	Battery, symmetrical	Expected Q1 2019
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q3 2019
Red Scar	Lancashire	49	Battery and generators, symmetrical	Expected Q3 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q2 2019
Total		132		

E.3

Terms and conditions of the Issue and the Placing Programme

The Issue consists of a placing and an offer for subscription of Ordinary Shares which are being issued at 100p per Ordinary Share and the issue of the Consideration Shares to satisfy £9,268,154 of the consideration for the Acquisition. The total number of Ordinary Shares allotted under the Issue will be determined by the Company, Cantor Fitzgerald and Gresham House after taking into account demand for the Ordinary Shares and prevailing economic and market conditions, subject to a maximum of 200 million Shares.

The Placing and Offer for Subscription are conditional amongst other things on:

- the Issue Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission;

* Commissioning date based on the date that the G59 Certificate was issued

		<ul style="list-style-type: none"> ● Net Proceeds of not less than £100 million being raised through the Issue; and ● Admission becoming effective not later than 8.00 a.m. on 5 November 2018 or such later time and/or date as Cantor Fitzgerald and the Company may agree (being not later than 8.00 a.m. on 30 November 2018). <p>If any of these conditions are not met, the Issue will not proceed and an announcement to that effect will be made through a Regulatory Information Service.</p> <p>The Shares issued pursuant to the Issue will be issued on 5 November 2018. The Placing and the Offer for Subscription are only available to investors who can make certain warranties and representations as to their status as an investor, including that they are not a U.S. Person. The Placing is only available to persons of a kind described in paragraph 5 of Article 19 and paragraphs 2(a) to (d) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.</p> <p>An investor applying for Ordinary Shares under the Issue may elect to receive Ordinary Shares in uncertificated form, if such investor is a system-member in relation to CREST, or in certificated form. Definitive certificates in respect of the Ordinary Shares issued in certificated form are expected to be despatched during the week commencing 19 November 2018.</p> <p><i>Placing</i></p> <p>The Company, Gresham House and Cantor Fitzgerald have entered into the Issue Agreement, pursuant to which Cantor Fitzgerald has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers of the Ordinary Shares to be made available in the Placing. The Placing is not being underwritten.</p> <p><i>Offer for Subscription</i></p> <p>Each investor under the Offer for Subscription is required to undertake to pay the Issue Price for the Ordinary Shares issued to such investor by cheque or bankers' draft or by electronic interbank transfer. Applications under the Offer for Subscription must be for a minimum of 20,000 Ordinary Shares (representing a subscription price of £20,000) and thereafter in multiples of 1,000 Ordinary Shares. The Directors may, in their absolute discretion, after taking into account the demand for Ordinary Shares under the Placing and the Offer for Subscription and economic and market conditions, waive the minimum initial subscription requirement in respect of any particular application under the Offer for Subscription.</p> <p><i>Placing Programme</i></p> <p>To the extent that the Company issues less than 200 million Ordinary Shares under the Issue, it is proposed that the Company should be able to issue the balance (being 200 million Shares less the number of Ordinary Shares issued under the Issue plus the Company's existing subscriber share, which is to be transferred to a placee pursuant to the Placing) pursuant to one or more non-pre-emptive Placings over the next 12 months under the Placing Programme. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over a period of time. The last date on which Shares may be admitted to trading under the Placing Programme is 16 October 2019.</p> <p>The issue of New Ordinary Shares or C Shares under the Placing Programme is at the discretion of the Directors. The minimum subscription pursuant to the Placing Programme is intended to be £50,000.</p>
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		<p>Each investor is required to undertake to make payment for the New Ordinary Shares and/or C Shares issued to such investor pursuant to the Placing Programme in such manner as shall be directed by Cantor Fitzgerald.</p> <p>An investor applying for New Ordinary Shares and/or C Shares in the Placing Programme may elect to receive New Ordinary Shares and/or C Shares in uncertificated form, if such investor is a system-member in relation to CREST, or certificated form. Where applicable, definitive certificates in respect of the New Ordinary Shares and/or C Shares are expected to be despatched by post to the relevant holders no later than ten Business Days after the relevant issue date.</p>
E.4	Interests material to the Issue	Not applicable; there are no interests that are material to the Issue or the Placing Programme.
E.5	The offeror	The Shares are being offered by the Company.
E.6	Dilution	<p>No dilution will result from the Issue.</p> <p>Assuming that 100 million New Ordinary Shares are issued under the Placing Programme, raising £100 million at a Placing Programme Price of 100p per New Ordinary Share and assuming that £100 million are raised pursuant to the Issue before Issue Expenses, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital.</p>
E.7	Expenses	<p>Investors will not be charged a fee in addition to their payment of the Issue Price in order to subscribe for Ordinary Shares, as the Issue Expenses will be met out of the proceeds of the Issue. Assuming that the Issue is fully subscribed, and the Issue Expenses are £4 million, the Net Proceeds will be £196 million (inclusive of any irrecoverable VAT). The Issue Expenses are therefore an indirect charge to investors.</p> <p>The Placing Programme Price of the New Ordinary Shares will be calculated by reference to the last published cum income Net Asset Value of each existing Ordinary Share together with a premium intended to at least cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commissions), such costs and expenses being estimated at 2 per cent. of the amounts raised. The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each placing of New Ordinary Shares under the Placing Programme and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. By way of illustration, assuming an initial NAV of 98p per Ordinary Share, the Placing Programme Price per New Ordinary Share would be expected to be at least 100p, and the expenses indirectly borne by an investor in such New Ordinary Shares would be at least 2p per Ordinary Share.</p> <p>The Placing Programme Price of any C Shares issued pursuant to the Placing Programme will be 100p per C Share and the costs of the relevant issue of such C Shares will be paid out of the proceeds of the issue and accordingly will be borne indirectly by investors in the relevant C Shares.</p>

PART 1: RISK FACTORS

Investment in the Company should be regarded as being of a long-term nature and involving a degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in this Prospectus and the risks relating to the Company, Gresham House and the Shares including, in particular, the risks described below which are not presented in any order of priority and may not be an exhaustive list or explanation of all the risks which investors may face when making an investment in the Shares and should be used as guidance only.

Only those risks which are believed to be material and currently known to the Directors at the date of this Prospectus have been disclosed. Those risks may adversely affect the Company's and its Projects' business, business prospects, financial condition and NAV ("Company's NAV and revenues") and returns to Shareholders including dividends, and/or the market price of the Shares ("returns to Shareholders"). Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the Company's NAV, revenues and returns to Shareholders. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

RISKS RELATING TO THE COMPANY

The Company is a newly formed company incorporated under the laws of England and Wales with no operating history and no revenues, and investors have no basis on which to evaluate the Company's ability to achieve its investment objective.

The Company was incorporated under the laws of England and Wales on 24 August 2018, and is a newly formed company with no operating results. It will not commence operations until it has obtained funding through the Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory investment return. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence. Any failure by the Company to achieve its investment objective may adversely affect its operations and returns to Shareholders.

The Company's returns to Shareholders will depend on many factors, including the value and performance of its investments and the Company's ability successfully to execute its investment strategy. The value and performance of the Company's investments will be affected by a broad range of factors which are described in more detail below and there can be no assurance that the Company's investment strategy will be successful.

The Target Total Return is based on estimates and assumptions that are inherently subject to significant commercial, economic and market uncertainties and contingencies, and the actual return to Shareholders may be materially lower than the Target Total Return and could be negative

The Target Total Return is a target only and is based on estimates and assumptions as at the date of this Prospectus about a variety of factors including, without limitation, purchase prices of energy storage systems and components, project development and construction costs, income and pricing from contracts with National Grid and/or its subsidiaries and other counterparties, the potential for trading profitability in the wholesale electricity markets, performance of the Company's investments and the Company's ability to secure projects within minimum return parameters in accordance with the Company's investment policy, all of which are inherently subject to significant business, economic and market uncertainties and contingencies and all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve the Target Total Return. The Company may not be able to implement its investment policy in a manner that generates returns in line with the targets. Furthermore, the Target Total Return is based on the market conditions and the economic, regulatory, political and policy environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the Target Total Return assumes (save as set out in this Prospectus) that no material changes occur in government regulations or other policies, or in law and taxation, and that the Company and/or its investments are not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence

of risks described elsewhere in this Prospectus. There is no guarantee that actual (or any) returns can be achieved at or near the Target Total Return. Accordingly, the actual rate of return achieved may be materially lower than the Target Total Return, or may result in a partial or total loss, which could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

The Company is to a large extent reliant on the Gresham House Group and other third party service providers (including Noriker) to carry on its businesses and a failure by one or more service providers may materially disrupt the business of the Company

Failure by any service provider to carry out its obligations to the Company in accordance with the applicable duty of care and skill, or at all, or termination of any such appointment may adversely affect the Company's NAV, revenues and returns to Shareholders.

In the event that it is necessary for the Company to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's NAV, revenues and returns to Shareholders. See further risk factor entitled "*The departure of some or all of the Gresham House Group's investment professionals could prevent the Company from achieving its investment objective*".

Investor returns will be dependent upon the performance of the Portfolio and the Company may experience fluctuations in operating results

Investors contemplating an investment in the Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment.

The Company may experience fluctuations in its financial results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of profits, distributions, dividends or interest received from the Portfolio, changes in the operating expenses of the Company and the Projects, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company or its investments encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

The past performance of other investments managed, advised or operated by Gresham House or Gresham House Group investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy and the successful operation of the assets. The success of the Company will depend, among other things, on Gresham House's ability to identify, acquire and (potentially) realise investments in accordance with the Company's investment policy and once acquired, to effectively operate those investments. The acquisition of investments, will, in turn, depend on the ability of Gresham House to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that Gresham House will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

Tax and regulatory risk

The Company's NAV, revenues and returns to Shareholders will be dependent on there being no material adverse change in applicable laws (including tax laws) or regulations (or their interpretation) that affects the Company, the Portfolio, any instruments issued or held by any of them or the overall structure to be adopted to effect the investment strategy and objective of the Company, as outlined in this Prospectus. See also further risk factors entitled "*Risks relating to taxation*".

Discount management provisions

Any Share buybacks in the context of the Company's discount management provisions may be satisfied by the available cash or cash equivalent resources of the Company, from borrowings, the realisation of the Company's assets or any combination of these sources of liquidity, at the Directors' discretion. Potential investors should be aware that the Company's investments have limited liquidity and therefore any such returns of capital that depend on the realisation of assets

may be deferred and may ultimately generate cash which is less than the valuation of the relevant assets, which may affect the published NAV and/or the market price of the Shares.

The Company's share buyback policy is expressly subject to the Board's discretion and therefore potential investors should not place reliance on share buybacks as a source of potential exit from the Shares.

Dividend policy

The payment of dividends to Shareholders is dependent on the level of the Company's net income and the requirements of the Act. There is therefore a risk that the actual dividend payments to Shareholders are lower than those targeted by the Company.

Risks relating to the UK's exit from the European Union

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU and the vote was in favour of leaving ("**Brexit**"). On 29 March 2017, the UK triggered the formal process to leave the EU. The extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, among other things, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of an eventual Brexit on the value of investments in the UK energy sector and, by extension, the value of the investments in the Company's eventual investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the price of the Shares. As such, it is not possible to accurately state the impact that Brexit will have on the Company and its proposed investments at this stage. Brexit may also increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.

RISKS RELATING TO THE GRESHAM HOUSE GROUP

The departure of some or all of the Gresham House Group's investment professionals and energy storage systems developers could prevent the Company from achieving its investment objective

The Company has no employees and the Directors have all been appointed on a non-executive basis. Therefore, the Company is to a large extent reliant upon the Gresham House Group and other third party service providers (including Noriker) for the performance of certain functions.

In accordance with the AIFM Agreement, Gresham House will be responsible for managing the Portfolio. As a result, if Gresham House Group entities were no longer able to provide the services under the AIFM Agreement this could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders. In addition, in accordance with a Framework Agreement and shareholders' agreement between a member of Gresham House Group, Noriker and the shareholders of Noriker and Management Services Agreements, entered into between GHNE and each of the Seed Project Companies (or their subsidiaries), GHNE and Noriker will be responsible for operating or providing certain site-specific services to the Projects. Consequently, the Projects and the Company will be dependent on the individuals employed by, or the entities contractually bound to perform services for, the Gresham House Group.

The Company depends on the diligence, skill and judgment of the Gresham House Group's investment professionals and developers (including Noriker), the information and deal flow they generate during the normal course of their activities and their ability to properly develop and operate the ESS Projects. The Company's future success depends on the continued service of these individuals, who are not obliged to remain employed by, or contractually bound to perform services for, the Gresham House Group, and the Gresham House Group's ability to strategically recruit, retain and motivate new talented personnel. Whilst the Gresham House Group endeavours to ensure that the principal members of its management team are suitably incentivised, the retention of key members of its team cannot be guaranteed. In the event of a departure of a key Gresham House Group employee or termination of the framework agreement or shareholders' agreement between Noriker and Gresham House Group, there is no guarantee that the Gresham House Group would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the Company's NAV, revenues and returns to Shareholders. Events impacting

but not entirely within the Gresham House Group's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel. If key personnel of the Gresham House Group were to depart or the Gresham House Group were unable to recruit individuals with similar experience and calibre, the Gresham House Group may not be able to provide services to the requisite level expected or required by the Company. This could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

Under the AIFM Agreement, Gresham House agrees to perform its obligations to a specified standard of care, provided that Gresham House will not be liable for any loss or damages resulting from any failure to satisfy the standard of care except in certain limited circumstances. If a liability were to be incurred by the Company in a situation where Gresham House had acted in accordance with its standard of care, the Company would (except in certain limited circumstances) have no recourse to Gresham House and such liabilities would be for the account of the Company. This could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders. Additionally, under the AIFM Agreement the Company will be required to indemnify Gresham House and its affiliates, managers, directors, officers, partners, agents and employees, from and against all liabilities incurred in connection with the AIFM Agreement (except to the extent such liabilities are incurred as a result of any acts or omissions of Gresham House that constitute a material breach of such agreement or are otherwise outside the scope of such indemnities). As a result, if such liabilities arise, the Company may be required to make payment under such indemnities, which could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

There can be no assurance that the Directors will be able to find a replacement manager if Gresham House resigns

Pursuant to the terms of the AIFM Agreement, Gresham House may resign by giving the Company not less than 12 months' written notice. If Gresham House resigns, the Company will no longer have the contractual right to require Gresham House to enforce its rights against Noriker in respect of the Projects. Gresham House shall, from the date such notice takes effect, cease to make investment decisions on behalf of the Company. It may be difficult to locate a successor to the role. If a successor cannot be found, the Company may not have the resources it considers necessary to manage the Portfolio or to make investments appropriately and, as result there may be a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

The Gresham House Group and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

Under the terms of the AIFM Agreement, Gresham House is entitled to carry on business similar to or in competition with the Company or to provide similar services to, or in competition with, the company or to provide similar services or any other services whatsoever to any other customer without being liable to account to the Company for its profits, provided that it will take all reasonable steps to ensure that such business is effected on terms which are not materially less favourable to the Company. However, other than pursuant to the Framework Agreement, neither Gresham House nor any member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests on or after the date of the Framework Agreement in; or (ii) for its own account invest on or after the date of the Framework Agreement in, ESS Projects in Great Britain, without first offering the relevant investment opportunity to the Company. Gresham House or a member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests in; or (ii) for its own account invest in, ESS Projects in Great Britain, in circumstances where the Company is unable to invest in the relevant investment opportunity because it has insufficient resources or the Company is unable to obtain sufficient resources to make the investment or, otherwise, if the Board provides its prior written consent.

At all times Gresham House shall retain sufficient facilities, personnel, experience and expertise necessary to fulfil its obligations under the AIFM Agreement. Gresham House will, at all times, have regard to its obligations to the Company and under the FCA Rules in relation to the identification, management and disclosure of conflicts of interest.

RISKS RELATING TO THE PORTFOLIO INVESTMENT STRATEGY

Macro risks

(a) Energy market regulations

The revenue generated by each of the Projects and its associated costs will be dependent on various energy market codes and regulations. The Gas and Electricity Markets Authority within the Office of Gas and Electricity Markets (“Ofgem”) regulates Great Britain’s energy markets through licensing certain activities such as generation (with batteries being a proposed sub-set of generation), supply, and distribution/transmission network operation. A series of industry codes and agreements sit alongside these licences, which include more detailed rules and market processes. These include the Connection and Use of System Code, the Balancing and Settlement Code, the Grid Code, the Distribution Use of System Agreement and the Distribution Code. Ofgem must consult with industry before implementing any changes to the codes; industry representatives are provided with an opportunity to help develop and propose changes to the codes, with Ofgem carrying the deciding vote on any changes. A future change in UK Government or Ofgem’s direction regarding the design of the energy market, network charges, access to networks or a change in industry consensus around detailed market rules could lead to unfavourable energy or grid policies which may negatively affect the future availability of attractive energy storage systems for the Company to invest in, as well as those projects already acquired by the Company under current electricity market/grid regulations.

(b) Growth (or decline) of the renewables sector

A significant factor contributing to the expected growth of the energy storage market relates to the expected continued growth of renewable energy as a proportion of total generating capacity in the UK and overseas, and the resulting need to manage intermittency, balancing and other system stresses. If the growth of renewable energy does not continue as expected (for example, due to low energy prices, reduced Government support, increased deployment of non-renewable/fossil fuel generating capacity such as gas fired or nuclear power stations, or increased imports from cross-channel interconnectors), this will have an adverse impact on the Company’s prospects and performance.

(c) Changes in economic conditions

Changes in general economic and market conditions including, for example, interest rates, rates of inflation, foreign exchange rates, industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company’s NAV, revenues and returns to Shareholders.

(d) Natural and/or political events

Events beyond the control of the Company or the Projects, such as natural disasters, war, insurrection, civil unrest, strikes, public disobedience, computer and other technological malfunctions, telecommunication failures, physical and cyber terrorism, crimes, nationalisation, national or international sanctions and embargoes, could materially adversely affect the Company’s NAV, revenues and returns to Shareholders.

Natural disasters, severe weather conditions or accidents could also damage the energy storage systems or the ability of engineers to access the relevant sites, or require the shutdown of, the energy storage systems, their equipment or connected facilities any of which would materially adversely affect the Company’s NAV, revenues and returns to Shareholders.

Such events may have a variety of adverse consequences for the Projects, including risks and costs related to the damage or destruction of property, suspension of operation, construction delays (and associated non-performance penalties), and injury or loss of life, as well as litigation related thereto. Such risks may not always constitute contractual force majeure. and may not always be insurable (or only insurable at uneconomic rates).

(e) Untested nature of long term operational environment for such energy storage systems

Given the long term nature of energy storage systems and the fact that battery storage plants are a relatively new investment class, there is limited experience of the operational problems that may be experienced in the future, both in a commercial context (i.e., the operation of revenue generating contracts) and a technological context (i.e., the battery modules themselves, including

rates of degradation), which may affect energy storage plants, the special purpose vehicles holding the Company's assets and, therefore, the Company's investment returns.

(f) New energy storage technologies

Although certain projects in the Seed Portfolio and Exclusivity Portfolio utilise, or will utilise, lithium-ion batteries, the Company is generally adaptable about which technology it utilises in its energy storage systems. The Company does not presently see any energy storage technology which is a viable alternative to lithium-ion batteries for the target markets and activities for the Projects, due to their widespread use in mobile phones, electric cars and other devices and consequent pricing, safety, performance track record and established infrastructure benefits. However, there are a number of technologies being researched which, if successfully commercialised, could eventually prove more favourable than lithium-ion. The Company will closely monitor such developing battery technologies (such as sodium and zinc derived technologies) and other forms of energy storage technology (such as flow batteries/machines and compressed air technologies) and will consider adopting such technologies for new projects where appropriate. However, existing lithium-ion projects may, as a result, prove less economical and therefore earn lower returns in comparison or be outbid for competitively procured services (such as frequency response). This could have a material adverse impact on the financial performance of the Company.

(g) Other new non-storage technologies

While the Company considers lithium-ion battery technology to be the most competitive provider in its target markets (eg, frequency response, capacity market, and embedded benefits/energy savings), other non-storage technologies may enter the market with the ability to provide similar services to a lithium-ion battery at lower cost. In such a scenario, and with sufficient scale in technology development and deployment into the market, lithium-ion batteries could be outbid for contracts and customers, which could adversely affect the Company's NAV, revenues and returns to Shareholders.

Operational risks

(h) The Company is exposed to counterparties who may fail to perform their obligations under O&M contracts

The Projects will rely on third-party professionals and independent contractors and other service providers, which will generally be selected by the Gresham House Group to provide the required operational and maintenance support services (where required) throughout the construction and operating phases of the utility scale energy storage systems in the Portfolio. In the event that such contracted third parties are not able to fulfil their obligations or otherwise fail to perform to standard, the Projects may be forced to seek recourse against such parties, provide additional resources to undertake their work, or to engage other companies to undertake their work. However, legal action, breach of contract or delay in services by these third-party professionals and independent contractors could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders. The Company's ability to invest in and operate energy storage systems could be adversely affected if the contractors with whom the Company wishes to work do not have sufficient capacity to work with the Company on its chosen projects. In addition, if the quality of a contractor's work does not meet the requisite requirements, this could have an adverse effect on the construction and operations, and financial returns of such projects, as well as the Company's reputation. Where an O&M contractor, or any other contractor, needs to be replaced, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Company will be required to appoint a replacement contractor. Any such replacement contractor may come at a higher cost. If it takes a long time to find a suitable contractor, it could potentially lead to delays, lower technical and operating performance or downtime for the relevant asset or cancellation of key contracts. This could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

(i) The Company is exposed to counterparties who may fail to perform their obligations under EPC contracts

The Company expects to acquire projects on which, as a general rule, third-party EPC contractors have provided the required turn-key construction contracts. As part of these EPC contracts, the EPC contractor gives warranties and guarantees in respect of its defect rectification obligations and the performance of the plant and is liable to pay associated damages to compensate for

unavailability and subsequent lost revenues during, typically, the first two years of the plant's operational life. Where an EPC contractor has not fulfilled their contractual duties and/or the performance of the plant falls below the guaranteed levels, the relevant Project will pursue all means to recover any losses resulting therefrom, including under the performance guarantees, and pursue the EPC contract under the defects correction provisions to correct any faults uncovered. In the event the EPC contractor is not able to cover their contractual liabilities, the Company's financial position, results of operations and ability to pay Shareholder dividends may be adversely impacted. If the construction is delayed for any reason (for example, due to extended periods of adverse weather conditions) this could delay commissioning and lead to the loss of a revenue contract for the project (or damages for delay under such contracts) and, consequently, adversely impact the level of revenue achieved by the asset.

In some circumstances the Project will not have the benefit of such financial and operational warranties and guarantees from EPC contractors, which may result in it being more difficult or impossible for the Company to recover losses suffered that would otherwise be covered by such operational warranty and guarantee.

(j) Changes in procurement of balancing services

The procurement details and contract designs that National Grid uses for different balancing services currently vary. For example, firm frequency response contracts have until recently been tendered monthly, for 1 to 24 months in duration, and the delivery windows in which the service is provided were specified to the nearest 30 minutes. This is currently undergoing significant changes, and the bids are now for 4 hourly blocks and can be for 1 to 30 months in duration (split into delivery periods of months, quarters or seasons). In other services, contracts are tendered 3 times a year, with fixed delivery windows. An example of such a contract is short term operating reserve ("**STOR**"), National Grid's forward-contracted form of reserve energy which is delivered by reducing demand or increasing generation with around 15 minutes notice and sustaining this for up to 2 hours.

In June 2017, National Grid published a document on System Needs and Product Strategy ("**SNAPS**"), setting out its plans to review its current practices, and ultimately change the way that it procures balancing services, to enable it to procure the capabilities that it requires more cost-effectively in the future. Its work involves reducing the range of products that it currently procures (down from over 20 in June 2017), standardising parameters within products (such as delivery windows, durations of contracts, and so on) and improving the design of products to better meet the technical and commercial requirements of flexibility providers. National Grid's programme of work is expected to conclude in January 2019.

After publishing the June 2017 document, National Grid released a further update on its future procurement of frequency response in an open letter, the "letter on rationalisation". This letter confirmed that an improved frequency response product suite will feature in the new arrangements and that a number of existing sub-products of frequency response that are currently procured will be combined into this new product suite. Importantly for batteries, this included enhanced frequency response ("**EFR**"). As part of this update, it also confirmed that it would trial alternating its procurement of frequency response each month to focus on monthly contracts for one month, with the next tender to focus on longer term contracts and so on.

In December 2017, National Grid published a product roadmap document, focusing on its forward plans for more substantial changes to frequency response and reserve services. For frequency response, it confirmed that it would:

- look to complete the standardisation of the firm frequency response market by Q1 2018;
- deliver a proposed simplified contract for frequency response by Q2 2018;
- publish a new testing, compliance and performance monitoring policy in Q3 2018;
- start a trial of using auctions to procure frequency response in Q4 2018 (with the intention of taking a decision to roll out auctions more widely by the second half of 2019); and
- begin procuring a faster acting form of frequency response in Q4 2018.

National Grid's work is an ongoing programme of change to its procurement approach. The workstreams above are currently being implemented, with the June FFR contracts tender being the first in which National Grid procured response across a number of 6-monthly periods and in 4-hour blocks. Changes that shorten the standard duration of contracts, or standardise the delivery

windows in which providers can offer services, could force the Projects to re-contract more frequently in the future, which may create higher administrative costs for the Projects, and expose them to more frequent occurrences of failing to secure contracts immediately after the expiry of a previous contract and increases in the variability of revenues. Changes in the specification of services (for example, speed and duration of delivery) may require utility scale battery storage projects to incur additional investment and set-up costs which may adversely affect the Company's NAV, revenues and returns to Shareholders.

(k) Balancing services contracts and pricing (including frequency response) and failure to secure new contracts on expiry

The revenues generated by the Portfolio will be dependent on the price each Project is able to obtain for providing various balancing services to National Grid (including, in particular, frequency response) in respect of the energy storage systems.

The current UK frequency response service is procured by National Grid via a monthly tender process, although this tender process is currently undergoing a significant transition. Each Seed Project has secured a fast frequency response contract and the Company will seek to secure at least one balancing service contract for each further project that it acquires, before or simultaneously with the acquisition of each project. However, if the Company acquires a project without a frequency response contract it may not be able to secure an attractive price prior to the completion of the project. The UK's frequency response market currently offers contracts with a maximum term of 30 months, which is significantly shorter than the expected life of the projects that the Company is to acquire. When such contracts expire, the Projects may not be able to secure replacement contracts (or sufficiently attractive terms for replacement contracts) in the competitive allocation process, and consequently may not be able to use the energy storage systems at their maximum capacity and capabilities, including between contracts. This operational reality, which adversely impacts the revenues generated by the Portfolio is taken into account by the Manager by assuming that 70 per cent. of the Portfolio will be able to take advantage of frequency response contracts at any one time.

As more participants enter the market, as is expected, the Manager expects a certain decline in the market price of balancing services. The Manager makes investment decisions based on price forecasts and so a greater than expected decline in the market price of balancing services could materially adversely affect the Company's revenues and ability to meet targeted returns. Furthermore, the Company cannot guarantee that market prices of balancing services will remain at levels which will allow the Company to maintain target dividend distributions or rates of return on the energy storage systems within the Portfolio. A significant drop in market prices for balancing services would have a material adverse effect on the Company's NAV, revenues and returns to Shareholders. The Manager has assumed a low exposure to FFR contracts from 2020, limiting the impact to a loss of business in this area. The pricing assumptions set in the ESS Projects to be acquired have been reviewed by a third party consultant and forecasts are below current pricing levels. Any information or event which justifies the forecasting of factoring lower prices than those currently assumed prior to the commissioning of any ESS Project would justify a lower purchase price being paid for such ESS Project by the Company.

For the Seed Projects, until current FFR contracts expire, frequency response revenues shall comprise the majority of the revenues earned by these ESS Projects.

All FFR contracts are between Noriker and NGET, a regulated business and a UK operating subsidiary of the National Grid reporting sales of £4bn in 2017. Each Project has rights to those FFR contracts by way of a FFR services agreement with Noriker. To the extent further contracts can be won at levels comparable or higher to those in the financial models, then a high exposure to National Grid Electricity Transmission PLC as a counterparty shall remain.

NGET is a subsidiary of National Grid plc, and is the owner and operator of the electricity transmission network in England and Wales, and the system operator (responsible for amongst other things balancing the system) for Great Britain. National Grid plc is a public limited company incorporated in England and Wales with company number 04031152. The registered office of National Grid is at 1-3 Strand, London WC2N 5EH. National Grid is admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. National Grid is also listed on the New York Stock Exchange. National Grid is one of the largest companies in the UK (it is capitalised at approximately £25 billion and in the top 25 UK listed companies). NGET has a Moody's credit rating of A3. The Government does not guarantee

the solvency of NGET. If this company were to collapse or if its financial strength were to materially deteriorate, its obligations as a counterparty to Noriker in respect of each of the Projects may be seriously impacted or become worthless, which could materially affect the Company's NAV, revenues and returns to Shareholders.

While ESS Projects may secure contracts with Distribution System Operators ("DSOs") in relation to the DSOs own electricity distribution systems in the future, there is no certainty that DSOs will emerge as entities requiring frequency response services and, if they are, it may not be at the levels projected. Therefore, a loss of an FFR contract, termination of the FFR services agreement with Noriker or breakdown in relations with National Grid would have material adverse impact on ESS Projects' ability to obtain frequency response revenues, either temporarily or permanently, which could have an adverse effect on the Company's NAV, revenues and returns to Shareholders.

(l) Borrowing risk

Although there is no present intention to utilise borrowings for investment purposes, the Company does intend to assess its ability to raise debt and is expected to introduce leverage (at the Company level and/or the Project level) in the future once a critical mass of assets has been acquired and to the extent funding is available on acceptable terms. In addition, it may, where the Board deems it appropriate, use short term leverage to acquire assets, which could be achieved through a loan facility or other types of collateralised borrowing instruments. Such leverage will not exceed 50 per cent. (at the time of borrowing) of Net Asset Value. While the use of borrowings can enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price of Shares). Any reduction in the number of Shares in issue (for example, as a result of buy backs) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

(m) Volatility of electricity prices affecting asset optimisation opportunities

One of the future expected sources of revenue for the Portfolio is electricity asset optimisation. This will be dependent on the daily or hourly fluctuation of the price at which electricity can be imported (for charging) and exported (upon discharging), and the delta between those two prices. A lower than expected volatility in the market price of electricity, or a greater spread between buy and sell prices, could adversely affect the Company's revenues and financial condition. The Company cannot guarantee that electricity market price volatility will be at levels or frequency which will allow the Company to generate projected revenue levels or rates of return on the energy storage systems within its Portfolio. A significant drop in volatility of market prices for electricity whilst the Company is pursuing this future revenue stream would have an adverse effect on the Company's NAV, revenues and returns to Shareholders.

(n) Batteries are subject to degradation and the risk of equipment failure

Battery systems degrade gradually with reduced capacity and cycle life due to chemical changes to the electrodes over their life time. The degradation effect can be separated into calendar loss and cycling loss. Calendar loss results from the passage of time and cycling loss is due to usage and depends on both the maximum state of charge and the depth of discharge. Although the battery manufacturers provide certain warranties on a battery degradation schedule based on certain operating conditions and the lifespan of the battery, the operation of the battery may fall outside of the warranty conditions due to unexpected events. Also the Projects may continue to operate the battery beyond the period covered by the degradation warranty of the battery manufacturers and these may result in unexpectedly lower performance of battery assets. The Company's investment

will take into account the realistic degradation profile of the batteries based on the Company's assessment of the supplier's battery technology, however this can be higher than the warranted degradation profile and the asset may not meet its expected performance at the time of acquisition or over its operational life, even if the use of the battery is within the warranted period and conditions. As a result, and to the extent not covered by the warranties, any such excess battery degradation may necessitate greater than expected repair and maintenance expenses or the requirement for replacement of some or all of the battery modules or components earlier than anticipated.

There is also a risk of equipment failure due to wear and tear, design error or operator error in connection with the energy storage system and this failure, among other things, could adversely affect the returns to the Company.

(o) Balance-of-plant equipment is subject to degradation and the risk of equipment failure

Energy storage plants contain a multitude of technical, electronic, mounting structures and other components, commonly referred to as "balance-of-plant". Balance-of-plant components are subject to degradation, technical deterioration, possible theft of components and other loss of efficiency and effectiveness over an energy storage plant's lifespan. There is a risk of unexpected equipment failure or decline in performance over the life cycle of the plant which would adversely affect the plant's technical and financial performance.

(p) Prices for battery systems may decline faster than expected

The prices paid for battery systems are a key component of the total cost of an energy storage system. It is expected that prices of such systems will decline due to the expected growth in the demand for the lithium-ion batteries; therefore it will be the primary technology to be sought by the Company in selecting energy storage projects to invest in. The Company has made certain assumptions in its financial modelling, based upon independent forecast data, relating to the declines in prices for battery systems. However, if prices fall faster than expected, the returns implied by existing projects may be lower than expected if and to the extent that pricing on renewal of shorter term contracts (such as for balancing services) does not adjust accordingly.

(q) Technological and operational risks may not be covered by warranties or insurance

Although Gresham House will procure that appropriate legal and technical due diligence is undertaken on behalf of the Company in connection with any proposed acquisition of energy storage systems by the Company, this may not reveal all facts and risks that may be relevant in connection with an investment. In particular, if the operation of projects has not been duly authorised or permitted, it may result in closure, seizure, enforced dismantling or other legal action in relation to such projects. Certain issues, such as failure in the construction of a plant (for example, faulty components or insufficient structural quality), may not be evident at the time of acquisition or during any period during which a warranty claim may be brought against the contractor. Such issues may result in loss of value without full or any recourse to insurance or construction warranties.

Warranties and performance guarantees typically only apply for a limited period, and may also be conditional on the equipment supplier being engaged to provide maintenance services to the project. Performance guarantees may also be linked to certain specified causes and can exclude other causes of failure in performance, such as unscheduled and scheduled grid outages. Should equipment fail or not perform properly after the expiry of any warranty or performance guarantee period or in circumstances where no warranty or performance guarantee has been provided and should insurance policies not cover any related losses or business interruption the Company will bear the cost of repair or replacement of that equipment.

Under the acquisition documentation the Company will receive the benefit of various warranties in relation to the projects that it acquires and these warranties will be insured to the extent that warranty and indemnity cover is available on reasonable commercial terms. There will be limitations on any insurance obtained, including caps on financial coverage and time limits for making any claim. To the extent that any material issue is not covered by the warranties or is excluded by such limitations or exceeds such cap, the Company will have no recourse against the vendor. Even if the Company does have a right of action in respect of a breach of warranty, there is no guarantee that the outcome of any claim will be successful or that the Company will be able to recover anything.

In addition, operational energy storage plants remain subject to on-going risks, some of which may not be fully protected by contractor, manufacturer or vendor warranties, including but not limited to security risks, technology failure, manufacturer defects, electricity grid forced outages or disconnection, force majeure or natural disasters. Energy storage technology continues to evolve and as manufacturers continue to develop and change technology, this may result in unforeseen technology failures or defects.

Any unforeseen loss of performance and/or efficiency in battery modules, beyond the warranted degradation, on an acquired or developed asset would have a direct effect on the yields produced by an energy storage plant and, as a consequence, could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders. In addition, any unforeseen loss or reduction of performance of other technology components of an energy storage plant (such as the inverters, wiring, electronic components, switchgear and interconnection facilities) could have a material adverse change on the Company's NAV, revenues and returns to Shareholders.

Energy storage plant operators generally take out insurance to cover certain costs of repairs and any other project specific risks that may have been identified as insurable and are insured against. The Projects may not always be able to benefit from such insurance policies and, in any event, not all potential risks and losses in relation to the operation of an energy storage plant will be covered by insurance policies. For example, losses as a result of force majeure, natural disasters, terrorist attacks or sabotage, cyber-attacks, environmental contamination, outages at the electricity grid or theft may not be available at all or on commercially reasonable terms or a dispute may develop over insured risks. The Company cannot guarantee that insurance policies will be held which cover all possible losses resulting from outages, equipment failure, repair, replacement of failed or stolen equipment, environmental liabilities, outages at the electricity grid, theft or legal actions brought by third parties (including claims for personal injury or loss of life). The uninsured loss, or loss above limits of existing insurance policies, could have an adverse effect on the Company's NAV, revenues and returns to Shareholders.

In cases of frequent damage, insurance contracts might be amended or cancelled by the insurance company or the insurance premium levels will be increased, in which case the Company and/or the Projects may not be able to maintain insurance coverage comparable to that currently in effect or may only be able to do so at a significantly higher cost. An increase in insurance premium cost could have an adverse effect on the Company's NAV and revenues and returns to Shareholders.

(r) Inability to control operating expenses and maintenance

The profitability of an energy storage system over its full life is dependent, among other things, on the owner's ability to manage and control the operating expenses of the asset. Operating expenses include rent under any lease, business rates the cost of importing electricity to charge the batteries, insurance coverage and asset management costs, as well as other selling, general and administrative costs. In addition, a plant's profitability over its life is also dependent on the owner's ability to manage and control investment costs during the operational phase. Maintenance costs at plant level include replacing faulty technology components (such as battery modules, inverters, cables, interconnection gear and module control systems) that are not covered by supplier warranties or guarantees and rebuilding the plant following any unexpected event (such as theft, burglary or acts of vandalism not covered by insurance providers). As a result, the inability of Projects to control investment costs may adversely affect the Company's NAV, revenues and returns to Shareholders.

(s) Health and safety risks

The physical location, maintenance and operation of an energy storage plant may pose health and safety risks to those involved. The operation of an energy storage plant may result in bodily injury or industrial accidents, particularly if an individual were to be crushed, injured or electrocuted. If an accident were to occur in relation to one or more of the Company's energy storage plants, the Company and/or the relevant Project could be liable for damages or compensation to the extent such loss is not covered under existing insurance policies. Liability for health and safety could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

(t) Capacity market contracts and pricing

Some revenues generated by the Portfolio will be dependent on the price the Projects are able to secure for providing capacity through capacity market auctions. The Company will generally seek to acquire Projects with 15 year fixed price capacity market contracts in place. If the Company is

unable to acquire Projects with a 15 year fixed price capacity market contract, it is expected that capacity market contracts will only run for 1 year and it is possible that capacity market contracts may not be available. In such circumstances there will be uncertainty on the amount of revenue that will be generated under such capacity market contracts, which will be subject to change on an annual basis.

(u) Embedded benefits – Transmission Network Use of System (TNUoS) charges and Distribution Use of System (DuoS) charges

An element of the revenue expected to be generated by the Portfolio will be dependent on the savings of TNUoS and DuoS charges that the Company's energy storage systems can offer to its industrial and commercial customers through the deployment of behind-the-meter batteries. Ofgem is currently undertaking two reviews of network charging arrangements:

- a Targeted Charging Review (a “**Significant Code Review**”); and
- a Reform of Electricity Network Access and Forward Looking Charges.

The purpose of these work streams is to review how network costs, including TNUoS and DuoS charges, are levied directly or indirectly on electricity suppliers and (ultimately) on consumers. Under the Targeted Charging Review, Ofgem planned to release a minded-to decision on the in-principle design of charges in summer 2018, following which the detailed design and implementation would commence. No timeline is currently provided for how long this would take, but previous precedents of Significant Code Reviews have taken approximately 12 – 24 months to design and approve. Ofgem has not yet issued this minded-to decision. It is not yet clear whether the Reform of Electricity Network Access and Forward Looking Charges will result in significant changes, nor the timeline for implementation if so.

Ofgem has recently acted in the area of network charging, by reducing the level of the TNUoS charge that is avoidable by standalone distribution-connected (i.e., “embedded”) generators and storage assets. This change was originally proposed by industry in 2016 as a change to one of the industry codes (the CUSC, which sets out the detailed charging rules). Ofgem made its final decision on the proposals in June 2017, when it directed that the avoidable component of the “residual” part of the TNUoS charge should be reduced from current levels of approximately £47/kW/p.a., to a value that is reflective of the avoided cost of investment at the grid supply point (last estimated to be £3.22/kW/p.a. for the 2017/18 charging year). The change is to be phased between April 2018 and April 2020, and is now underway having survived legal challenge. The value will reduce in a linear fashion until landing at the new level, which will be recalculated by National Grid during the implementation phase.

A further decline in the TNUoS tariff levels for standalone assets, or further change in charging mechanism, or an adoption of a similar approach to the above for behind-the-meter storage projects, potentially combined with further reductions and changes in the charging mechanism, could materially adversely affect the Company's revenues and financial condition. Similarly, a decline in DuoS tariff or charging mechanism could materially adversely affect the Company's NAV, revenues and returns to Shareholders. In addition, if new charges are introduced under which an energy storage system could increase the charges payable by the on-site customer, then this may create an exposure for the Company. The Company cannot guarantee that TNUoS or DuoS tariffs or their charging mechanisms will remain at levels which will allow the Company to maintain projected revenue levels or rates of return on the energy storage systems within its portfolio.

(v) Aggregation provider and electricity supplier risk

The Company may rely on providers of aggregation and/or optimisation services for the operation of its energy storage systems. Aggregators offer market access and revenue management services to optimise revenue from the energy storage systems. This service typically includes advice to the Company on the optimal selection of revenue-generating programmes to maximise profit for the Company, monitoring and management of the state of charge and discharge and charging schedule of the storage system, tendering for any revenue-generating programmes or services on behalf of the Company or as an intermediary of such programmes, and providing and maintaining back-end IT systems to interface with the customer (such as National Grid) for the provision of the necessary data.

The Company may also rely on licensed electricity suppliers for the purchase of import electricity and/or the sale of export electricity to/from the energy storage system. Each Project will enter into power purchase agreements (“**PPAs**”) for such arrangements with creditworthy suppliers/offtakers.

The Company may try to mitigate exposure to electricity import/export prices through PPAs which contain price stabilising mechanisms, such as fixed prices or price floors. Projects which share a grid connection/metering arrangements with a commercial or industrial energy user or which co-locate with a generating station (i.e., on behind-the-meter projects) may have a shared electricity supplier arrangement with such other user/generator for the aggregated electricity import/exports based on agreed methodology to allocate electricity costs/revenues.

The Company expects to carefully select and rely on the aggregators and/or licensed electricity suppliers to manage storage revenue and electricity cost throughout the life of the energy storage systems in the Portfolio. If such aggregators or suppliers are not able to fulfil their obligations or otherwise fail to perform to the required standard, the Company may be forced to seek recourse against such parties, provide additional resources to undertake their role, or to engage other companies to undertake their role. However, any such legal action, breach of contract or delay in services by these aggregators or suppliers could have a material adverse effect on the Company's business, financial condition and results of operations. The Company's ability to invest in and operate energy storage systems could be adversely affected if the aggregators or suppliers with whom the Company wishes to work do not have sufficient resources to work with the Company on its chosen projects. In addition, if the quality of service from the appointed aggregators or suppliers does not meet the requisite requirements, this could have an adverse effect on the operations and financial returns of such projects. Where an aggregator or supplier needs to be replaced (whether due to expiry of an existing contract, insolvency, poor performance or any other reason) the Company will be required to appoint a replacement aggregator or supplier. Any such replacement aggregator or supplier may come at a higher cost. If it takes a long time to find a suitable replacement it could potentially lead to delays, lower operating performance or downtime for the relevant asset or cancellation of key contracts. This could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

(w) Reliance on electricity transmission/distribution facilities owned by third parties

In order to sell their energy storage services and thus realise value, energy storage facilities must be and remain connected to the distribution or Transmission Grid, through a designated connection, or through an existing customer's connection. Therefore, each Project will be (to varying degrees) reliant upon electricity networks owned by third parties to import and export electricity and ultimately provide the contracted services. Typically, a Project will not be the owner of, nor will it be able to control, the transmission or distribution facilities except those needed to interconnect its energy storage plants to the public network. Accordingly, an energy storage plant must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point. In addition, if there is a failure on the public grid (with or without fault of the relevant grid operator), the affected Projects may be unable to provide the contracted services and this could have a material adverse effect on the Company's NAV and revenues. The circumstances in which compensation, if any, would be payable are limited and the amounts payable are unlikely to be sufficient to cover any losses of revenue, which could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

(x) Battery delivery and installation may be delayed

The Company may invest in certain projects which are, at the time of investment, subject to the delivery and installation of battery systems to enable completion and commissioning of the project. Therefore, any such projects are dependent upon being able to source a timely supply of battery systems and components for the balance of plant, bearing in mind that many of such items are manufactured abroad and have long-lead times. Whilst the Company factors delivery delays into the assumptions underlying the project models, it may be the case that there are delays to securing battery or component suppliers, delays or potentially cancellation of delivery of battery systems and delays or complications relating to the installation of the battery equipment and connection to the grid (construction of balance of plant) that remain unforeseen. Any such delays may result in the revenue contracts for the project being cancelled (or damages for delay) which could, in turn, lead to the cancellation of the project in its entirety. Any such cancellation or damages for delay could have an adverse impact on the Company's NAV, revenues and returns to Shareholders.

(y) Counterparty risk

The Company is exposed to third party credit risk in several instances and the possibility that counterparties with which the Company and/or the Projects contract may default or fail to perform their obligations in the manner anticipated. Such counterparties may include (but are not limited to) manufacturers who have provided warranties in relation to the supply of any equipment or plant, EPC contractors who have constructed the projects, who may then be engaged to operate assets held by the Company, property owners or tenants who are leasing ground space and/or grid connection to the Company for the locating of the assets, contractual counterparties who acquire services from the Company underpinning revenue generated by each project or the energy suppliers, or aggregators, insurance companies who may provide coverage against various risks applicable to the assets (including the risk of terrorism or natural disasters affecting the assets) and other third parties who may owe sums to the Company and/or the Projects. In the event that such credit risk crystallises, in one or more instances, and the Company or the Projects are, for example, unable to recover sums owed to them, unable to make claims in relation to any contractual agreements or performance of obligations (e.g. warranty claims), or required to seek alternative counterparties, this may materially adversely impact the investment returns to the Company, the Projects and Shareholders. Further, the projects will not always benefit from a turnkey contract with a single contractor and so will be reliant on the performance of several suppliers. Therefore, the key risks during battery installation in connection with such projects are the counterparty risk of the suppliers and successful project integration.

(z) Concentration risk

The Company's investment policy is limited to investment in energy storage infrastructure, which will principally operate in Great Britain. This means that the Company has a significant concentration risk relating to the UK's energy storage infrastructure sector. Significant concentration of investments in any one sector may result in greater volatility in the value of the Company's investments, and consequently the NAV, and may materially and adversely affect the performance of the Company and returns to Shareholders.

(aa) Delays in deployment of the proceeds of the Issue

The Company is aiming to have substantially invested all of the proceeds of the Issue committed within 12 months from the date of Admission but there can be no guarantee that this will be achieved. Depending on the availability of attractive projects that fit within the Company's investment policy and investment strategy and the ability to successfully acquire such projects, it may take the Company more than 12 months to invest the proceeds of the Issue beyond those projects that comprise the Seed Portfolio and the Exclusivity Portfolio. There can be no assurance as to how long it will take for the Company to invest any or all of the Net Proceeds, if at all, and the longer the period the greater the impact on the Company's results of operations and cash flows and the greater the likelihood that the Company's NAV, revenues and returns to Shareholders will be materially adversely affected.

(bb) Currency risk

The Board does not anticipate that the use of derivatives will be necessary, however, the Company may, in its discretion, hedge currency exposure between Sterling and any other currency in which the Company's assets may be denominated, for a short period. There can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis, and in some cases, hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

(cc) Relationships with substantial shareholders in the Company

From time to time, there may be Shareholders with substantial interests in the Company. Such Shareholders' interests may not be aligned to the interests of other Shareholders and such Shareholders may seek to exert influence over the Company. In the event that such Shareholders are able to exert influence to the detriment of other Shareholders, this may have an adverse effect on Shareholder returns.

Risks relating to property, planning, consents and environment

(dd) Environmental liabilities, particularly on “brownfield” sites

It is anticipated that a significant proportion of the energy storage systems to be acquired by the Company will be located on agricultural, commercial and industrial properties. Such sites can have a greater likelihood of Projects suffering environmental liability and/or requiring a higher degree of due diligence in the permitting steps.

To the extent that there are environmental liabilities arising in the future in relation to any sites owned or used by a Project including, but not limited to, clean-up and remediation obligations, such operating company may, subject to its contractual arrangements, be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the sites or by the value of the total investment in the relevant energy storage system.

The battery suppliers may offer the Projects end of life battery disposal options where the supplier shall be responsible for the removal, collection, recycling and disposal service for batteries but it is not guaranteed that all the battery suppliers from whom the Projects purchase batteries will offer or be able to deliver such options and the Projects may incur battery disposal costs at the end of the battery life.

In addition, there can be no guarantee that environmental costs and liabilities will not be incurred in the future. Environmental regulators may seek to impose injunctions or other sanctions that affect the Company's and the Projects' operations that may have a material adverse effect on the Company's and the Projects' results of operations or financial conditions.

(ee) Third party ownership of property

Reliance upon a third party owned property gives rise to a range of risks including damages or other lease related costs, counterparty and third party risks in relation to the lease agreement and property and early termination of the lease. Whilst the Company will seek to minimise these risks through appropriate insurances, lease negotiation and site selection, there can be no guarantee that any such circumstances will not arise.

(ff) Changes to permitting policies

Energy storage plants require compliance with an extensive permitting process in order to secure approvals for construction, grid connection and operation. For example, development of a project will require planning permission from the Local Planning Authority and may require an Environmental Impact Assessment depending upon the size and impact of the proposed project.

Any change to permitting policies and procedures in the UK may reduce the number of energy storage plants in UK market and consequently reduce the number of investment opportunities available to the Company. As a result, the Company's ability to deploy the Net Proceeds and acquire those projects which it has identified in its pipeline may be adversely impacted.

(gg) Energy storage systems may be considered a source of nuisance, pollution or other environmental harm

Proper planning and good maintenance practices can be used to minimise impacts from hazardous materials, however, there is no guarantee that this will always be the case. The Company cannot guarantee that its energy storage systems will not be considered a source of nuisance, pollution or other environmental harm or that claims will not be made against the Company in connection with its energy storage systems and their effects on the natural environment. This could also lead to increased cost of compliance and/or abatement of the generation activities which could also lead to a material reduction in the returns from the affected assets and as a result adversely impact the results of operation of the Company.

Risks relating to the acquisition and sale of energy storage systems

(hh) Projects will be acquired directly from the Manager or another member of the Gresham House Group

It is intended that energy storage systems, at least initially, will be acquired from members of the Gresham House Group and/or Noriker. In the future the Company may also wish to acquire energy storage systems that have been operated or developed by the Gresham House Group or are owned by persons who are managed or advised by the Gresham House Group. In such circumstances there will be a conflict of interest between the Company and the Gresham House Group, with regard to the terms on which such energy storage systems may be acquired by the

Company from the Gresham House Group or persons who have an operational, management or advisory relationship with the Gresham House Group. Since the Shares to be issued pursuant to the Issue and Placing Programme will be admitted to trading on the Specialist Fund Segment, the Company will not be required to comply with, in particular, Chapter 11 of the Listing Rules regarding related party transactions. While the Company has adopted a related party policy (in relation to which Cantor Fitzgerald, as financial adviser, will guide the Company) (further details of which are set out in paragraph 20 of Part 14 (*General Information*) of this Prospectus), it is not proposed that the Company will seek Shareholder approval in respect of each acquisition of energy storage systems that would constitute a related party transaction. In order to manage that conflict of interest, a protocol has been agreed between Gresham House and the Board, which is to be followed whenever a Project owned, managed, or advised by the Gresham House Group is to be acquired by the Company. Further details of that protocol are set out in paragraph 7.4 of Part 8 (*The Company*) of this Prospectus. The Seed Portfolio Share Purchase Agreement contains arm's length market standard project warranties for projects of this size and type which will be insured on Admission under warranty and indemnity insurance (subject to typical financial caps and time limits for making any claim). It is intended that any acquisitions of Exclusivity Projects would be entered into on similar terms and the Company would seek to obtain warranty and indemnity insurance to the extent that cover is available on reasonable commercial terms.

(ii) The Company may fail to acquire all or some of the Exclusivity Projects

An investment in an energy storage system may be conditional upon, among other things, receipt of all necessary consents, approvals, authorisations and permits, the Company deciding to proceed with the acquisition, securing balancing services contracts with National Grid (or other relevant bodies), the Company being able to finance its commitment to a particular investment and satisfactory completion of due diligence.

Pipeline projects will be assessed by Gresham House and the final decision to acquire any project will be made in accordance with the processes described in paragraph 8.4 of Part 8 (*The Company*) of this Prospectus.

The Company has not entered into any unconditional, legally binding agreements in connection with the acquisition of any Exclusivity Projects, although the Company intends to do so and will incur substantial costs in connection with its proposed acquisition. However, there can be no guarantee that the Company will ultimately be able to invest in any utility scale energy storage systems on satisfactory terms, or at all and the Company may incur costs in relation to projects that are not ultimately acquired. This may have a material adverse effect on the results of the Company's NAV, revenues and returns to Shareholders

(jj) Due diligence may fail to uncover all material risks; unknown liabilities may arise

Prior to the acquisition of an energy storage system or any special purpose vehicle that holds an energy storage system or rights to construct an energy storage system, Gresham House (with the assistance of third party advisers as appropriate) will undertake, or procure to be undertaken, commercial, financial, technical and legal due diligence on the project and/or special purpose vehicle (as applicable). Notwithstanding that such due diligence is undertaken, not all material risks affecting the project or special purpose vehicle (as the case may be) may be identified and/or such risks may not be adequately protected against in the acquisition documentation.

The Company may acquire assets with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. If an unknown liability was later asserted against the acquired assets, the Company may be required to pay substantial sums to settle it or enter into litigation, which could adversely affect cash flow and the results of the Company's NAV, revenues and returns to Shareholders.

If the operation of a project has not been duly authorised or permitted it may result in closure, seizure, enforced dismantling or other legal action in relation to the project. Certain issues, such as failure in the construction of an energy storage system, for example as a result of faulty components or insufficient structural quality, may not be evident at the time of acquisition or during any period in which a warranty claim may be brought against the contractor. Such issues may result in loss of value without full or any recourse to insurance or construction warranties.

Accordingly, in the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the results of the Company's NAV, revenues and returns to Shareholders.

(kk) Acquisition of less than 100 per cent. of an energy storage system

Although the Company will typically seek full legal and operational control of the energy storage systems it acquires, it may not always be able, for structural or commercial reasons, to acquire 100 per cent. of the equity interest in such projects. The Company may participate in joint ventures or acquire majority or minority interests where this approach enables the Company to gain exposure to projects within its investment policy which it would not otherwise be able to acquire on a wholly-owned basis. This may hamper the Company's ability to control such assets and may also reduce the future returns to the Company.

(ll) Valuation risk

The Company's investments will be largely, or entirely, unquoted assets and the valuation of such investments will involve Gresham House and/or any independent valuer exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value on realisation of those investments. In respect of the Seed Projects, the Valuer has provided its opinion on a fair market basis on the assumption that the Company will acquire the Seed Projects on or about 30 September 2018 and assuming a willing buyer and seller, dealing at arm's length and with equal knowledge regarding the facts and circumstances. Further information relating to the basis and purpose on which the Valuation Opinion Letter has been given is set out in Part 10 (*Valuer's Opinion*) of this Prospectus. The Company will obtain an independent valuation in respect of any future acquisition of ESS Projects and will ensure that such valuation will be carried out on substantially the same basis as the valuation provided by the Valuer in respect of the Seed Projects.

(mm) Sale risk

ESS Projects have limited liquidity and may not be readily realisable or may only be realisable at a value less than their book value. There may be additional restrictions on divestment in the terms and conditions of any sale agreement in relation to a particular ESS Project. This could adversely impact the Company's NAV, revenues and returns to Shareholders.

Other risks relating to the portfolio and investment strategy

(nn) Reinvestment of excess cash may not be possible

If the Company's investments do not generate sufficient returns or if for other reasons the Company does not generate profits sufficient to enable the payment of dividends at or above the target described in this Prospectus, the Company will not have excess cash available for reinvestment which may inhibit growth of the NAV or its maintenance at prior levels. Further, since the Company is an investment trust, such status may require the distribution of cash that would otherwise be available for reinvestment. Even if excess cash is available there is no guarantee that suitable investments will be available for the deployment of that cash.

(oo) Errors may be made in the financial model, including with respect to energy market and financial forecasting

The Manager may use or rely on forecasts, financial models and other market data prepared by third parties as part of its analysis of the Portfolio and the markets in which the Company invests. Neither the Manager nor the Company will undertake any verification of such forecasts, models or market data and there can be no guarantee that such information is accurate. Further, the Manager may itself make errors in the interpretation and use of third party forecasts, financial models and other market data in preparing its own forecasts in connection with each of energy storage systems acquired by the Company. The data prepared by the Manager will typically include forecasts on a number of operating expenses for each project including, among other things, electricity prices, rent, O&M costs, management costs, insurance premiums and other expenses. Differences between the data prepared by the third parties and/or the Manager and the economic and market conditions that materialise may have adverse effects on the Company's returns. In addition, forecasters tend to look at long-term data only and there may be short term fluctuations which are unaccounted for.

Risks relating to regulation and taxation

(pp) Changes in laws or regulations governing the Company's NAV and revenues

The Company and the Projects are subject to laws and regulations enacted by European, national and local governments. In particular, the company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies.

European regulation includes Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR") (MiFID and MiFIR, together "MiFID II") which came into force on 3 January 2018. The Company has been advised that its Shares should be treated as "non-complex" investment (as defined in MiFID II) but this cannot be guaranteed.

Any changes in the law and regulation affecting the Company and the Projects and their operations may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and/or the Shares. In such event, the investment returns of the Company may be materially adversely affected.

(qq) Changes in taxation legislation, or the rate of taxation

Any change in the tax status of the Company or any Project or in taxation legislation or practice in the United Kingdom (or elsewhere) could affect the value of the investments held by the Company or the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders. Statements in this Prospectus including the taxation of Shareholders and/or the Company are based upon current United Kingdom law and published practice as at the date of this Prospectus, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objective and/or which could adversely affect the taxation of Shareholders and/or the Company and after tax returns to Shareholders.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

(rr) Investment trust status

It is the intention of the Directors to apply to HMRC for, and to conduct the affairs of the Company so as to satisfy the conditions for, approval as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. A failure to obtain or maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice, could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain a company that is not a close company for UK tax purposes, which is a requirement to obtain and maintain status as an investment trust, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

Risks relating to the Shares

(ss) General risks affecting the Shares

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market or economic conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may therefore vary considerably from its NAV.

An investor may not recover the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

(tt) It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares

The price at which the Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission of the Shares to trading should not be taken as implying that there will be a liquid market for the Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Shares and the Shares may be difficult to sell at a particular price. The market price of the Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying NAV. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

The number of Shares to be issued pursuant to the Issue or the Placing Programme is not yet known, and there may be a limited number of holders of such Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in the Shares which may affect (i) an investor's ability to realise some or all of his investment and/or (ii) the price at which such investor can effect such realisation and/or (iii) the price at which the Shares trade in the secondary market.

(uu) Further issues of Shares

The Directors have been authorised to issue up to 200 million Shares, less any Ordinary Shares that are issued pursuant to the Issue, immediately following Admission without the application of pre-emption rights. If the Directors decide to issue further Shares on a non-pre-emptive basis the proportions of the voting rights held by holders of Ordinary Shares on Admission will be diluted on the issue of such shares as each Share carries the right to one vote. The voting rights may be diluted further on the conversion of any C Shares.

(vv) Risks relating to the C Shares

The NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between the admission of the C Shares to trading on the Specialist Fund Segment of the London Stock Exchange and conversion of the C Shares into Ordinary Shares in accordance with the Articles.

Trading liquidity in the C Shares may be lower than in the Ordinary Shares which may affect: (i) a Shareholders' ability to realise some or all of its invests; (ii) the price at which such Shareholder can effect such realisation; and/or (iii) the price at which Shares trade in the secondary market. Accordingly, Shareholders may be unable to realise their investment in C Shares at Net Asset Value per Share or at all.

C Shares will represent interests in a segregated pool of assets and therefore C Shareholders will not, until conversion, have exposure to the Company's existing investments and C Shareholders' returns will be dependent on the deployment of cash raised in a timely manner.

Dividends will be declared on C Shares only in the event that there is material net income available for distribution to the C Shares.

PART 2: IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Gresham House Group, Cantor Fitzgerald or any other person. Neither, the delivery of this Prospectus nor any subscription or purchase of Ordinary Shares and/or C Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained therein is correct at any time subsequent to the date of this Prospectus.

1. Regulatory information

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy Ordinary Shares and/or C Shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 142 and 162 of this Prospectus.

2. Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matter.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, conversion, transfer or other disposal of Shares;
- any foreign exchange restrictions applicable to the purchase, holding, conversion, transfer or other disposal of Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, conversion, transfer or other disposal of Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. It should be remembered that the price of securities and the income from them can go down as well as up.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objective will be achieved.

As past performance of investments managed and monitored by the Manager is not necessarily a guide to future performance and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up, there can be no guarantee that the investment objective of the Company will be met. Therefore investors may not get back the full value of their investment.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares and/or C Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company which investors should review. Details of where the Memorandum and Articles of Association are displayed can be found in paragraph 4 of Part 14 (*General Information*) of this Prospectus.

The actual number of Ordinary Shares and/or C Shares to be issued pursuant to the Issue will be determined by the Company and Cantor Fitzgerald after taking into account demand for the Ordinary Shares and/or C Shares and prevailing market conditions. In such event, the information in this Prospectus should be read in light of the actual number of Ordinary Shares and/or C Shares to be issued pursuant to the Issue.

Statements made in this Prospectus are based on applicable law and practice currently in force and are subject to changes therein.

3. Forward Looking Statements

1. This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations.
2. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the facts described in the “Risk Factors” section of this Prospectus.
3. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company’s view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations and strategy. Save as required by applicable law, or any UK, or EU regulatory requirements (including FSMA, AIFM Directive, the Prospectus Rules, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules) the Company is under no obligation publicly to release the results of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in its exceptions or to reflect events or circumstances after the date of this Prospectus.
4. Given these uncertainties, investors and prospective investors are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the “Risk Factors” section of this Prospectus for a discussion of additional factors that could cause the Company’s actual results to differ materially before making any investment decision.
5. Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 15 of Part 14 (*General Information*) of this Prospectus.

4. Conflicts of Interest

Gresham House and its members, directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to the Company and where a conflict arises they will endeavour to ensure that it is resolved fairly. Further information relating to the manner in which Gresham House deals with conflicts of interest is set out in paragraph 7.5 of Part 8 (*The Company*) of this Prospectus.

5. Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**Directive 2014/65/EU**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that any Shares to be issued pursuant to the Issue and the Placing Programme are: (i) compatible with an end target market of investors who are professionally advised investors or certified as high net worth investors or certified (including self-certified) as sophisticated investors in accordance with COBS 4.7.9 in the FCA Handbook or certified as restricted investors in accordance with COBS 4.7.10 and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only

with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue and the Placing Programme including, without limitation, those set out in this document. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Cantor Fitzgerald will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channel.

6. Governing Law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

PART 3: EXPECTED TIMETABLE, STATISTICS AND DEALING CODES

1. Expected Timetable of Principal Events

Placing Opens	17 October 2018
Offer for Subscription opens	17 October 2018
Latest time and date for receipt of Application Forms under the Offer for Subscription and payment in full or settlement of the relevant CREST instruction	11.00 a.m. on 31 October 2018
Latest time and date for receipt of Placing orders	12.00 noon on 31 October 2018
Admission of the Ordinary Shares to the Specialist Fund Segment and dealings commence	8.00 a.m. on 5 November 2018
CREST accounts credited in respect of Ordinary Shares issued in uncertificated form	as soon as practicable after 8.00 a.m. on 5 November 2018
Certificates despatched in respect of Ordinary Shares issued in certificated form	week commencing 19 November 2018
Placing Programme opens	6 November 2018
Placing Programme closes	16 October 2019

Notes:

- (1) References to times above and in this Prospectus generally are to London times unless otherwise specified.
- (2) All times and dates in the expected timetable and in this Prospectus may be adjusted by the Company. Any material changes to the timetable will be notified via an RIS.

2. Illustrative Issue Statistics

Issue price per Ordinary Share	100p
Estimated Net Asset Value per Ordinary Share on Admission	98p
Placing Programme Price per New Ordinary Share	Not less than the last published cum income Net Asset Value per Ordinary Shares at the time of issue plus a premium intended to at least cover associated issue costs (which are estimated at 2 per cent. of the gross proceeds of the relevant placing under the Placing Programme)
Placing Programme Price per C Share	100p

Dealing Codes

Ordinary Shares

ISIN	GB00BFX3K770
SEDOL	BFX3K77
Ticker	GRID

C Shares

ISIN	GB00BDZ2X353
SEDOL	BDZ2X35
Ticker	GRIC

PART 4: DEFINITIONS

In this Prospectus, unless the context otherwise requires, the expressions as set out below shall bear the following meanings:

Act	Companies Act 2006, as amended from time to time;
Acquisition	the proposed acquisition of the Seed Portfolio by the Company on the terms of the Seed Portfolio Share Purchase Agreement;
Administrator	JTC (UK) Limited;
Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 8.2 of Part 14 (<i>General Information</i>) of this Prospectus;
Admission	the date on which admission of Shares issued pursuant to the Issue or, if the context so requires, of New Ordinary Shares or C Shares issued pursuant to the Placing Programme to trading on the Specialist Fund Segment first becomes effective;
AGM	an annual general meeting of the Company;
AIC	the Association of Investment Companies;
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time;
AIC Guide	the Association of Investment Companies' Corporate Governance Guide for Investment Companies, as amended from time to time;
AIF	alternative investment fund, as defined in the AIFM Directive;
AIFM	alternative investment fund manager, as defined in the AIFM Directive;
AIFM Agreement	the alternative investment fund management agreement between the Company and Gresham House, a summary of which is set out in paragraph 8.1 of Part 14 (<i>General Information</i>) of this Prospectus;
AIFM Directive	The Alternative Investment Fund Managers Directive (2011/61/EU);
AIFM Regulations	The Alternative Investment Fund Managers Regulations 2013 (SI) 2013/1773);
AIFM Rules	the AIFM Directive, the EU Regulation and all applicable rules and regulations implementing the AIFM Directive in the UK, including without prejudice to the generality of the foregoing the AIFM Regulations and all relevant provisions of the FCA Rules;
Application Form	the application form for use in connection with the Offer for Subscription set out in the Appendix to this Prospectus;
Articles or Articles of Association	the articles of association of the Company, a summary of which is set out in paragraph 4 of Part 14 (<i>General Information</i>) of this Prospectus;
Audit Committee	the audit committee of the of the Company as described in paragraph 16.4 of Part 8 (<i>The Company</i>) of this Prospectus;
Auditor	BDO UK LLP;
behind-the-meter	ESS interconnected behind a commercial or residential customer's utility meter;
BEIS	The Department for Business, Energy & Industrial Strategy;
BM	the Balancing Mechanism administered by the National Grid;

Board or Directors	the directors of the Company whose names are set out in the paragraph headed “ Directors ” in paragraph 8 of Part 8 (<i>The Company</i>) of this Prospectus;
BSIF	Gresham House British Strategic Investment Fund LP, an investment fund which is managed by Gresham House;
BSUoS	National Grid’s Balancing Use of System, which recovers costs associated with balancing energy flows on the transmission system through charges levied on electricity generators and suppliers and results in a small additional benefit for embedded generators (including approved ESS Projects);
Business Days	any day on which the London Stock Exchange is open for business and banks are open for business in London (excluding Saturdays and Sundays);
C Shares	C Shares of £0.01 each in the capital of the Company having the rights and restrictions set out in paragraph 4 of Part 14 (<i>General Information</i>) of this Prospectus;
Cantor Fitzgerald	Cantor Fitzgerald Europe;
CAPEX	capital expenditure;
Cash Consideration	the element of the consideration payable in cash on Admission under the terms of the Seed Portfolio Share Purchase Agreement (including any amount required to discharge any debt secured on the Seed Portfolio);
Consideration Shares	the 9,268,154 Ordinary Shares to be issued at the Issue Price to the Seed Portfolio Project Holders (or, in the case of HC ESS 1 LLP, its members) as part consideration for the acquisition of the Seed Portfolio pursuant to the Seed Portfolio Share Purchase Agreement;
CfDs	contracts for difference;
Company	Gresham House Energy Storage Fund PLC;
Continuation Resolution	an ordinary resolution that the Company continues its business as an investment trust for a further period of five years, put to the Shareholders, in accordance with the Articles at the AGM to be held in 2023 and at every fifth AGM thereafter;
Corporate Governance Code	the UK Corporate Governance Code dated July 2016;
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755);
CRS	the common reporting standard;
Default Shares	has the meaning given to it in paragraph 4 of Part 14 (<i>General Information</i>) of this Prospectus;
Deferred Cash Consideration	the element of the consideration, being £3 million, payable in instalments in cash upon satisfaction of certain operating cash flow metrics of the Seed Portfolio over the period to 31 December 2017;
Deferred Project Consideration	the element of the consideration payable in cash upon satisfaction of certain increases of value of the Seed Portfolio (this element being in addition to the Seed Portfolio Aggregate Value);
Depository	INDOS Financial Limited;

Depository Agreement	the depository agreement between the Company, the Manager and the Depository, a summary of which is set out in paragraph 8.3 of Part 14 (<i>General Information</i>) of this Prospectus;
Developer	an undertaking whose business includes the development and construction of ESS Projects and which has an established commercial relationship with the Gresham House Group, including, without limitation, Noriker;
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules made by the FCA under section 72 of FSMA;
Distribution Network Owners or DNOs	the owners of the low voltage networks in the UK (typically 132kV and lower);
DSO	Distribution System Operators;
DUoS	Distribution Use of System;
EFR	enhanced frequency response;
EPC	engineering, procurement and construction;
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended;
ESS	energy storage system;
ESS Project	a utility scale energy storage system, which utilises batteries and may also utilise generators;
ESS Project Company	a company or other legal person that owns an ESS Project, in which the Company will invest;
EU Regulation	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFM Directive, with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
EU or European Union	the European Union first established by the treaty made at Maastricht on 7 February 1992;
Euroclear	Euroclear UK & Ireland Limited (a company incorporated in England and Wales with registered number 02878738, being the operator of CREST);
European Economic Area or EEA	the European Union, Iceland, Norway and Liechtenstein;
Exclusivity Portfolio	a portfolio of Exclusivity Projects;
Exclusivity Projects	ESS Projects which, at the date of this Prospectus, are either owned by a member of the Gresham House Group, or in respect of which a member of the Gresham House Group has been granted exclusivity to negotiate with the relevant owners the rights to acquire, construct and operate the relevant ESS Projects;
FATCA	the US Foreign Account Tax Compliance Act;
FCA	the Financial Conduct Authority;
FCA Rules	the handbook of rules and guidance of the FCA, as amended;
FFR or Firm Frequency Response	contracts through which the Company and/or its subsidiaries will provide, on a firm basis, dynamic or non-dynamic response services to changes in frequency to help balance the grid and avoid power outages;
FG Wilson	FG Wilson, being a Caterpillar Inc. brand, with the warranty issued under the name of Caterpillar (NI) Ltd;
Framework Agreement	the framework agreement dated 16 October 2018 between the Manager, Noriker and the shareholders of Noriker;
front of meter	ESS interconnected to a Transmission Grid;

FSMA	Financial Services and Markets Act 2000;
G59 Certificate	a certificate provided in relation to an ESS Project confirming completion of commissioning tests;
GDUs	Generator Distribution Use of System, through which benefits are paid by DNOs to suppliers, which are passed through to electricity generators (including approved ESS Projects) in their power purchase agreements;
GHE	Gresham House plc;
GHNE or Operator	Gresham House New Energy Limited;
Gresham House or Manager	Gresham House Asset Management Limited;
Gresham House Group	GHE and its subsidiaries, including Gresham House and GHNE;
Gross Asset Value	the value of the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time;
Gross Proceeds	the Issue Price multiplied by the number of Ordinary Shares allotted pursuant to the Issue;
GW	Gigawatt;
HMRC	Her Majesty's Revenue and Customs;
IFRS	International Financial Reporting Standards;
Initial Investment Period	the period running from Admission to the date falling on the earlier (i) 12 months after Admission; and (ii) the point at which the Company has invested the Net Proceeds;
Investment Company Act	the United States Investment Company Act of 1940, as amended;
IPO	initial public offering;
IRR	internal rate of return;
ISA	an investment plan for the purposes of chapter 3 of Part 6 of the Income Tax (Trading and Other Income) Act 2005 and the Individual Savings Account Regulations 1998 (SI 1998/1870), as amended;
Issue	the issue of Ordinary Shares pursuant to the Placing and the Offer for Subscription, the issue of the Consideration Shares as part consideration for the Acquisition and the issue of Ordinary Shares, all at the Issue Price pursuant to the Subscription Agreement;
Issue Agreement	the conditional placing and offer agreement between the Company, Gresham House, the Directors and Cantor Fitzgerald, details of which are set out in paragraph 8.4 of Part 14 (<i>General Information</i>) of this Prospectus;
Issue Expenses	the costs, commissions, fees and expenses incidental to the formation of the Company and the Issue which will be borne by the Company and paid on or around Admission;
Issue Price	100p per Ordinary Share;
IT Regulations	Investment Trust (Approved Company) (Tax) Regulations 2011;
Key Information Document	the key information document dated on or around the date of this Prospectus relating to the Company produced pursuant to the PRIIPs Regulation, as amended from time to time;
LG Chem	LG Chem Ltd;
London Stock Exchange	London Stock Exchange plc (a company registered in England and Wales with registered number 2075721);
Littlebrook Project	8MW, battery storage project installed in Dartford, Kent to be acquired by the Company as part of the Seed Portfolio;

Lockleaze Project	15MW, battery storage project installed in Lockleaze, Bristol to be acquired by the Company as part of the Seed Portfolio;
Lockleaze, Rufford and Littlebrook Projects	the Lockleaze Project, the Rufford Project and the Littlebrook Project, taken together, each being under common ownership;
Lock-up and Orderly Market Deed	the lock-up and orderly market deed entered into between the Company and Cantor Fitzgerald Europe and each of Ben Guest, Gareth Owen, Bozkurt Aydinoglu, Dr Jenny (Zhenni) Wang and Dr Marc Thomas as summarised in paragraph 8.9 of Part 14 (<i>General Information</i>) of this Prospectus;
London Stock Exchange	London Stock Exchange plc;
Lux Energy	Lux Energy Limited, a company which is wholly-owned by Ben Guest;
Main Market	the main market of the London Stock Exchange for listed securities;
Management Engagement Committee	the management engagement committee of the Company as described in paragraph 16.5 of Part 8 (<i>The Company</i>) of this Prospectus;
Management Services Agreement	the management services agreement entered into by each Seed Project Company (or its subsidiary) and GHNE, details of which are set out in paragraph 8.8 of Part 14 (<i>General Information</i>) of this Prospectus;
Market Abuse Regulation	the Market Abuse Regulation (EU) No. 596/2014;
Metka	Metka-EGN Limited;
Memorandum	the memorandum of incorporation of the Company;
MFR	mandatory frequency response;
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”, and together with MiFID, “ MiFID II ”);
MiFID II Product Governance Requirements	has the meaning given in Part 2 (<i>Important Information</i>) of this Prospectus;
MW	electrical output measured in Megawatt;
National Grid	National Grid plc, owner and operator of the high-voltage electricity transmission network in England and Wales;
Net Asset Value or NAV	in relation to an Ordinary Share, its net asset value, in relation to Ordinary Shares the net asset value per Ordinary Share multiplied by the number of shares of that class in issue (excluding, for the avoidance of doubt, any Ordinary Shares held in treasury), in relation to a C Share, its net asset value, in relation to C Shares the net asset value per C Share multiplied by the number of shares of that class in issue (excluding for the avoidance of doubt, any C Shares held in treasury) and in relation to the Company, the net asset value of the Company as a whole, in each case calculated in accordance with the Company’s normal reporting policies from time to time;
Net Proceeds	the Gross Proceeds less the Issue Expenses;
New Ordinary Shares	the new Ordinary Shares to be issued pursuant to the Placing Programme or arising upon conversion of any C Shares issued pursuant to the Placing Programme;
NGET	National Grid Electricity Transmission PLC;

Noriker	Noriker Power Ltd;
O&M	operation and maintenance;
Offer for Subscription	the offer for subscription to the public in the UK for Ordinary Shares on the terms and subject to the conditions set out in this Prospectus;
Official List	the Official List maintained by the UK Listing Authority pursuant to Part VI of FSMA;
Ofgem	Office of Gas and Electricity Markets;
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company;
Panel	the UK Panel on Takeovers and Mergers;
Placee	any investor with whom Shares are placed by Cantor Fitzgerald, as agent of the Company, pursuant to the Placing or the Placing Programme, as the context requires;
Placing	the conditional placing by Cantor Fitzgerald of Ordinary Shares described in this Prospectus in connection with the Company's IPO, on the terms and subject to the conditions set out in the Issue Agreement and this Prospectus;
Placing Programme	the proposed programme of placings in the period from 6 November 2018 to 16 October 2019 of an aggregate number of New Ordinary Shares and/or C Shares equal in aggregate to 200 million less the number of Ordinary Shares issued under the Issue as described in this document;
Placing Programme Price	in the case of New Ordinary Shares, such price at which the New Ordinary Shares will be issued to placees under the Placing Programme, being the last published cum income Net Asset Value per Ordinary Share at the time that the proposed issue is agreed as shall be determined by the Directors in accordance with paragraph 6 of Part 12 (<i>Placing Programme</i>) of this Prospectus, plus a premium intended to at least cover the associated issue costs and in the case of C Shares, 100p per C Share;
Portfolio	the Company's portfolio of Projects;
PPAs	power purchase agreements;
PRIIPs Regulation	Regulation EU No. 1286/2014 on Key information documents for packaged retail and insurance-based products;
Projects	SPVs in which the Company has an interest from time to time which hold energy storage systems;
Prospectus	this prospectus;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading as amended from time to time;
Prospectus Regulation	EU Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
Prospectus Rules	the prospectus rules made by the FCA under section 73A of FSMA;
Receiving Agent or Computershare	Computershare Investor Services PLC;
Receiving Agent's Agreement	the receiving agent's agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 8.6 of Part 14 (<i>General Information</i>) of this Prospectus;

Redeemable Preference Shares	redeemable preference shares of £1.00 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles, which are summarised in paragraph 4 of Part 14 (<i>General Information</i>) of this Prospectus;
Registrar	Computershare Investor Services PLC;
Registrar's Agreement	the registrar's agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 8.5 of Part 14 (<i>General Information</i>) of this Prospectus;
Regulatory Information Service or RIS	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
Reporting Accountant	Ernst & Young LLP;
ROCs	renewable obligation certificates;
Roundponds Project	20MW, battery storage and generator project installed in Melksham, Wiltshire to be acquired by the Company as part of the Seed Portfolio;
Rufford Project	7MW, battery storage and generator project installed in Mansfield, Nottinghamshire to be acquired by the Company as part of the Seed Portfolio;
Securities Act	the United States Securities Act of 1933, as amended;
Seed Portfolio	100 per cent. of the issued share capital in each Seed Project Company to be acquired by the Company pursuant to the terms of the Seed Portfolio Share Purchase Agreement;
Seed Portfolio Aggregate Project Value	the aggregate value of the Seed Projects in the opinion of the Valuer, based on market conditions as at 30 September 2018 and certain assumptions, being £57,220,000;
Seed Portfolio Project Holders	each of <ul style="list-style-type: none"> (i) HC ESS 1 LLP (the members of which are Ben Guest, Bozkurt Aydinoglu, Gareth Owen and Corylus Capital LLP), in respect of the shares that it holds in: <ul style="list-style-type: none"> Noriker Staunch Ltd; HC ESS2 Holdco Limited; and HC ESS3 Limited; (ii) Noriker, in respect of the shares that it holds in: <ul style="list-style-type: none"> Noriker Staunch Ltd; HC ESS2 Holdco Limited; and HC ESS3 Limited; (iii) Dr Marc Thomas, in respect of the shares that he holds in: <ul style="list-style-type: none"> HC ESS2 Holdco Limited; and HC ESS3 Limited; (iv) Dr Jenny (Zhenni) Wang, in respect of the shares that she holds in: <ul style="list-style-type: none"> HC ESS2 Holdco Limited; and HC ESS3 Limited; (v) Gresham House New Energy Limited, in respect of the shares that it holds in HC ESS2 Holdco Limited; and (vi) Gresham House (Nominees) Limited, as nominee of BSIF, in respect of the shares that it holds in HC ESS2 Holdco Limited

Seed Portfolio Share Purchase Agreement	the conditional share purchase agreement entered into between the Company and each Seed Portfolio Project Holder in respect of the sale of 100 per cent. of the issued share capital in each Seed Project Company;
Seed Project Company	each of: (i) Noriker Staunch Ltd; (ii) HC ESS2 Holdco Limited; and (iii) HC ESS3 Limited;
Seed Projects	Staunch Project, Lockleaze, Rufford and Littlebrook Projects and Roundponds Project;
Shareholder	holder of Shares;
Shares	Ordinary Shares and/or C Shares;
SIPP	self-invested personal pension;
SMA	SMA Solar UK Ltd;
SORP	the Statement of Recommended Practice for Financial Statements of Investment Trust Companies issued by the Association of Investment Trust Companies, as amended from time to time;
Specialist Fund Segment	the specialist fund segment of the Main Market;
SPV	special purpose vehicle;
SSAS	small self-administered pension scheme;
Statutes	the Act as amended and every other statute for the time being in force concerning companies and affecting the Company;
Staunch Project	the 20MW, battery storage and generator project installed in Newcastle-under-Lyme, Staffordshire, to be acquired by the Company as part of the Seed Portfolio;
Subscription Agreement	the subscription agreement dated 17 October 2018 entered into between the Company, Lux Energy and BSIF, and under which each of Lux Energy and BSIF have subscribed in cash, conditional only on Admission, for Ordinary Shares as described in this Prospectus;
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time;
Target Dividend	the dividend component of the Target Total Return;
Target Market Assessment	has the meaning given in Part 2 (<i>Important Information</i>) of this Prospectus;
Target Total Return	<p>the targets for Net Asset Value total return adopted by the Company as at the date of this Prospectus, as follows:</p> <p>(a) an annual dividend of 4.5p per Ordinary Share in respect of the financial year ending 31 December 2019 and 7.0p per Ordinary Share in each financial year thereafter; and</p> <p>(b) capital growth that, once the Net Proceeds have been fully invested, results in:</p> <p>(i) an unlevered Net Asset Value total return of 8 per cent. per annum; or</p> <p>(ii) once certain further asset management activities are completed and leverage is introduced to the Portfolio, a levered Net Asset Value total return of 15 per cent. per annum,</p> <p>in each case calculated net of the Company's costs and expenses;</p>
TNUoS	Transmission Network Use of System;
Transmission Grid	a network of power stations, transmission lines, and substations;

Triads	the three half-hour periods of highest system demand on the Great Britain electricity transmission system between November and February each year, separated by at least ten clear days;
TSO	Transmission System Operator;
United States or U.S.	the United States of America, its possessions or territories, any State of the United States of America and the district of Columbia or any area subject to its jurisdiction or any political subdivision thereof;
USE Instruction	an instruction created through CREST;
U.S. Person	a US person as defined by Regulation S of the Securities Act;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FCA as the competent authority for the approval of Prospectuses in the United Kingdom;
Valuation Opinion Letter	the Grant Thornton UK LLP Valuation Opinion Letter set out in Part 10 (<i>Valuer's Opinion</i>) of this Prospectus;
Valuer	Grant Thornton UK LLP;
VAT	value added tax;
VRLA	valve-regulated lead-acid; and
Website	www.newenergy.greshamhouse.com/products/esf.com .

* This is a target and is based on current market conditions as at the date of this Prospectus only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

DIRECTORS, MANAGER, DEPOSITARY AND ADVISERS

Directors

John Leggate
Duncan Neale
David Stevenson
All of 7th Floor, 9 Berkeley Street, London W1J 8DW

Registered Office of the Company

7th Floor, 9 Berkeley Street, London W1J 8DW

Website of the Company

www.newenergy.greshamhouse.com/products/esf

Manager and AIFM

Gresham House Asset Management Limited
5 New Street Square
London EC4A 3TW
Telephone: +44 (0)20 3837 6270
E-Mail: Info@greshamhouse.com
Website: www.greshamhouse.com
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Administrator

JTC (UK) Limited
7th Floor, 9 Berkeley Street
London W1J 8DW
Website: <https://www.jtcgroup.com/regions/united-kingdom>

Depositary

INDOS Financial Limited
54 Fenchurch Street
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Telephone: +44 (0)203 876 2218
Website: www.indosgroup.com
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Sole Bookrunner and Financial Adviser

Cantor Fitzgerald Europe
One Churchill Place
Canary Wharf
London E14 5RB
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Legal Advisers to the Company

Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Legal Advisers to Cantor Fitzgerald

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Auditor

BDO UK LLP
55 Baker Street
London W1U 7EU

Reporting Accountant

Ernst & Young LLP
1 More London Place
London SE1 2AF

Valuer

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Registrars and Receiving Agent

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

PART 5: COMMERCIAL SUMMARY

The Company intends to acquire a portfolio of ESS Projects to take advantage of the significant market opportunity for battery-based energy storage systems. The Company is targeting dividend payments of 4.5p per Ordinary Share in respect of the financial year ending 31 December 2019 and 7.0p per Ordinary Share in financial periods thereafter combined with capital growth that, once the Net Proceeds have been fully invested, results in an unlevered Net Asset Value total return of 8 per cent. per annum, calculated net of the Company's costs and expenses.*

The Company expects, once the Net Proceeds have been fully invested and certain further asset management activities (which are described further in paragraph 5 of Part 7 (*Investment Opportunity*) of this Prospectus) are completed in respect of the ESS Projects, to introduce leverage to the Portfolio. The Company may borrow an amount not exceeding 50 per cent. of the Company's Net Asset Value at the time of drawdown. The target levered Net Asset Value total return is 15 per cent. per annum, calculated net of the Company's costs and expenses.*

Prior to investment by the Company, GHNE or other members of the Gresham House Group may be involved in developing or co-developing ESS Projects, so that they conform to the Company's investment policy requirements. Gresham House Asset Management Limited, the Manager, will identify and acquire ESS Projects for the Company to invest in. The Manager will conduct due diligence on ESS Projects prior to their acquisition and will ensure that the Board is independently advised in respect of any such acquisition. Once acquired by the Company, GHNE will administer and operate each ESS Project in which the Company invests on a day-to-day basis.

The Company has agreed, conditional on Admission, to invest initially in a Seed Portfolio of five operational ESS Projects totalling **70MW**, for a total acquisition price of £57,220,000. The Seed Projects support the Target Dividend and Target Total Return set out above and have the benefit of FFR contracts that run until, on average, mid 2019, as well as other commercial opportunities to exploit the market opportunity for battery-based energy storage systems. The Seed Portfolio has been developed by and is currently owned by the Gresham House Group, the Gresham House management team, Noriker and the shareholders of Noriker. It is anticipated that Noriker or third parties may provide electricity trading services to Projects on a commercial basis for an arm's-length fee.

The Gresham House Group owns on its own account, or has secured for the Company, the exclusive right to invest in a further four ESS Projects totalling **132MW** that are ready to be built and transferred to the Company in the first 12 months after Admission.

The Manager has a further pipeline of **80MW**, in respect of which it has agreed exclusive heads of terms and is at an advanced stage of negotiation with the ESS Project owners and has identified **50MW** of pipeline in addition to this.

To acquire the whole of the Exclusivity Portfolio and the additional pipeline identified by the Manager of 262MW, in addition to acquiring the Seed Portfolio of 70MW would require more capital than the target for the Issue. Therefore, it is the intention of the Company to raise additional funds, initially through the Placing Programme, in order to acquire the Exclusivity Projects and further pipeline projects to be identified in due course. The Manager wishes to create, on the Company's behalf, a market-leading portfolio of ESS Projects in Great Britain, which it believes will provide significant economies of scale in terms of the management and operation of the Company's Portfolio. This will assist the Company to deliver the Target Total Return to Shareholders.*

The Board, chaired by John Leggate, will supervise the Manager and GHNE and, in particular, approval by the Board (including consideration of an independent valuation) will be required prior to any acquisition by the Company of an ESS Project Company in which any member of the Gresham House Group or its employees has an interest.

* This is a target only and is based on current market conditions as at the date of this Prospectus and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

PART 6: MARKET BACKGROUND

1. Overview

Strict carbon targets enshrined in UK law and underpinned politically by international accords to which the UK is a signatory, together with a significant subsidy regime, have catalysed investment in renewable sources of power in Great Britain. These carbon targets have also resulted in the UK Government's plan to close down all coal-fired power plants by 2025.

Increased investment in renewable sources of power has reduced significantly the cost of producing renewable energy, to a point at which unsubsidised assets are becoming economically viable. This cheaper, low-carbon electricity permits the electrification of parts of the economy that have traditionally relied on fossil fuels. These include, most notably, heating and automotive transport where the Manager expects heat pumps and batteries, over time, to significantly replace the combustion of natural gas and petroleum-derived fuels respectively.

Increasing reliance on renewable energy and an increasing electrification of the economy, however, increases the demands that intermittent power generation and usage place on maintaining balanced power transmission and distribution networks, and therefore increase short term power price volatility.

Maintaining such a balance requires National Grid, as Transmission System Operator ("**TSO**"), to procure services to maintain a stable electrical frequency within a defined tolerance level around 50Hz, and to procure the necessary amounts of electrical energy to balance supply and demand. Energy storage systems ("**ESS**") and, in particular, battery-based ESS, such as the ESS Projects, which will form the Company's portfolio, are well suited to assist the National Grid to maintain a stable electricity grid frequency, and to balance supply and demand.

ESS Projects can derive revenue from availability payments under FFR contracts by helping National Grid maintain a stable electricity grid frequency, from providing power when needed to balance supply and demand, and from exploiting the intra-day cycle of peaks and troughs in electricity demand and the corresponding variation in wholesale power prices. These distinct activities, combined with additional income from related business activities, provide for a diversified revenue stream to accrue to appropriately-designed ESS Projects.

Batteries are ideally suited to be the core component of ESS Projects as they have the ability to provide or discharge power with a very rapid response rate. This enables battery-based systems to provide frequency response services in addition to just balancing supply and demand. Falling battery prices due to technological improvements and economies of scale, mean that batteries will have an increasing competitive advantage in the future.

2. The current structure of the electricity market in Great Britain

The current structure of the electricity market in Great Britain is shown in the following table:*

Activity	Participants	Function/Mandate
Generation	Multiple electricity generators spanning a large range from big utilities to small-scale renewable energy installations	<ul style="list-style-type: none"> • Power plant ownership and operation
Transmission	National Grid as TSO licensee	<ul style="list-style-type: none"> • Ownership and operation of high voltage transmission networks • Day-to-day responsibility for balancing supply and demand on the transmission network • Development and ownership of the interconnector capacity • Acts as Electricity Market Reform Delivery Body by incentivising investment in secure, low-carbon electricity, improving the security of the UK's electricity supply and improving affordability for consumers
Distribution	14 licensed Distribution Network Owners operated by six owners, Electricity North West Ltd, Northern Powergrid Ltd, SSE Electricity Limited, Scottish Power Energy Networks Holdings Limited, UK Power Networks Holdings Limited and Western Power Distribution PLC and other independent Distribution Network Owners	<ul style="list-style-type: none"> • Ownership and operation of the infrastructure (e.g. cables, towers, switchgear) that brings electricity from the national transmission network to homes and businesses
Supply	Multiple suppliers operating in a competitive market, comprising: Centrica plc (parent company of British Gas) E.ON UK, SSE, RWE npower, EDF Energy and Scottish Power (the " Big Six "), as well as other licensed suppliers to business and residential electricity consumers	<ul style="list-style-type: none"> • Purchasing electricity on a wholesale basis from suppliers (including their own production) and selling to consumers and businesses
Regulation	Ofgem	<ul style="list-style-type: none"> • Regulation of distribution and transmission networks • Protection of the interests of existing and future electricity and gas consumers • Ensuring that electricity wholesale and retail markets are competitive • Managing the commercial tender process for offshore transmission projects

* Transmission refers to the nationwide network of high voltage (50-200,000V) and extreme high voltage (>200,000V) cables, generally carried on pylons. Distribution refers to local network of network of lower voltage cables (< 50,000V) typically carried on wooden poles.

3. The increasing importance of renewables – Carbon targets, Climate Change Act 2008 and other commitments

The UK’s electricity market has been through a fundamental change over the last 10 years, which has involved the gradual replacement of fossil fuel, and in particular coal-fired, power stations with renewable sources of power. This change was most significantly catalysed by:

- (a) the UK adopting the Climate Change Act 2008, which requires the UK Government to achieve an 80 per cent. reduction, expressed in CO₂-equivalent terms, compared with 1990 levels, in total greenhouse gas emissions across all sectors (not just the electricity market) by 2050.
- (b) the European Union Renewable Energy Directive 2009/28/EC which requires that, in respect of each EEA Member State, by 2020, 20 per cent. of energy consumed would be derived from renewable sources.
- (c) the “Paris Agreement”, which the UK has signed, and which was adopted on 12 December 2015. This agreement seeks to restrict the effect of global climate change by attempting to keep the rise in global temperatures this century significantly below 2 degrees Celsius above pre-industrial levels and to undertake efforts to limit the increase to less than 1.5 degrees Celsius.

The UK Government has also set five-yearly carbon budgets, which currently run to 2032, as follows:

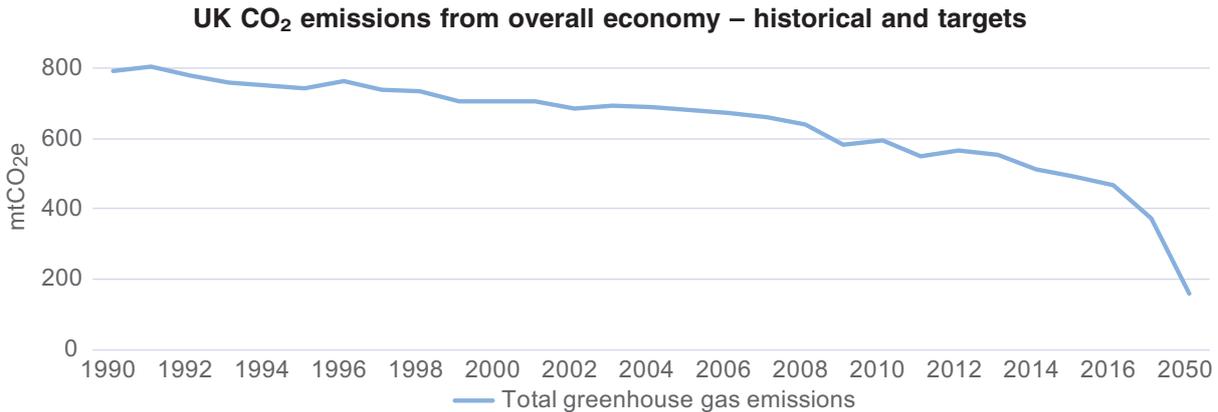
Period	Total cap in emissions (megatons of CO ₂ equivalent (MtCO ₂ e))	Reduction below 1990 levels (%)
2008-12	3018	25
2013-17	2782	31
2018-22	2544	37 by 2020
2023-27	1950	51 by 2025
2028-32	1725	57 by 2031

Source: Committee on Climate Change

The UK Government has sought to implement its five-yearly, cumulative carbon budgets and statutory target for 2050 through the following:

- (a) the UK climate change levy, which is a tax on energy delivered to non-domestic users in the UK, aimed to provide an incentive to increase energy efficiency and to reduce carbon emissions;
- (b) subsidies for renewable energy products;
- (c) requirement that coal-fired generation be retired by 2025; and
- (d) committee on Climate Change, an independent statutory body established under the Climate Change Act 2008, tasked with monitoring emissions levels and assessing whether the UK Government is on track to meet its emissions targets.

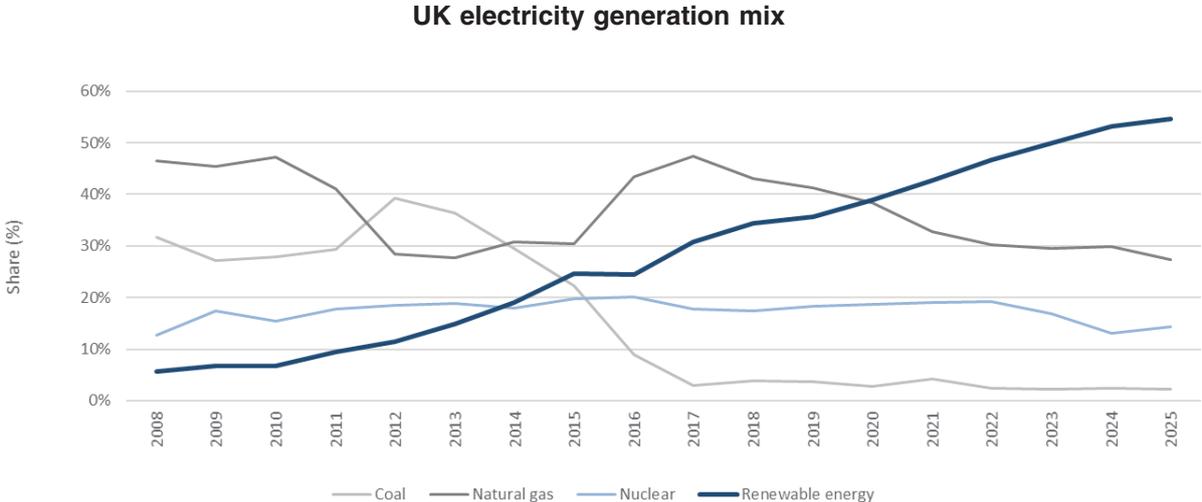
The chart below shows the progress to date both in the wider economy, and also shows where levels would head if emissions goals are to be achieved.



Source: UK Government targets/forecasts, Gresham House New Energy. Note the x-axis is not to scale beyond 2016.

The UK Government plans for emissions from electricity generation to achieve 100g of CO₂ per kWh produced by 2030. The UK Government’s modelling indicates that this will be achieved by increasing use of renewables, nuclear and interconnectors (cables that enable electricity to flow between networks in different countries or jurisdictions). The Committee on Climate Change (an independent statutory body established under the Climate Change Act 2008) has warned the UK Government of the climate change risks attendant on nuclear and interconnectors, stating that these risks should be mitigated by actions aimed at improving the route to market for low-carbon electricity generation, especially lower-cost options (i.e. onshore wind and solar versus offshore wind, tidal power), and by contracting for additional low-carbon generation.

The UK’s low carbon policies and the reducing cost of installation have seen renewable electricity capacity increase by more than three times since 2010. In Q1 2018, renewable energy represented 30.1 per cent. of the electricity market, according to BEIS, having grown from less than 5 per cent. of the market in 2004. Under BEIS’s base case the contribution of renewable sources to energy generation will increase to 50 per cent. by 2023.



Source: BEIS Reference Scenario

The growth in renewable installations has stemmed from the subsidies available in the UK in the form of three mechanisms; feed-in tariffs, ROCs and most recently CfDs. These have provided investors in renewables projects with long-term revenue visibility.

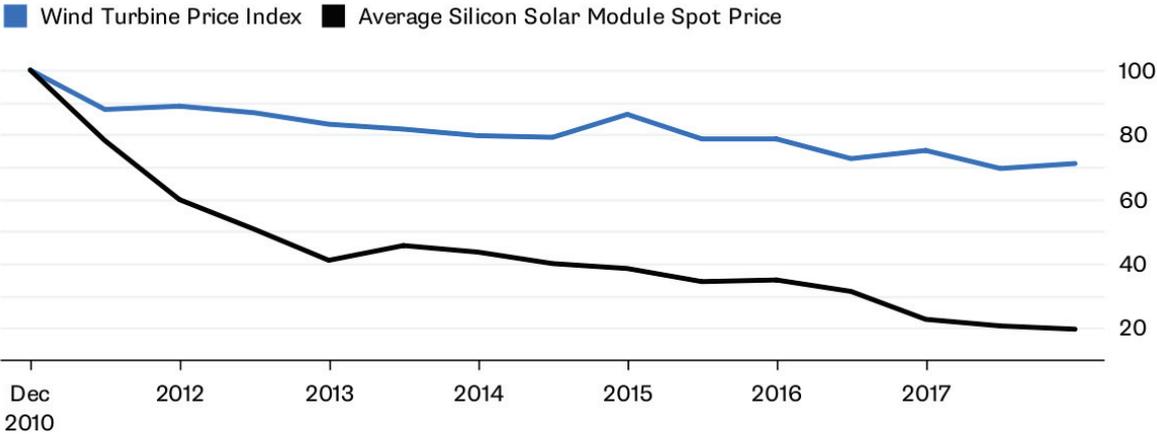
These subsidies have been phased out to a large degree, with feed-in tariffs and ROCs no longer being available for new projects. However, the Manager believes that the rapid deployment of renewables will continue due to a backlog of projects, largely in offshore wind, that have already been granted subsidies in the form of CfDs and are yet to be built.

4. The Falling Cost of Renewables

Underpinning the continued deployment of renewables is the falling cost of equipment, both solar panels and wind turbines, and this is also beginning to spur the development of unsubsidised projects. Costs of renewable generation have also fallen due to lower running costs.

The cost of renewable generation has fallen significantly due to lower total installation and running costs. The Manager expects this trend to continue. For example, onshore wind and solar power, in suitable UK locations, is expected to be deployable economically without the need for any subsidies by the early 2020s.

Price indices of wind and solar equipment



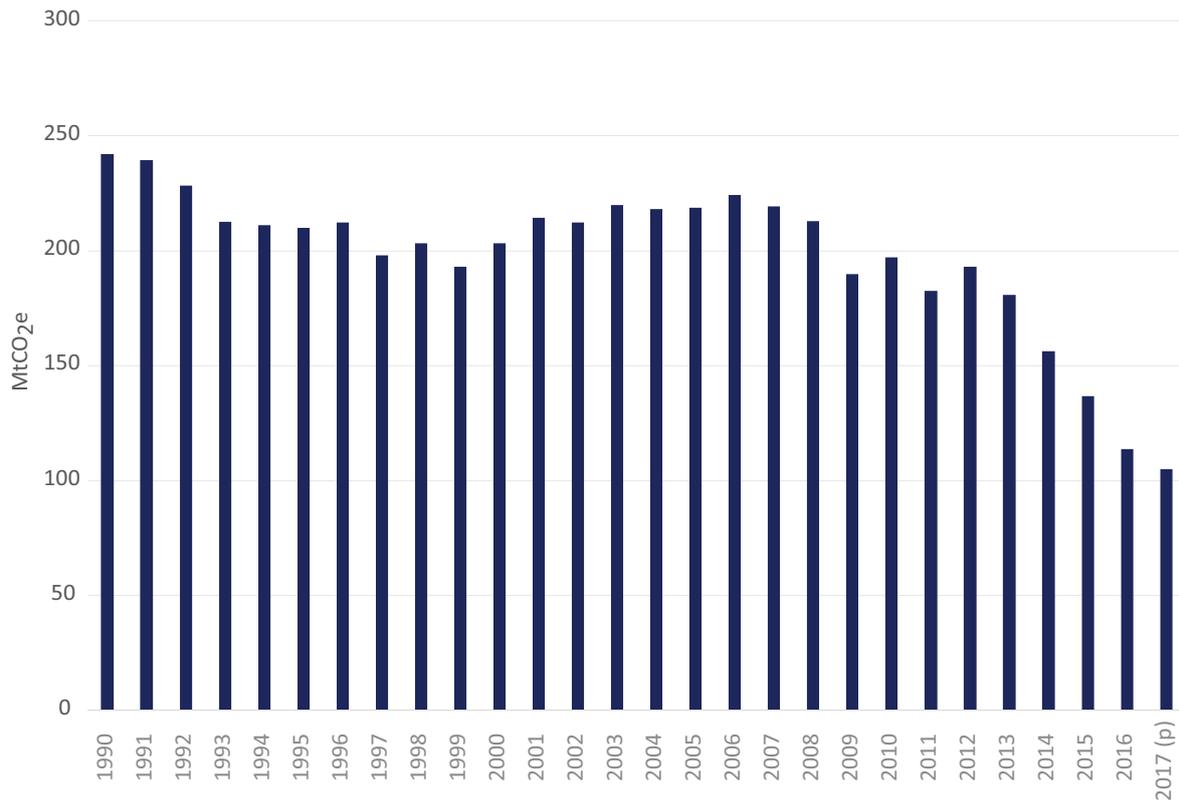
Source: Bloomberg. Rebased. 31 December 2010=100.

The Manager believes that due to the falling cost of renewables, it is likely that energy generated from renewable energy sources will become more prevalent.

5. The electrification of new market segments

The reduction of CO₂ emissions, shown in the chart below, that has been achieved in the electricity sector has largely been through the introduction of renewables and as a result of gas replacing coal in the fossil-fuel powered generation sector.

UK greenhouse gas emissions from energy supply 1990-2017 (provisional figure)

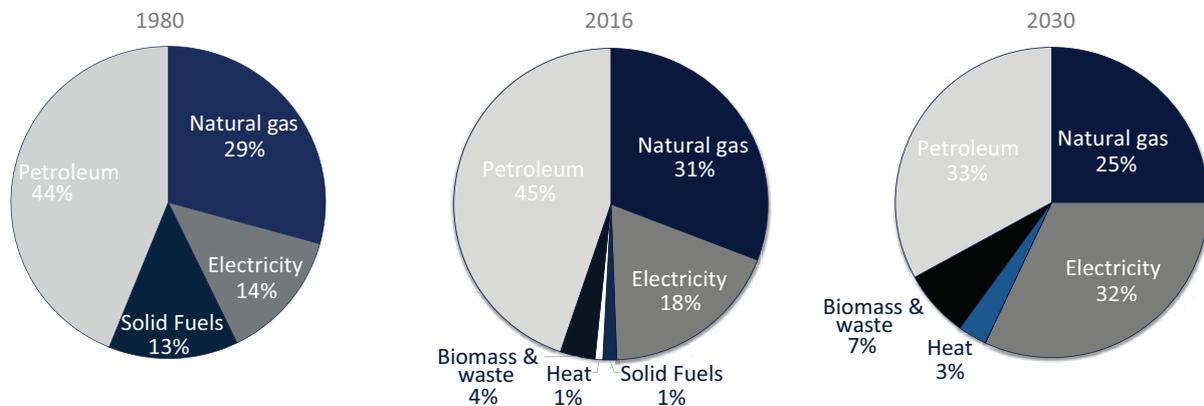


Source: UK government statistics: Provisional UK greenhouse gas emissions national statistics 2017

This reduction, and the further reductions still possible, present an opportunity to replace carbon-intensive energy use in sectors, other than the electricity sector. For example, in 2016 69 per cent. of the end consumption of energy in the UK was used in transportation and heating, activities largely powered by petroleum and gas. If transportation and heating shift, even partially, towards electricity as an energy source, as electric vehicles and heat pumps become more popular, the impact on CO₂ emissions will be significant due to the greater emissions intensity of gas and petroleum, compared with electricity today.

To the extent that electrification does occur as expected by the Manager, demand for electricity (which as at 2016 only accounted for 18 per cent. of total energy consumption), can be expected to increase significantly. The charts below which show the historical split in energy consumption by type of fuel, as well as the Manager’s forecast for 2030 which shows an increase in electricity consumption and a reduction in natural gas and petroleum consumption.

Energy Consumption Breakdown – 1980, 2016 and 2030



Source: Ofgem, BEIS, Gresham House Research

6. Increasing reliance on renewable energy and an increasing electrification of the economy increases short term volatility in power pricing and creates demand for services to manage frequency and to balance supply and demand

An important limitation of renewable power generation is its intermittency and unpredictability. Wind and sunshine are inherently variable resources, and it is not possible to predict with a high degree of accuracy how much electricity the existing installed renewable power generation fleet will produce at any given moment.

Electricity demand is also variable, albeit in a more predictable way, over the course of the day and between seasons, and subsidies for renewable generation in the UK (feed-in-tariffs, ROCs and CFDs) generally incentivise production whenever the resource (wind or sun) is available, whether the power is needed on the National Grid or not.

These factors mean that the TSO’s task of managing supply and demand on the grid is a complex engineering challenge. The challenge faced by the TSO relates to (i) maintaining the frequency of the power supply within 1 per cent. of 50Hz at all times (and seeking to control the rate of change of frequency), as rapid changes in frequency can result in blackouts and damage to electrical equipment; and (ii) ensuring there is sufficient capacity in the system to meet demand at all times (i.e. balancing supply and demand).

6.1 Managing frequency

The 50Hz frequency (i.e. revolutions or cycles per second) corresponds to the rotational speed of the turbines within power stations connected to the National Grid. If demand is reduced, the turbines temporarily spin faster, thus increasing the frequency of the power supply. Conversely, if demand goes up, turbines spin slower thus reducing the frequency. This is similar to what happens in a car engine where the slope of the road changes. If the car comes onto a hill, the demand on the engine increases and it begins to turn more slowly (and the car decelerates) until the accelerator pedal is pressed to deliver more power. Conversely, when descending a hill the engine speed increases until action is taken to press the brakes or change gear, because the engine is temporarily delivering more power than is needed to maintain constant speed.

In the past, the prevalence of predominantly fossil fuel-powered spinning turbines in power generation asset acted like synchronised flywheels, providing significant inertia to the system, such that changing demand did not create a rapid change in frequency. Control systems were able to vary the amount of power delivered to the turbines (typically by controlling the steam pressure) to bring the frequency swiftly back into the permitted range.

As coal fired generation is decommissioned, there is an opportunity for market entrants to provide new ways of achieving the balancing effect previously provided by heavy, high inertia, turbines. In engineering terms, the requirement is for systems that can deliver or absorb large amounts of power on demand and, at very short notice.

National Grid has the procurement mechanisms shown in the table below to incentivise such market entrants to provide frequency response services.

Service	Description
Mandatory frequency response (MFR)	<p>MFR is an automatic change in active power output in response to a frequency change. The service helps National Grid to keep frequency within statutory and operational limits.</p> <p>Providers can offer the following combination of different response times:</p> <ul style="list-style-type: none"> (a) Primary response: Response provided within 10 seconds of an event, which can be sustained for a further 20 seconds. (b) Secondary response: Response provided within 30 seconds of an event, which can be sustained for a further 30 minutes. (c) High frequency response: Response provided within 10 seconds of an event, which can be sustained indefinitely.

Service	Description
Enhanced frequency response (EFR)	<p>Depending on its size and location, a power station may be obliged to have the capability to provide MFR.</p> <p>EFR is a dynamic service where the active power changes proportionally in response to changes in system frequency.</p> <p>This service was developed to improve management of the system frequency before a fault occurs, maintaining system frequency closer to 50Hz under normal operation.</p> <p>Generators, ESS Projects and aggregated demand side response providers can provide this service.</p>
Firm frequency response (FFR)	<p>FFR is similar in nature to MFR, however it gives both the National Grid and the service providers a degree of stability against price uncertainty under MFR.</p> <p>FFR can provide both dynamic and non-dynamic response to changes in frequency:</p> <ul style="list-style-type: none"> (a) Dynamic frequency response is a continuously provided service used to manage the normal second-by-second changes on the system. (b) Non-dynamic frequency response is typically a discrete service triggered at a defined frequency deviation. <p>Similar to MFR, providers can offer a combination of primary, secondary or high frequency response.</p>

As part of its work to improve and develop balancing services, products and markets, National Grid is investigating what a new, faster-acting frequency response product may look like, and how it could form part of a new suite of frequency response products.

The Manager estimates the peak power requirement for such commercial frequency response services to be in the region of 450 to 650MW. This peak requirement is based on certain worst-case events occurring, such as large-scale power plants suddenly coming off-line. The Manager estimates that this amount will grow to 2GW in the next 10 years as the electricity market grows and as intermittent renewable energy continues to take a larger share of the energy mix.

6.2 Managing capacity

Historically, a “baseload” made up of coal, nuclear and gas power has formed a dependable base of supply. Variable generation including gas fired power plants, smaller “peaking plants” (typically gas or diesel) and pumped hydro made up the rest of the power needed at any one time.

The electricity system has been planned and allowed to develop in a way where a certain amount of spare capacity is available to meet periods of high demand.

As the base load available in Great Britain decreases due to the decommissioning of coal fired generation, and the intermittent generation from renewables increases, another base load solution, referred to as “flexible generation” is required to match demand.

“Flexible generation” dovetails with Ofgem’s mandate to protect the interests of electricity consumers by ensuring that the overall costs they face are as low as possible. The alternative to flexible generation is to provide a unit of baseload capacity for every unit of renewable energy deployed on the grid. The utilisation rate of this baseload capacity will be low and unpredictable, increasing the cost of capital for deploying this baseload capacity: for this reason, it is a less attractive alternative in policy and economic terms.

6.3 The challenges of matching supply and demand create price volatility

As stated above, the TSO is responsible for ensuring the stability of the National Grid, by balancing supply and demand. Power price volatility can arise as a result of the TSO attempting to

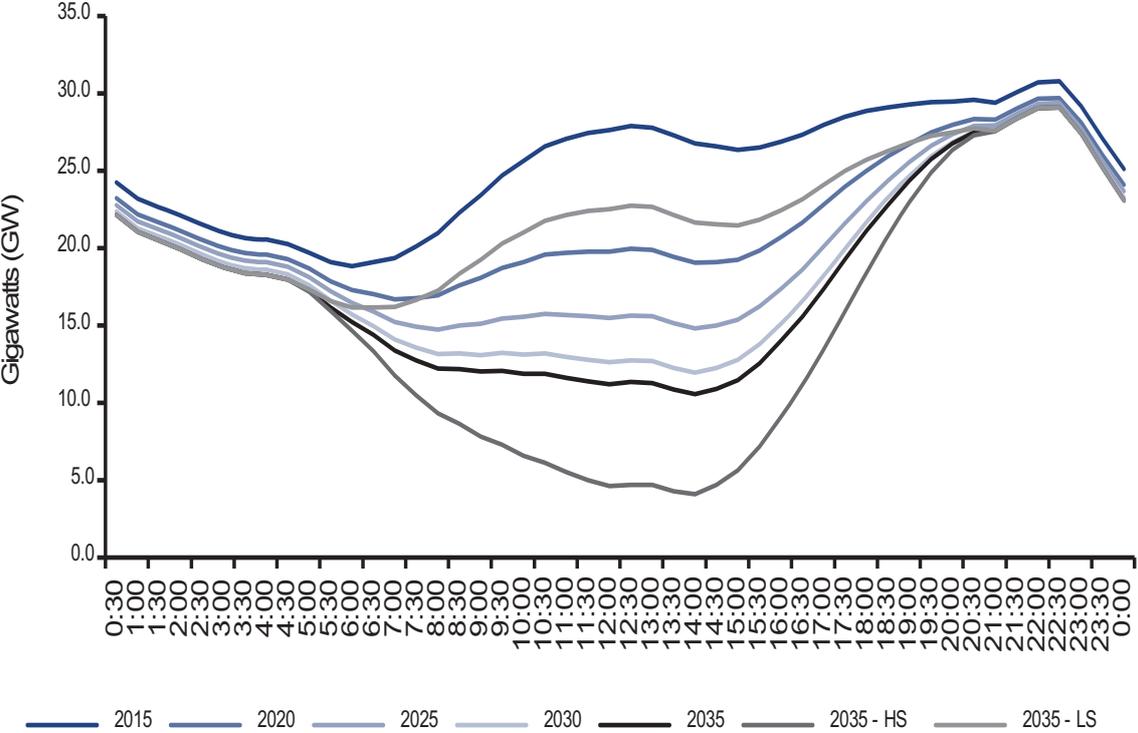
balance supply and demand, as higher prices arise when power is in short supply and lower prices arise when there is an excess of power.

One basic means by which the National Grid is designed to achieve a degree of self-balancing is that the wholesale price of electricity is an open market price, set by supply and demand from market participants for each half-hour period of the day. Typically, mornings and evenings on any given weekday are times of highest demand, and there is an increase in the price compared to the rest of the day. This provides an effective incentive for generation assets to operate at times of peak demand, and consumers of electricity to seek to exploit times of excess generation.

The propensity for renewable assets to produce and export power regardless of demand and price, discussed above, has increased the volatility exhibited in daily power price moves. Renewable deployment has accelerated since 2013 and the effect can be seen in the charts below in the form of increased power price volatility. Since May 2015, being the first time power prices went negative in the UK on an intraday basis, power prices have subsequently gone negative on multiple occasions.

The Manager expects that the increasing proportion of energy derived from renewable sources will drive further increases in power price volatility in terms of higher average spreads between the intraday peaks and troughs. This expectation is premised not only on the current observation of low or negative selling prices being acceptable to renewables operators but also on the inherent intermittency of the renewable power resources (wind and sunshine) which produce a similar effect. In addition to analysis provided in Part 7 (*Investment Opportunity*) of this Prospectus, the chart below illustrates a set of forecasts by National Grid which show the declining net demand over their grid at times of peak solar generation. The result is a highly varied intraday picture of power demand over the National Grid. The impact on net demand from wind is not included in this chart. This is because, in accordance with its nature, wind does not blow in a consistent or predictable way.

National Grid intraday demand forecasts

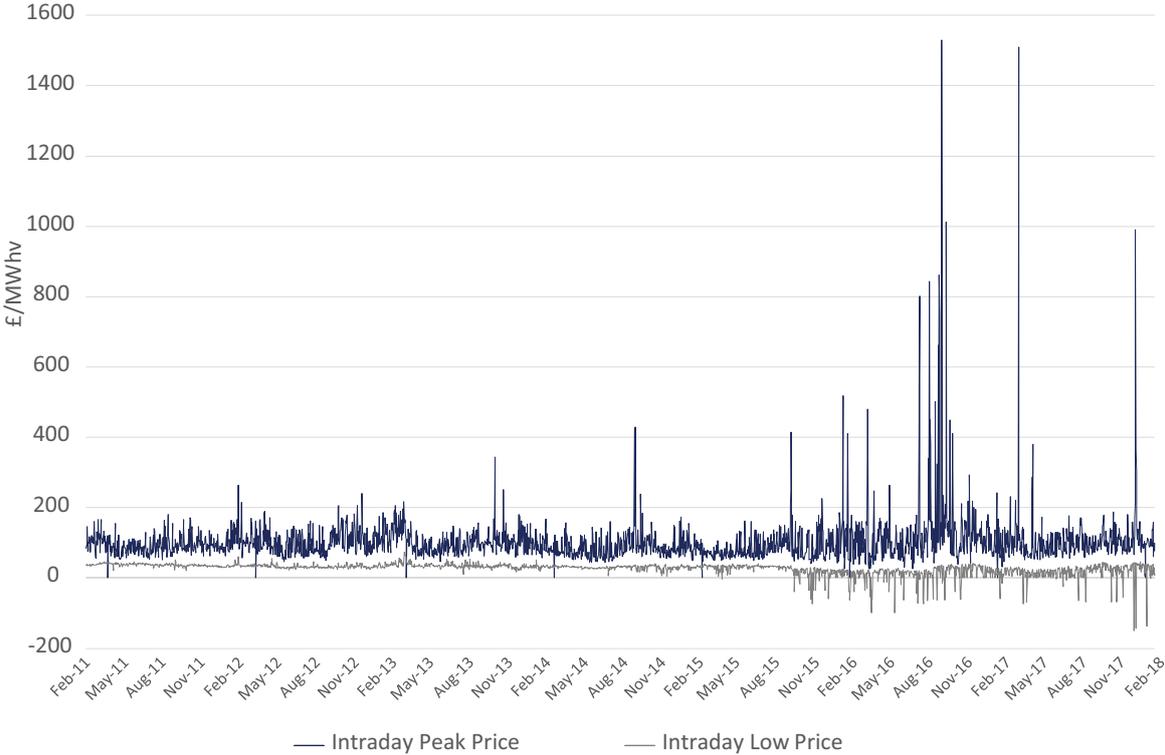


Source: National Grid

In addition to renewable energy’s growing share of the electricity market, the expected trend in increasing electrification (electric cars etc.) may increase power price volatility at certain times and reduce it at other times. The effect will depend on whether electric vehicles chargers and heat

pumps are used at traditionally off-peak periods or whether consumers use them as immediately required, which would suggest an increase in peak demand.

Historical wholesale prices – intraday spreads increasing



Source: Elexon

National Grid has to ensure its network is capable of meeting the very highest energy demand at any point in the year. These times of peak demand almost always happen in the winter. As these peaks are short and infrequent, National Grid is motivated to curtail demand at these peak times as lower demand peaks mean a lower network peak requirement. In turn, this lowers investment requirements and, therefore, costs to consumers. To incentivise curtailment of demand, National Grid charges both large suppliers (which reflect consumer demand) and large users of power a “Transmission Network Use of System” or TNUoS charge. This charge is spread over three half-hour periods (known as Triads) which are selected by the National Grid, after the event, as the three half hour periods of highest flow of power on the grid (provided that they are separated by at least 10 days) during the winter period of November to February. The payment is a function of the average power used in that period.

A significant element of the TNUoS charges are then passed through by National Grid to generators in the form of payments for being online during the three half-hour periods of highest demand, to incentivise them to provide power to make sure the market is balanced during these half-hour periods. Due to EU legislation which limits the amount payable to large scale generators for this service, the “residual” payment after payment of the large scale generators has gone to smaller generators known as “embedded generators”. Embedded generators are sub-100MW generators connected to the distribution network (rather than National Grid’s transmission network), and ESS Projects qualify. Therefore, as the regulated TNUoS charges have increased over time, the residual to embedded generators has become bigger, tripling between 2007 and 2017. This unintended market distortion incentivised a boom in embedded generator installations in the form of diesel and gas generators (known as “peakers”), and drove down power price volatility (especially during winter months). Eliminating or moderating market distortions is an important aspect of Ofgem’s mandate, and accordingly, Ofgem has run a consultation and introduced the rapid decline in Triad payments for embedded generators starting in the winter of 2018/19 and further declining to a very low level by the winter of 2020/21.

In the Manager’s opinion, the lower Triad payments will disincentivise diesel and gas generators from being switched on for most of the high demand period between 4pm and 8pm during winter months, except when spikes occur in power prices. Historically they have often run at or below their cash cost of production during these times, as the high probability of thereby earning a Triad

residual payment (which has recently been equivalent to around 500x the power price) made this very worthwhile, more than compensating for the periods where the generators were running below the cash cost of production.

In addition, the Manager expects power price spreads to increase as a result of changes in the National Grid’s methodology for setting the power price according to the last Megawatt hour it has to procure, or sell, to balance supply and demand in any half hourly period which are expected to increase price volatility.

In summary, the Manager considers that there are clear signs that Ofgem wants market forces to prevail and distortions caused by rules, legislation and regulation to be removed or avoided.

7. ESS Projects can assist the National Grid in managing frequency and providing capacity

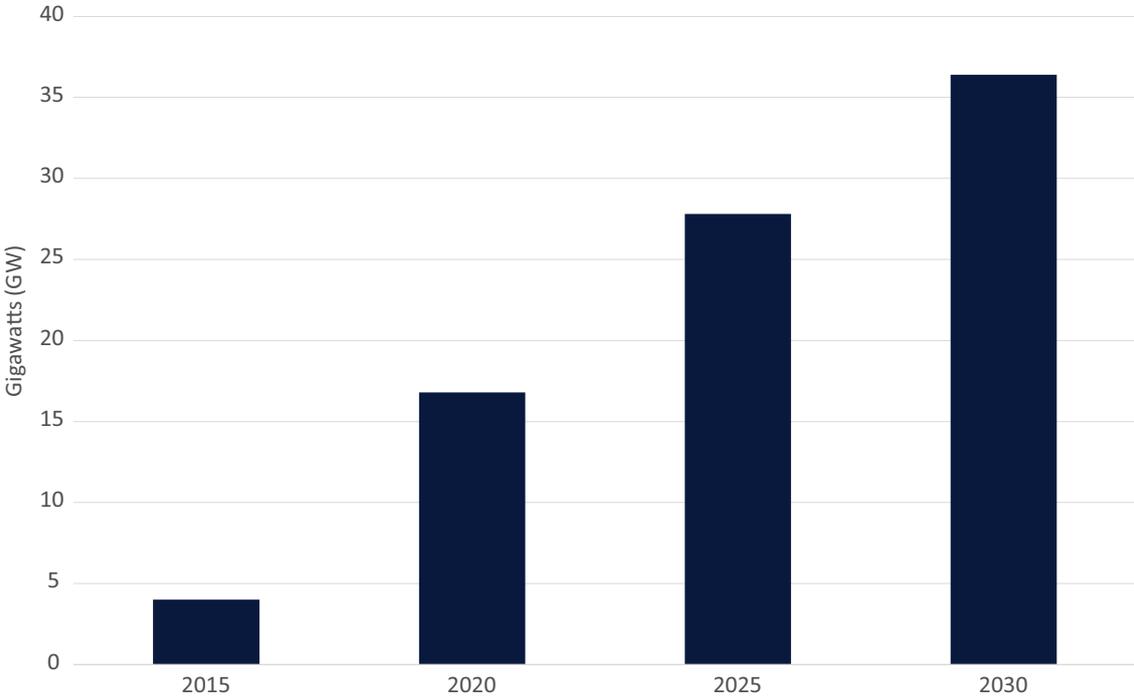
ESS Projects are well suited to providing services to address the challenges of managing frequency and providing capacity to the National Grid when needed. ESS Projects are connected to the grid and can both import power from and/or export power to the electricity network for the purpose of being able to provide either an instant “power response” to keep the frequency on the National Grid at a stable level, or a longer term “energy response” which helps balance supply and demand.

8. ESS Projects also permit the harnessing of intraday price spreads and volatility

The intraday price spreads, which will grow as a result of the increasing deployment of renewables and the move by Ofgem to favour market forces, will create a persistent profit pool in intraday electricity markets in the Manager’s opinion.

This profit pool will attract “Flexibility Assets” such as ESS Projects that can capture intraday spreads by importing and exporting energy instantaneously and for as long as required, limited only by the functional capacity of the battery.

UK Forecast Flexible Generation Capacity



Source: Gresham House New Energy Limited

The chart above shows a set of projections for the expected size of the flexible generation market in the UK. The 2030 projection reflects a 15 per cent. compound annual growth rate in the installed capacity available to offer flexible generation between 2015 and 2030. The projections are made up of various forms of flexible generation solutions including interconnectors with other countries, Demand Side Response, gas and diesel peakers, pumped storage as well as battery energy storage systems.

The estimated size of the market which, if entirely addressed by battery-based ESS, would likely represent hundreds, if not more than one thousand, projects in the next decade. The estimated market size is a function of the peak size of the market and the expected market penetration of renewables at that time. As renewables can often generate significantly above or below their average output, the flexible generation market needs to closely mirror the scale of the installed base of renewables, in the Manager’s opinion.

The Manager believes battery ESS are the most promising solution to the requirement for flexible generation due to the combination of their competitive cost, ability to address both excess demand as well as shortfalls in supply as well as being unencumbered to perform all the time. This is not the case for interconnectors, for example, as two countries connected via the same interconnectors cannot both export excess power at the same time.

9. Batteries as the core of ESS Projects

The lithium-ion batteries utilised in, and functioning as the core component of ESS Projects, can store and then discharge power almost immediately upon receiving the signal to do so and, depending on their size, batteries can continue to provide or absorb power for extended periods of time. The longer the requirement to sustain the power generated or imported, the larger the battery required and the greater the cost. The length of time that a battery would be required in an ESS Project is currently unlikely to exceed a few hours at a time.

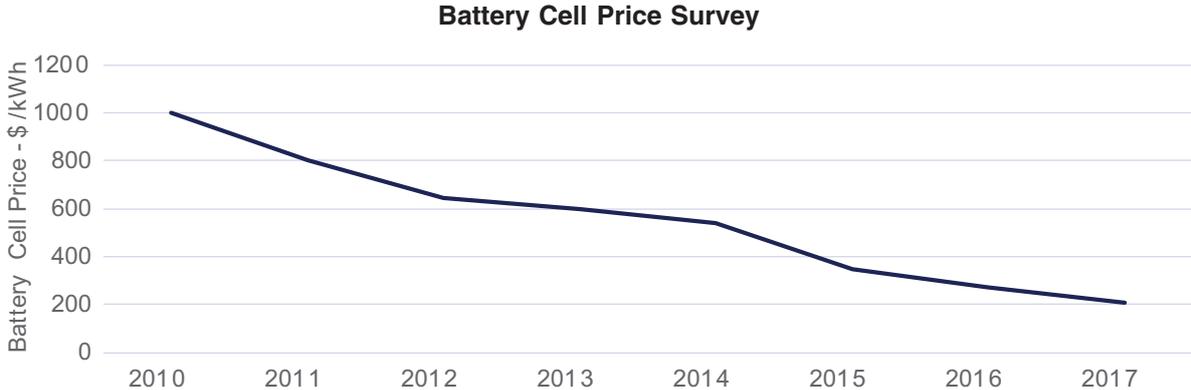
The batteries can be charged by importing power through a wholesale arrangement or, to the extent present on a site, by generators powered by gas or diesel fuel.

Batteries provide direct current (DC) which is converted to alternating current (AC) by inverters before being fed to the grid.

Batteries are produced in modular sizes which are installed in specialised battery racks that are themselves installed in standardised shipping containers. The containers contain fire suppression systems and air conditioning units to maintain temperatures ideal for the operation of the batteries.

The entire configuration is managed through a control system that has the tasks of monitoring the electricity grid, instructing the equipment to provide the desired response, sustaining that response and ensuring that all this is done without breaching the operational parameters of the components and the equipment warranties.

Batteries are now competitive as a solution for flexibility requirements as innovation, competition and volume have driven down prices.



Source: Bloomberg New Energy Finance

The Manager estimates that battery cells account for circa 25 per cent. of ESS Project development and construction costs. The price downtrend is likely to become shallower due to thin product margins for battery manufacturers and limits of innovation but, combined with manufacturing gains over a long period of 10 years or longer, battery cell pricing may decrease another 50 per cent.

The effect on the total cost of an ESS Project, and thereby the barriers to entry for new participants in the sector, would be muted, however, by virtue of the batteries’ comparatively small weighting overall. The ESS Projects owned by the Company would also benefit from such battery cost reductions through lower replacement and upgrade costs.

PART 7: INVESTMENT OPPORTUNITY

1. Overview

The Company intends to acquire a portfolio of ESS Projects to take advantage of the significant market opportunity for battery-based energy storage systems. The Company is targeting an annual dividend of 7.0 pence per Share in each financial year after the financial year ending 31 December 2019, combined with capital growth that, once the Gross Proceeds have been fully invested, results in an unlevered Net Asset Value total return of 8 per cent. per annum, calculated net of the Company's costs and expenses.*

The Company expects, once the Gross Proceeds have been fully invested and certain further asset management activities (which are described further in paragraph 5 of this Part 7 (*Investment Opportunity*) of this Prospectus) are completed in respect of the ESS Projects, to introduce leverage to the Portfolio. The Company may borrow an amount not exceeding 50 per cent. of the Company's Net Asset Value at the time of drawdown. The target levered Net Asset Value total return is 15 per cent. per annum, calculated net of the Company's costs and expenses.*

2. The core revenue drivers of the Company's ESS Project investments

2.1 FFR and asset optimisation

There are multiple revenue streams that an ESS Project is able to capture in the UK market today.

The first is Firm Frequency Response or "FFR", which can be provided by an ESS Project due to its ability to address in near real-time, frequency variations on the grid by importing and exporting power. The counterparty today is a subsidiary of the National Grid, which has the obligation to maintain grid frequency within a defined tolerance level around 50hz. Revenue is earned by making assets available to respond to these variations in the grid's frequency by exporting power when the frequency drops too low and importing power when it is too high (see Part 6 (*Market Background*) of this Prospectus for further information).

Asset optimisation, the second core revenue stream is a larger, and longer term opportunity by virtue of its greater market size and secular drivers, mainly the drive to de-carbonise and the resulting shift to a renewables focused electricity market. Asset optimisation involves buying and selling electricity in order to capture a spread between the high and low electricity prices on any given day. This can be done via one or more market mechanisms, hence the expression "asset optimisation".

In brief, an ESS Project benefits if there are more frequent and larger peak-to-trough movements in the daily power price. The Manager expects that this will be the case for the reasons set out below.

The opportunity in asset optimisation, the Manager believes, is already attractive by virtue of the power price volatility created by fluctuations in daily demand, and this is reflected in historical intra-day power prices.

The opportunity in asset optimisation is expected to increase as the penetration of renewable generation grows. This is because the penetration of renewable generation introduces an intermittent supply of energy which needs to be matched with fluctuating daily and seasonal demand. Penetration of renewables is expected to increase, as illustrated in Part 6 (*Market Background*) of this Prospectus, as a result of the subsidisation of large-scale offshore wind projects and the reducing cost of onshore wind and solar projects. A number of large-scale offshore wind projects have still to be commissioned and more are expected to be set up as further subsidies are offered during the 2019 CfD auction and auctions that will follow every second year during the 2020s.

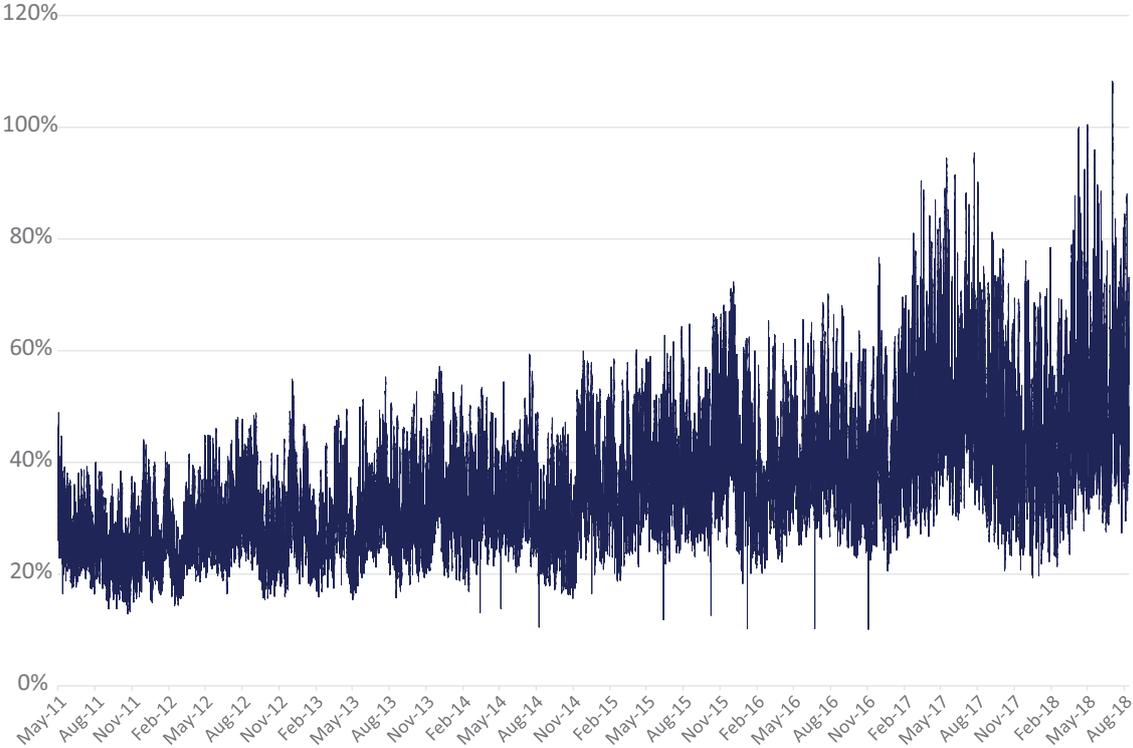
As solar and wind each tend to generate at particular times, the result is a very volatile supply and demand backdrop as demand will be met by either renewables at one extreme, when the resource

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is plentiful, or by peaking generation when renewable energy is in short supply (e.g. on a still winter's evening).

This is illustrated in the chart below which shows that during the period May 2011-July 2018, renewable energy and nuclear energy were at times able to meet 100 per cent. of electricity demand, but also they frequently met less than 40 per cent. of total demand.

Percentage of Electricity Demand met by Renewables and Nuclear



Source: Elexon, Sheffield University

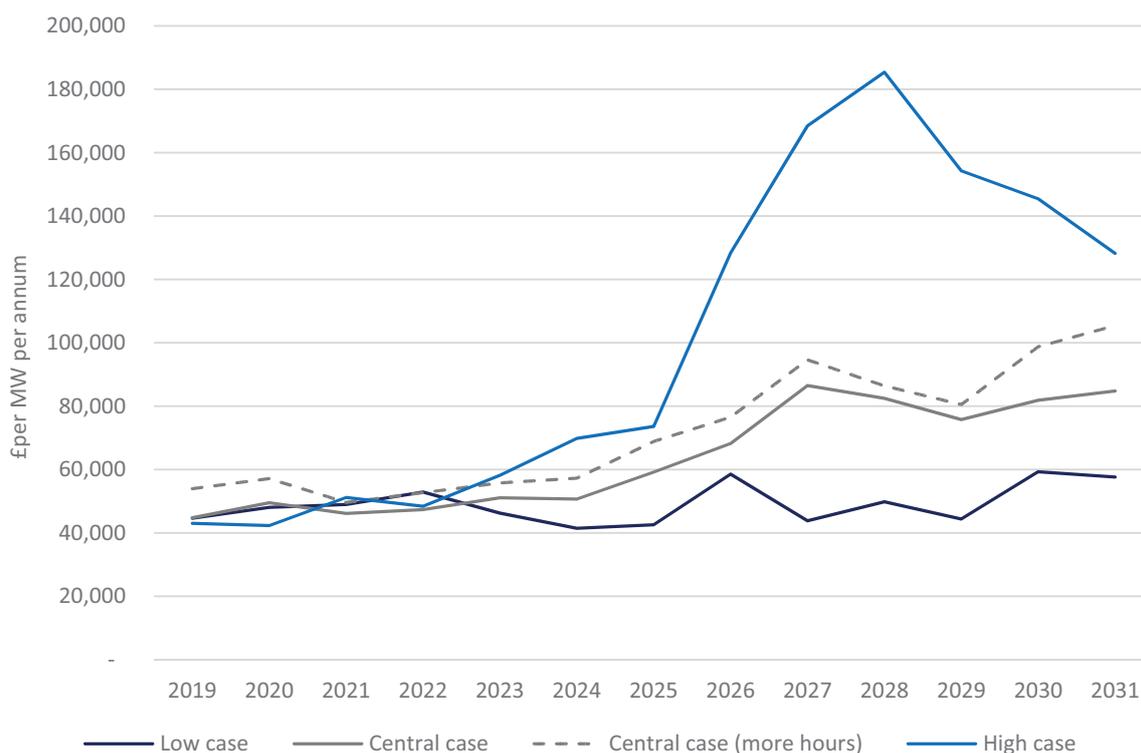
Thus, as renewable energy penetration increases, the Manager expects that this will cause more frequent variations between very low or negative power prices and very high power prices.

FFR and asset optimisation are mutually exclusive revenue streams at any given time. However the Manager intends to procure that ESS Projects are operated so that they earn revenues from providing FFR during some of any given day and from asset optimisation for other parts of any given day. The hours of operation between these two activities shall depend on the relative attractiveness of each market at the point that the bid for an FFR contract is submitted.

Pricing for FFR services is expected to fall as the frequency response market is increasingly addressed by battery-based ESS, which can offer the complete service of primary, secondary and high FFR at significantly lower prices than those historically tendered by thermal generation.

The range of annual revenue per Megawatt assumptions (in £/MWh) for asset optimisation is shown in the chart below.

Pricing Assumptions for Asset Optimisation



Source: Gresham House

The chart shows a high, central and low case for a typical ESS Project that may be held by the Company, where the project commits to asset optimisation for up to one and a quarter hours per day. The chart also shows a forecast called “central case (more hours)”, which reflects the benefit of approximately one additional half hour of asset optimisation activity per day throughout the forecast period. The Manager assumes the central case (more hours) as its base case. Each case is predicated on the National Grid’s publicly available “Future Energy Scenarios 2017”. These scenarios are summarised as follows:

- The “Steady State” scenario (low case) reflects a scenario where renewable installed capacity grows most slowly to c.49GW in 2035. This compares with total renewable energy installations of 41.9GW in the first quarter of 2018. In this scenario total installed capacity of generation grows to c.120GW in 2035.
- The “Slow Progression” scenario (central case and central case (more hours)) reflects a greater shift to renewables with installations rising to 0.64GW by 2030. In this scenario total installed capacity of generation grows to c.140GW in 2030.
- The “Two Degrees” scenario (high case) reflects the greatest shift to renewables rising to c.73GW by 2030. The two degrees scenario is the only scenario compatible with the achievement of the UK Carbon emissions target by almost completely decarbonising the electricity sector. Under this scenario overall installed capacity of generation grows to over 180GW during the 2030s.

Based on the above and the rest of this Part 7 (*Investment Opportunity*) of this Prospectus, the Manager expects that the revenue mix earned by the Projects is likely to shift in favour of asset optimisation within the next two years.

2.2 Asset optimisation

Asset optimisation is not a proprietary term. Rather, it is a term the Manager has adopted which is already used by other market participants who trade in the electricity marketplace.

Asset optimisation is a process through which it is determined at what time, price and through which market mechanism electricity is bought or sold with the aim of maximising revenue.

The market mechanisms available include

- the wholesale power market which can be traded intraday or in the day ahead; and

- (b) the balancing mechanism which is a service offered to National Grid which involves offering different amounts of power at different prices in order to help National Grid to close any supply and demand mismatch prior to the start of an half hour period.

Market participants can buy and sell power in the wholesale market up to one hour before a half-hour period starts. This is called “Gate Closure”. Between Gate Closure and the start of the half hour that is to be traded, National Grid performs its balancing actions through the BM by procuring the right amount of power to balance the market.

The Manager does not expect to gain any advantage over other market participants related to how it accesses the electricity market. In the Manager’s opinion, the ESS Projects it will manage on behalf of the Company will benefit from the fundamental advantage of ESS to capture both highs and lows in power prices. This is not possible for a fossil fuel-based generator, which can only capture high power prices and is unable to exploit low power prices, because its cost of generation is linked to the relevant fossil fuel cost rather than the price at which electricity can be imported. The Manager also intends to exploit, on behalf of the Company, the combined scale of the Projects in order to extract operational efficiencies.

2.3 Summary of the Business Model

The key revenue streams an ESS Project is therefore capable of capturing are:

- (a) Frequency response
- (b) Asset optimisation
- (c) Capacity market
- (d) Grid-related payments
- (e) Other

Other income relates to the purchase and sale of electricity through other means not described so far. This may include engaging with local electricity consumers or generators where a mutual benefit exists that could be exploited by a private wire connection. While these may be significant, these are not factored into any forecasts.

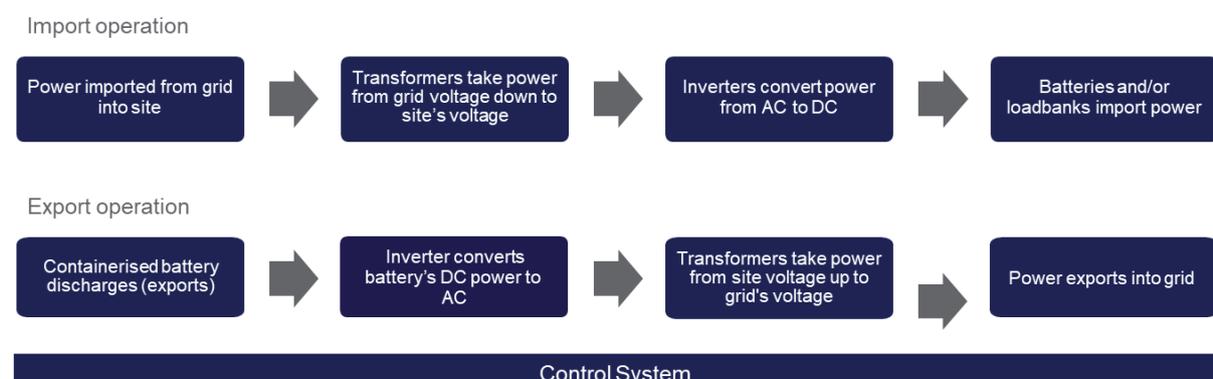
Further information is provided in paragraph 4 of this Part 7 (*Investment Opportunity*) of this Prospectus below.

3. Design and Operation of an ESS Project

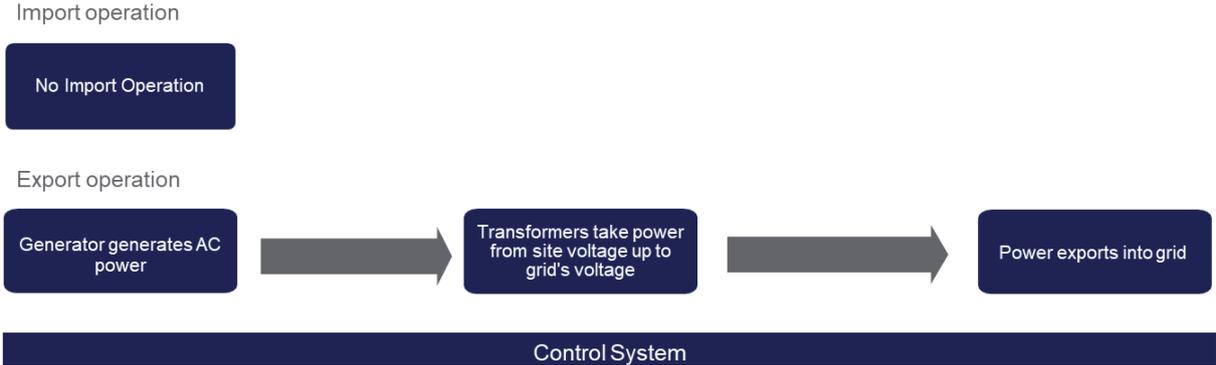
While the Company intends to invest predominantly in symmetrical ESS Projects, two of the Seed Projects are asymmetrical ESS Projects. A symmetrical project has the ability to import and export the same amount of power while an asymmetrical project has a “net export” capability.

3.1 Symmetrical and Asymmetrical ESS

The physical operation of a symmetrical ESS Project is to import and store electricity and then export it. This is illustrated in the diagram below.



The physical operation of an asymmetrical project, or the “net export” element of an ESS Project is to generate power and then export it. This is illustrated in the diagram below.



One important feature of an ESS Project is the project-level control system. This control system monitors the individual physical elements of the ESS Project site from a safety and functional perspective to make sure it can instruct the project to operate according to the project’s contractual requirements. As the control system can be monitored remotely, projects are unmanned most of the time and are mostly accessed only for preventative or reactive maintenance, as required.

3.2 Operation of an ESS Project

ESS Projects operate to provide flexible generation in two distinguishable ways.

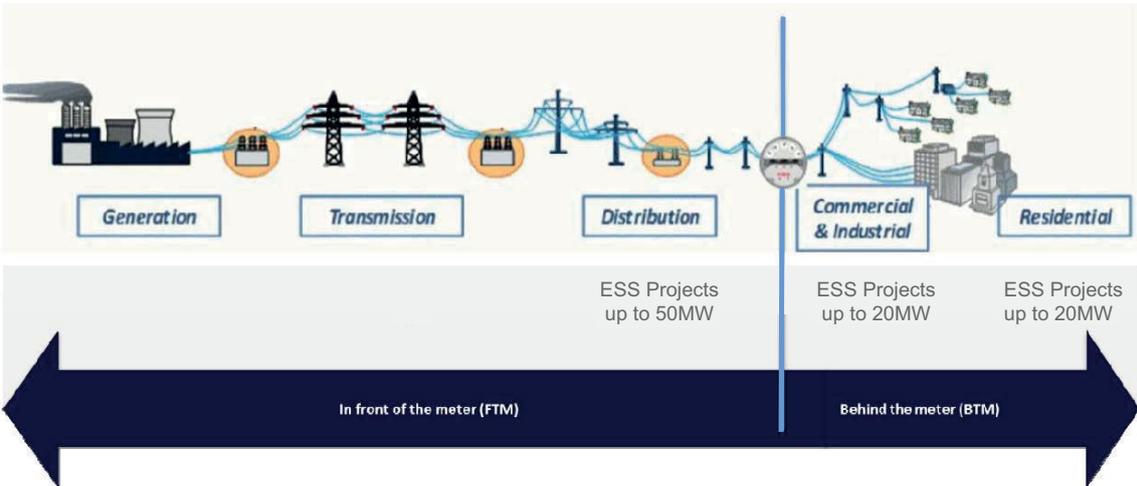
The first is providing a continuously varying level of imported and exported power which is required to generate the FFR revenues described above. This response rarely requires ESS Projects to operate close to peak power as the level of import or export is proportionate to the deviation in the grid’s frequency from 50Hz and large deviations are very rare.

The second mode of operation is where the ESS Project continuously imports or exports power at full power, typically for half hourly or longer periods, which is required to generate the asset optimisation revenues described above.

Both modes of operation have associated with them a cost in terms of battery degradation, and such cost (relative to the revenue opportunity) is factored into deployment decisions.

3.3 Location of a project in the electricity network

The following diagram provides a simplified illustration of the key elements of the electricity network in the UK, where on the network an ESS Project may be connected and the typical size of ESS Projects at various connection points:



An ESS Project’s point of connection can vary by location and voltage; however, they are broadly either connected in front of the meter (i.e. a project has its own point of connection) and imports

and exports power via the grid or behind-the-meter where the power is imported and exported (to the extent export is possible) via an already installed meter on the premises of an energy consumer.

The Manager believes that it is generally more favourable to connect to a distribution network (i.e. front of meter) as it provides ESS Projects with the greatest flexibility of operation by having their own point of connection as well as enjoying greater operational efficiencies due to a grid-connected project typically being significantly larger than a behind-the-meter project.

4. The Seed Portfolio's current business model and how the business model of all Projects may evolve

The Seed Projects were built on the back of FFR contracts earning between £16 and £20/MW/hr and therefore will operate to honour these contracts until they expire between the end of April and September 2019.

The Seed Projects each won two-year contracts via tender in the commercial FFR tender facility with National Grid Electricity Transmission plc as the counterparty. These contracts are for 8428 hours of the year (out of 8760). The remaining hours were excluded to enable the Seed Projects to sell power during the winter evenings in order to earn Triad income, in particular.

For illustrative purposes the table below summarises the revenue of a theoretical 20MW project enjoying a £20/MW/hr FFR contract for 8428 hours of the year during 2018 and also generating Triad income in the 2018/19 winter assuming only two thirds of the potential Triad income is earned.

Service	Type of service	Contract type	2018 assumptions*		Revenue	Revenue
			Hours p.a.	Pricing (£/MWh)	(£/MW p.a.)	(%)
Asset Optimisation	Generation	Merchant	0	n/a	0	0
FFR	Availability	Weekly	8,428	20	168,560	89
Capacity Market (T-4)	Availability	15yrs then annual renewals	0	n/a	0	0
Triad	Generation	Regulated Market	1.5	20,000	20,000	11
Total					188,560	100

FFR contracts at £20/MW/hr were achievable in 2016 and 2017 as most market participants in the FFR tender were not ESS Projects. Since then, as more ESS Projects have entered the FFR marketplace and as those ESS Projects achieve a target return on capital at lower prices, contract prices have declined and it is assumed that new contracts for new and existing Projects will be earned at prices below £10/MW/hr.

Therefore, as explained in paragraph 2.1 of this Part 7 (*Investment Opportunity*) of this Prospectus, it is expected that within the next two years the Company's target exposure to FFR is likely to decline and, as a consequence, exposure to asset optimisation is likely to increase. An illustration of this is provided in the table below illustrating what may be a base case going forward.

* The information set out in this table is based on a 20MW symmetrical site and is based on certain assumptions. The information set out in this table for illustrative purposes only.

Service	Type of service	Base case revenue assumptions (from 2019/2020)*				
		Contract type	Hours p.a.	Pricing (£/MWh)	Revenue (£/MW p.a.)	Revenue (%)
Asset Optimisation	Generation	Merchant	730	78.3	57,132	73
Dynamic FFR	Availability	Weekly (from 2019)	1,460	6.0	8,760	11
Capacity Market (T-4)	Availability	15yrs then annual renewals	8,760	0.82	7,200	9
Triad	Generation	Regulated market	1.5	5,000	5,000	7
Total					78,092	100

Further information relating to the Seed Portfolio is set out in paragraphs 2 to 4 of Part 9 (*Seed Portfolio and Exclusivity Portfolio*) of this Prospectus.

5. Drivers of 15 per cent. longer term Total Target Return

The Manager, once the Net Proceeds have been fully invested, intends to take additional measures to deliver a target levered Net Asset Value total return of 15 per cent. per annum, calculated net of the Company's costs and expenses.**

These measures comprise:

- (a) the introduction of financial leverage; and
- (b) project specific actions.

* The information set out in this table is based on a 20MW symmetrical site and is based on certain assumptions. The information set out in this table is for illustrative purposes only.

** This is a target only and is based on current market conditions as at the date of this Prospectus and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

The table below illustrates the approximate impact on IRR of leveraging projects by up to 50 per cent. (the limit imposed by the Company's investment policy). The table also provides examples of the types of Project specific action that may add value to Projects as well as the sensitivity of a Project's IRR to higher asset optimisation revenues. The actual actions taken may differ from the specific ones shown below (for example, the Manager may seek to increase the Project size by a different amount, extend the lease by more or less, acquire the land leased to the Project, decrease O&M or other costs by a greater or smaller proportion than that shown in the table.

Key Assumption	Base Case	Potential Upside	Impact of Potential Upside on Fund NAV Total Return	Notes on Upside Potential
Asset Optimisation	Base case	10 per cent. increase	1.0 per cent.	Base case known as 'Central' case and has been provided by a third-party provider
O&M Cost	Base case	20 per cent. reduction	0.2 per cent.	Significant reductions vs Base Case at target scale
Lease	No extension	10 year extension	0.8 per cent.	Landlords expected to be amenable to lease extensions
Grid Capacity	No increase	40 per cent. increase	1.6 per cent.	After capex
Leverage	0 per cent.	50 per cent.	c.4.0 per cent.	Leverage achieved on most forms of generation assets
Fund Net IRR	8.0 per cent.	c.12.0 per cent. excl. leverage c.15.0 per cent. incl. 50 per cent. leverage		

The Manager shall seek to add additional revenues from alternative sources where possible. These may include engaging in other balancing services with National Grid and Distribution System Operators, if available. Furthermore, the Manager may seek to transact with local energy consumers that want to generate savings on their current electricity bills. The Manager may also seek to transact with local generators of renewable energy in order to improve the average price received for the electricity they generate.

PART 8 : THE COMPANY

1. Introduction

The Company is a newly incorporated closed-ended investment company incorporated on 24 August 2018 in England and Wales with registered number 11535957 and registered as an investment company under Section 833 of the Act. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended. Application will be made to the London Stock Exchange for any Shares issued pursuant to this Prospectus to be admitted to the Specialist Fund Segment of the London Stock Exchange.

The Company intends to invest in utility scale energy storage systems, which utilise batteries and may also utilise generators. Gresham House will be responsible for sourcing suitable investment opportunities and for analysing the ongoing performance of the energy storage systems purchased by the Company.

2. Investment objective

The Company seeks to provide investors with an attractive and sustainable dividend over the long term by investing in a diversified portfolio of utility scale operational energy storage systems, which utilise batteries and may also utilise generators, located in Great Britain. In addition, the Company seeks to provide investors with the prospect of capital growth through the re-investment of net cash generated in excess of the Target Dividend in accordance with the Company's investment policy and the requirements of the IT Regulations.

3. Target Total Return and Target Dividend

On the basis of market conditions as at the date of this Prospectus and whilst not forming part of the Company's investment objective, the Company will, once the Net Proceeds have been fully invested, target an unlevered Net Asset Value total return of 8 per cent. per annum, calculated net of the Company's costs and expenses.*

The Company expects, once the Net Proceeds have been fully invested and certain further asset management activities (which are described further in paragraph 5 of Part 7 (*Investment Opportunity*) of this Prospectus) are completed in respect of the ESS Projects, to introduce leverage to the Portfolio. The Company may borrow an amount not exceeding 50 per cent. of the Company's Net Asset Value at the time of drawdown. The target levered Net Asset Value total return is 15 per cent. per annum, calculated net of the Company's costs and expenses.

On the basis of market conditions as at the date of this Prospectus the Company will target dividend payments of 4.5p per Ordinary Share in respect of the financial year ending 31 December 2019 and 7.0p per Ordinary Share in financial periods thereafter.*

4. Investment policy

The Company will invest in a diversified portfolio of utility scale energy storage systems, which utilise batteries and may also utilise generators. The ESS Projects comprising the Portfolio will be located in diverse locations across Great Britain.

Individual projects will be held within special purpose vehicles into which the Company will invest through equity and/or debt instruments. It is intended that each ESS Project Company will hold one project but an ESS Project Company may own more than one project. The Company will typically seek legal and operational control through direct or indirect stakes of up to 100 per cent. in such ESS Project companies, but may participate in joint ventures or co-investments, including, without limitation with other investors or entities managed, operated or advised by the Gresham House Group, where this approach enables the Company to gain exposure to assets within the Company's investment policy, the like of which the Company would not otherwise be able to acquire on a wholly-owned basis. In such circumstances the Company will seek to secure its shareholder rights through protective provisions in shareholders' agreements, co-investment agreements and other transactional documents.

* This is a target only and is based on current market conditions as at the date of this Prospectus and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

4.1 Asset type and diversification

The Company currently intends to invest primarily in ESS Projects using lithium-ion battery technology as such technology is considered by the Company to offer the best risk/return profile. However, the Company is adaptable as to which energy storage technology is used by the projects in which it invests and will monitor projects and may invest in projects with alternative battery technologies such as sodium and zinc derived technologies, or other forms of energy storage technology (such as flow batteries/machines and compressed air technologies), and will consider such investments (including combinations thereof), where they meet the Company's investment objective and policy.

The Company also intends to invest in ESS Projects which use gas generators or diesel or dual-fuel diesel-and-gas reciprocating generators on projects which have a "net export" connection. These are likely to be generators in the range of 0.5 to 10MW per generator.

The Company intends to invest with a view to holding assets until the end of their useful life. ESS Projects may also be disposed of, or otherwise realised, where the Manager determines in its discretion that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.

The Company intends that the ESS Projects in which it invests will primarily generate revenue from in front of meter services, but may also provide behind-the-meter services.

ESS Projects will be selected with a view to achieving appropriate diversification in respect of the Portfolio.

First, diversification will be sought by geographical location of the ESS Projects in which the Company invests across Great Britain.

Second, it is the Company's intention that from the end of the Initial Investment Period, when any new investment is made, no single project (or interest in any project) will have an acquisition price (or, if an additional interest in an existing investment is being acquired, the combined value of the Company's existing investment and the additional interest acquired shall not be) greater than 20 per cent. of Gross Asset Value (calculated at the time of investment). However, in order to retain flexibility, the Company will be permitted to invest in a single project (or interest in a project) that has an acquisition price of up to a maximum of 30 per cent. of Gross Asset Value (calculated at the time of acquisition). The Company will also, from the end of the Initial Investment Period, target a diversified exposure with the aim of holding interests in not less than five separate projects at any one time.

Third, the Company intends to achieve diversification by securing multiple and varied revenue sources throughout the Portfolio by investing in ESS Projects which benefit from a number of different income streams with different contract lengths and return profiles through individual ESS Projects, as well as by enabling the ESS Projects in which the Company invests to take advantage of a number of different revenue sources. Initially, it is intended that the main revenue sources will be:

- Firm Frequency Response – the Company intends to invest in ESS Projects that generate FFR revenues from FFR contracts through which the Company and/or its subsidiaries will provide, on a firm basis, dynamic or non-dynamic response services to changes in frequency, to help balance the grid and avoid power outages to, initially, be entered into by Noriker with the National Grid and its subsidiaries. It is anticipated that Noriker or third parties may provide electricity trading services to Projects on a commercial basis for an arm's-length fee.
- Asset optimisation – the Company intends to invest in ESS Projects that generate revenues from importing and exporting, or generating and exporting in the case of an ESS Projects including generators, power in the wholesale market and the National Grid-administered Balancing Mechanism.
- Triads and other National Grid-related income – the Company intends to invest in ESS Projects that generate revenues from the three half-hour periods of highest system demand on the Great Britain electricity transmission system between November and February each year, separated by at least ten clear days and other National Grid-related income including Generator Distribution Use of System, through which benefits are paid by DNOs to suppliers, which are passed through to electricity generators in their power purchase agreements and the National Grid's Balancing Use of System ("BSUoS"), which recovers costs through

charges levied on electricity generators and suppliers. In addition, the balancing system produces small half-hourly residual cashflows that are generally negative (a disbenefit to distributed generators) but can be positive (a benefit) and are allocated to suppliers in the same way as BSUoS charges.

- Capacity market – the Company intends to invest in ESS Projects that generate revenues by access to the benefit of contracts, or through entering into new contracts, to provide back-up capacity power to the Electricity Market Reform delivery body via 1 year and 15 year capacity market contracts.

ESS Projects in which the Company invests may diversify their revenue sources further by collaborating with renewable generators or large users of power in close proximity to an ESS Project, or providing availability based services to restore electric power stations or part of electric grids to operation. In such circumstances, the proportion of revenues coming from electricity sales may materially increase from that indicated above. From 2019, ESS Projects in which the Company may invest may also be able to enter into FFR contracts with Distribution System Operators (“**DSO**”) and provide reactive power services to the National Grid the timing of which is according to the current emerging DSO model.

Fourth, the Company aims to achieve diversification within the Portfolio through the use of a range of third party providers, insofar as appropriate, in respect of each energy storage project such as developers, EPC contractors, battery manufacturers and landlords.

Finally, each ESS Project internally mitigates operational risk because each ESS Project will contain a battery system with a number of battery modules in each stack, each of which is independent and can be replaced separately, thereby reducing the impact on the project as a whole of the failure of one or more battery modules.

4.2 Asset sourcing

The Company intends to invest in the Seed Portfolio immediately after Admission and has identified the Exclusivity Portfolio in which the Company may invest, subject to completion of adequate due diligence and contract. Further information on this is provided in Part 9 (*Seed Portfolio and Exclusivity Portfolio*) of this Prospectus.

4.3 Other investment restrictions

The Company will generally invest in ESS Projects where construction is substantially completed and at such a point that the ESS Project is capable of commercial operations. As a minimum, all ESS Projects will need to have in place a completed lease on satisfactory terms in relation to the land where that ESS Project is situated and an executed grid connection agreement and a certificate confirming completion of commissioning tests (“**G59 Certificate**”).

The Company may also provide loan finance to ESS Projects prior to acquisition so that the ESS Projects can acquire equipment prior to construction, provided that no more than 15 per cent. of Gross Asset Value (calculated at the time that finance is provided based on the latest available valuations) may be exposed in aggregate to any such investments.

The Company does not intend to invest in listed closed-ended investment funds or in any other investment fund (other than, potentially, in money market funds as cash equivalents) and in any event shall not invest any more than 15 per cent. of its total assets in listed closed-ended investment funds or in any other investment fund.

4.4 Investment in Developers

The Company may invest in one or more Developers of ESS Projects through equity issued by the relevant Developer, provided that investment in Developers (calculated at the time of investment) shall be capped at £1 million in aggregate.

4.5 Cash management

Uninvested cash or surplus capital may be invested on a temporary basis in:

- cash or cash equivalents, money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having a “single A” or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU; and

- any UK “government and public securities” as defined for the purposes of the FCA Rules.

4.6 Leverage and derivatives

The Company does intend to assess its ability to raise debt and is expected to introduce leverage (at the Company level and/or the ESS Project Company level) once sufficient assets have been acquired and to the extent funding is available on acceptable terms. In addition, it may from time to time use borrowing for short-term liquidity purposes which could be achieved through a loan facility or other types of collateralised borrowing instruments. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company’s assets. The Directors will restrict borrowing to an amount not exceeding 50 per cent. of the Company’s Net Asset Value at the time of drawdown. There will be no cross collateralization between the Projects.

Derivatives may be used for currency, interest rate and power price hedging purposes as set out below and for efficient portfolio management. However, the Directors do not anticipate that extensive use of derivatives will be necessary. At the date of this Prospectus, the Company has not incurred any borrowings or indebtedness or other leverage and has not granted any mortgages, charges or security interests over or in relation to any of its assets.

4.7 Efficient portfolio management

Efficient portfolio management techniques may be employed by the Company, and this may include (as relevant) currency hedging, interest rate hedging and power price hedging.

4.8 Material breach of investment restrictions

In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Manager through a Regulatory Information Service.

4.9 Amendment to investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

6. Seed Portfolio and further pipeline

The Company intends to use part of the Issue Proceeds to pay the Cash Consideration, Deferred Cash Consideration and Deferred Project Consideration. Further information relating to the Seed Portfolio is set out in paragraphs 2 to 4 of Part 9 (*Seed Portfolio and Exclusivity Portfolio*) of this Prospectus. The aggregate value of the Seed Projects is £57,220,000. The Valuer has confirmed that, in its opinion based on market conditions as at 30 September 2018 and certain assumptions as set out in the Valuation Opinion Letter in Part 10 (*Valuer’s Opinion*) of this Prospectus, the Seed Portfolio Aggregate Project Value falls within a range which it considers fair and reasonable.

A member of the Gresham House Group either owns or is exclusively entitled to negotiate the acquisition of the Exclusivity Portfolio representing a further 132 MW in project capacity. Further information relating to the Exclusivity Portfolio is set out in paragraph 6 of Part 9 (*Seed Portfolio and Exclusivity Portfolio*) of this Prospectus.

7. Cornerstone investors

The Company has secured commitments from members of the Gresham House management team and vehicles owned by them, funds under management of the Gresham House Group, Noriker and the shareholders of Noriker. These investors have agreed to commit in aggregate approximately £32 million including the receipt of the Consideration Shares as part consideration for the Acquisition and, in the case of Lux Energy and BSIF, Ordinary Shares subscribed on Admission under the Subscription Agreement. In aggregate, approximately 16 per cent. of Ordinary Shares issued by the Company will be held by these investors on Admission, assuming that 200 million Ordinary Shares are issued. Each such investor has entered into the Lock-up and Orderly Market Deed. Further information on the terms of the Lock-up and Orderly Market Deeds is provided in paragraph 8.9 of Part 14 (*General Information*) of this Prospectus.

8. Gresham House

8.1 The Manager and an overview of the Gresham House Group

Investment management services will be provided to the Company by Gresham House Asset Management Limited. The Manager is a company incorporated in England and Wales whose registered office is 5 New Street Square, London, United Kingdom, EC4A 3TW with registered number 09447087. The Manager is authorised and regulated by the FCA, with firm reference number 682776.

The Manager forms part of the Gresham House Group and is a wholly owned subsidiary of Gresham House plc.

Gresham House plc is a London Stock Exchange quoted specialist alternative asset manager offering funds, direct investment and tailored investment solutions, including co-investment, across five highly differentiated alternative investment strategies; Forestry, New Energy, Housing and Infrastructure, Public Equity and Private Assets.

- (a) **Forestry** – Provides diversification, alongside asset backing and inflation linkage. A longer investment view is commensurate with this strategy, however the diverse portfolio of high quality forests in the UK ensures a spread of ages of the trees which can provide a regular income yield in a tax efficient manner.
- (b) **New Energy** – Generates sustainable financial returns while supporting the shift from finite resources to a clean energy world. Key focus on yield and capital preservation through the three key leading transformative technologies – solar power, electric transportation and energy storage.
- (c) **Housing and Infrastructure** – Targets investing in the underlying ‘real’ assets of housing and infrastructure required to support UK economic growth and deliver long-term cash flow to investors with socially responsible investing objectives.
- (d) **Public Equity** – Invests in UK and European smaller public and private companies, to capitalise on inefficiencies and dislocations in pricing in the market which provide opportunities for superior long-term investment returns.
- (e) **Private Assets** – Invests in private assets and companies and funds to achieve absolute returns, principally through capital gains supplemented with the generation of a longer-term income yield.

REAL ASSETS			STRATEGIC EQUITY	
Forestry	New Energy	Housing & Infrastructure	Public Equity	Private Assets
Gresham House Forestry Fund LP Forestry Partnership LLP Managed Accounts FIM Sustainable Timber & Energy LP (STELP) FIM Forest Fund I LP FIM Timberland LP	Hazel Renewable Energy VCT 1 & 2 plc FIM Solar Distribution LLP FIM Windfarms 2 LP	Gresham House British Strategic Investment Fund LP	Gresham House Strategic plc Gresham House Strategic Public Equity Fund LP	LMS Capital plc
£1,609m ¹				

1. The total assets under management comprises the assets under management of Gresham House plc as at 31 December 2017 and the assets under management of FIM Services Limited as at 30 September 2017

Incorporated in 1857, Gresham House plc is one of the oldest companies in London still operating today. In December 2014, a new management team set out to transform the former property focused investment trust into a specialist asset management business.

8.2 AIFM Agreement

Under the terms of the AIFM Agreement, Gresham House will provide alternative investment fund management services to the Company, and shall be entitled to receive from the Company, in respect of the services provided under the AIFM Agreement, a fee as described in further detail below at paragraph 8.3 of Part 8 (*The Company*) of this Prospectus.

The Manager, under the terms of the AIFM Agreement, is responsible for:

- (a) discretionary investment management of the Portfolio, having complete power to invest, realise and reinvest all funds and securities for the account of the Company, in accordance with the Company's investment policy, provided that any investment by the Company in an ESS Project in which the Manager or another member of the Gresham House Group or an employee of the Gresham House Group has developed, and/or is invested, or which is operated or advised by the Manager or another member of the Gresham House Group will be subject to the protocol described in paragraph 8.4 of this Part 8 (*The Company*) of this Prospectus;
- (b) analysing the performance of the investments held in the Portfolio and advising the Company generally in relation to investment trends and all other matters likely, or which might reasonably be considered likely, to affect the investment policy of the Company;
- (c) devoting such time and having all necessary competent personnel and equipment as may be required to enable it to carry out its obligations under the AIFM Agreement properly and efficiently;
- (d) provision of risk management services as required by the AIFM Rules, including the implementation of risk management policies to identify, measure, manage and monitor the risks that the Company is or might be exposed to and ensuring that the Company's risk management policy and its implementation of the same comply with the AIFM Rules;
- (e) assisting the Company to appoint a depositary authorised by the FCA and to ensure that the assets of the Company are entrusted to the Depositary or any delegate of the Depositary for safekeeping in accordance with the AIFM Rules and providing the Depositary with all information required to enable the Depositary to comply with its obligations under the AIFM Rules in respect of the Company;
- (f) ensuring that the disclosures required to be made in respect of the Company under the AIFM Rules are made;
- (g) ensuring the Portfolio is valued in accordance with the AIFM Rules;
- (h) upon written instructions from the Company, using all reasonable endeavours to satisfy the conditions set out in the AIFM Regulations (or the equivalent in the relevant EEA jurisdictions), if and to the extent required to market the Shares to EEA investors in any EEA State into which the Company intends to market;
- (i) producing and publishing quarterly factsheets, which will include information on the Company's performance, holdings and investment activity;
- (j) being responsible for any records, which the Company is required to maintain under FSMA and the AIFM Rules;
- (k) providing such advice and assistance to the Board as they may reasonably request, including management and financial information;
- (l) providing such information to the Administrator as it reasonably requests, and at such times and with such frequency as it shall reasonably request to enable the Administrator to fulfil its duties under the Administration Agreement; and
- (m) making available in person or by telephone (as may be requested by the Board) the services of an appropriate person to attend meetings of the board quarterly or at such intervals as shall be agreed between Gresham House and the Company and preparing reports or other documents as reasonably requested by the Company in connection with such meetings.

The Manager covers potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules.

The AIFM Agreement may be terminated by the Company or the Manager giving not less than 12 months' written notice.

Either party may terminate the AIFM Agreement by written notice to the other party with immediate effect if the other party shall have a receiver or administrator appointed or if an order shall be made or an effective resolution passed for the winding-up of the other party (saved for a winding-up for the purpose of and followed by an amalgamation or reconstruction), which shall include where in accordance with the Articles, any Continuation Resolution is not passed by the Shareholders.

The Company may, in addition, terminate the AIFM Agreement by written notice with immediate effect if (i) Gresham House's authorisation to be an alternative investment fund manager is not maintained by it, or is suspended or restricted by the FCA; (ii) Gresham House fails to notify the Company of any investigations by the FCA; (iii) both Ben Guest and Bozkurt Aydinoglu cease to be involved in managing the Portfolio and are not replaced within 180 days by alternative portfolio managers approved by the Company; (iv) if Gresham House causes the Ordinary Shares to be suspended from trading on the Specialist Fund Segment and the suspension of trading is not lifted or the Ordinary Shares are not admitted to trading on another regulated market within 3 months of the date of that suspension or (v) if the Manager fails to enforce (or fails to procure any member of Gresham House Group to enforce) its rights in respect of any breach by the counterparties to the Framework Agreement.

8.3 Gresham House fees

For the provision of alternative investment fund management services under the AIFM Agreement, Gresham House is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (1 per cent. on the first £250 million of Net Asset Value, 0.9 per cent. on Net Asset Value in excess of £250 million and up to and including £500 million and 0.8 per cent. on Net Asset Value in excess of £500 million, exclusive of VAT). The Company will also reimburse Gresham House for reasonable expenses properly incurred by Gresham House in the performance of its obligations under the AIFM Agreement.

8.4 Investment Process

Gresham House will be responsible for sourcing and managing the investment process for new acquisitions. Gresham House intends to source potential acquisitions through the network it has built over the years spanning project developers, EPCs and other investors.

GHNE will be responsible for developing the ESS Projects acquired by the Company and for the day-to-day operation of the ESS Projects.

As more particularly described in paragraph 2.1 of Part 9 (*Seed Portfolio and Exclusivity Portfolio*) of this Prospectus, each Seed Portfolio Project Holder is affiliated with the Manager (other than Dr Jenny (Zhenni) Wang and Dr Marc Thomas, who are affiliated with Noriker). It is expected that in the future the Company will invest in further ESS Projects in which the Manager or another member of the Gresham House Group or an employee of the Gresham House Group has developed, and/or is invested, or which is operated or advised by the Manager or another member of the Gresham House Group or which has been offered to the Manager or a member of the Gresham House Group under the terms of the Framework Agreement. In order to manage conflicts of interest between the Company and the Manager, the following protocol shall be followed in respect of any such investment by the Company:

- (a) the Board and the Manager will ensure that the Company and the vendors of the relevant ESS Projects (which may be members of the Gresham House Group and Noriker) are separately advised;
- (b) each ESS Project to be acquired will be independently valued pre-acquisition and such valuation will be carried out on substantially the same basis as the valuation provided by the Valuer in the Valuation Opinion Letter;
- (c) the Company's advisers shall report directly to the Board regarding the acquisition and provide details of any risks that the acquisition might have in relation to the Company in sufficient time, such that the Board may consider and interrogate the report in advance of any proposed acquisition;
- (d) if any of the risks identified by the Company's advisers are items that would fall within the investment restrictions, or not meet the requirements of the investment policy, the Manager shall ensure that the vendors address those risks at their own cost and then, once those risks are addressed, the Manager shall re-present the ESS Project to the Company and its advisers to undertake the steps in paragraph (b) and (c) above; and
- (e) an investment in an ESS Project in which the Manager or any member of the Gresham House Group has an interest, may not complete without the Board having approved the terms of the acquisition, including the price at which the ESS Project is to be acquired.

Further information relating to the Manager's policy with regards to conflicts of interest is set out in paragraph 7.5 of this Part 8 (*The Company*).

8.5 Conflicts of interest

Gresham House, the Administrator, the Registrar, Cantor Fitzgerald, and any of their members, directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business.

In particular, these parties may, without limitation: provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on its own account (including dealings with the Company); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to assets that are or may be owned directly or indirectly by the Company, but will not in any such circumstances be liable to account for any profit earned from any such services.

In particular, Gresham House and its affiliates may be involved with other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, under the terms of the AIFM Agreement, Gresham House is entitled to carry on business similar to or in competition with the Company or to provide similar services to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without being liable to account to the Company for its profits, provided that it will take all reasonable steps to ensure that such business is effected on terms which are not materially less favourable to the Company. However, other than pursuant to the Framework Agreement, neither Gresham House nor any member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests on or after the date of the Framework Agreement in; or (ii) for its own account invest on or after the date of the Framework Agreement in, ESS Projects in Great Britain, without first offering the relevant investment opportunity to the Company. However, Gresham House or a member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests in; or (ii) for its own account invest in, ESS Projects in Great Britain, in circumstances where the Company is unable to invest in the relevant investment opportunity because it has insufficient resources or the Company is unable to obtain sufficient resources to make the investment or, otherwise, if the Board provides its prior written consent.

At all times Gresham House shall retain sufficient facilities, personnel, experience and expertise necessary to fulfil its obligations under the AIFM Agreement. Gresham House will, at all times, have regard to its obligations to the Company and under the FCA Rules in relation to the identification, management and disclosure of conflicts of interest.

Gresham House has a conflicts of interest policy which specifies the procedures that it follows and the measures that it has adopted in order to take all appropriate steps to identify and then prevent or manage such conflicts. In particular, where Gresham House has identified an actual or potential conflict of interest in relation to the services that it provides to the Company it shall take reasonable steps, acting in compliance with applicable law and regulation, to ensure fair treatment of the Company. Where Gresham House believes the arrangements are not sufficient to ensure with reasonable confidence that the risks of damage to the Company will be prevented, it will inform the Directors of the nature or source of the conflict and the steps taken to mitigate those risks. This disclosure shall:

- (a) clearly state that the organisational and administrative arrangements established by Gresham House to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Company will be prevented;
- (b) include specific description of the conflicts of interest that arise;
- (c) explain the risks that arise as a result of the conflicts of interest; and

- (d) include sufficient detail, taking into account the nature of the Company, to enable the Company to reach an informed decision with respect to the service in the context of which the conflict of interest arises.

Subject to this, and to applicable law and regulation, Gresham House or an associate or their clients may act as principal in a transaction with the Company.

Subject always to the FCA Rules, Gresham House will not, and will procure that its affiliates will not, deal, as principal or agent for a third party, with the Company except where dealings are carried out on normal commercial terms negotiated at an arm's length basis and provided also that (i) Gresham House and any of its affiliates may buy, hold and deal in any investments upon its individual account notwithstanding that similar investments may be held by the Company and without prior reference to the Company; and (ii) nothing herein contained shall prevent Gresham House or its affiliates without prior reference to the Directors from contracting or entering into any financial or other transaction with any company or body or other person whose shares or securities are held by or for the account of the Company or from being interested in any such contract or transaction.

8.6 Biographies of the relevant Investment Personnel

In respect of the Company the key members of Gresham House's management team are expected to be:

Rupert Robinson, Managing Director of Gresham House

Rupert has 30 years' experience in asset management and wealth management. Rupert was previously CEO and CIO of Schrodgers (UK) Private Bank and head of private clients at Rothschild Asset Management Limited. Rupert is chairman of Gresham House Forestry.

Ben Guest, Lead Fund Manager

Ben Guest has 22 years of investment experience having founded Hazel Capital LLP (now called Corylus Capital LLP) in April 2007, in respect of which he was the managing partner and chief investment officer. Ben is now the head of the new energy division of the Gresham House Group and is lead fund manager for Gresham House British Strategic Investment Fund LP (an unlisted closed-end fund with £165m of net assets under management as at 31 December 2017, investing in UK housing and infrastructure-related assets). He is responsible for the origination and execution of investment opportunities alongside on-going portfolio management. Prior to founding Hazel Capital LLP, Ben was a co-founder of Cantillon Capital Limited. When at Cantillon Capital Limited he managed an equity hedge fund focused on global technology valued at \$1bn. He started his fund management career in 1994 at Lazard Asset Management Limited, having graduated from Imperial College, London with a BEng in Mechanical Engineering.

Bozkurt Aydinoglu, Investment Director

Bozkurt Aydinoglu joined Hazel Capital LLP in 2008 as a partner and portfolio manager. He co-manages the Hazel Renewable Energy VCT1 PLC and Hazel Renewable Energy VCT2 PLC and sources and executes new opportunities in relation to those VCTs covering transaction negotiation, due diligence and contract negotiation. He has 24 years of principal investment, advisory and business-building experience in the clean energy, telecommunications and technology industries. In 2002 he co-founded and built New Energy Finance, which became the leading provider of data, research and analysis to investors in the global cleantech industry and was acquired by Bloomberg in December 2009. Bozkurt trained and developed his financial analysis, transactional and commercial skills working for Nomura, Salomon Brothers (now part of Citigroup), Deloitte and Touche and Groupe Arnault. He received his MSc in Electrical Engineering from Imperial College, London in 1993.

Gareth Owen, Investment Director

Gareth Owen joined Hazel Capital LLP in 2011. He has 18 years of experience executing structured transactions across a variety of different sectors and real-asset classes. He is responsible for analysing, originating and executing investments, and has experience of implementing limited recourse debt financing of pre and post construction solar assets. Previously, he worked at Barclays Capital between 2001 and 2009, where latterly he was a Vice President in Barclays Natural Resource Investments, a private equity fund of \$1.5bn investing equity in the natural resources and renewable energy sectors. Before this he was an Associate Director leading

the execution of structured transactions. He has also worked in the Structured Transaction Group at Deutsche Bank, and started his career in infrastructure project finance at Greenwich NatWest. He gained his MBA from Imperial College Business School (Distinction) and holds an MSc of Engineering Project Management and a BEng of Civil Engineering from the University of Manchester.

9. Directors

The Directors, all of whom are non-executive and all of whom are independent of Gresham House, are responsible for the determination of the investment policy of the Company and the supervision of the implementation of such policy. The Board currently consists of:

John S. Leggate CBE, FREng – *(Chairman and Independent Non-executive Director)*

John is highly experienced as an oil and gas and energy sector executive and is a venture investor in the “clean tech” and digital technologies. In his early career, John worked in the power generation business (coal, oil, nuclear) and then in BP where his breadth of experience covers project management, construction, commissioning and field operations with a focus on the North Sea and Azerbaijan.

The last ten years of John’s BP career were spent at corporate executive level in various roles covering:

- (a) Group Chief Information Officer. This involved leading significant integration and transformation programmes associated with the BP merging campaign with Amoco, Arco, etc. and the digital transformation of the corporation.
- (b) Group wide supply chain management. This included leading strategic relationship development, significant outsourcing and offshoring agendas to India, China and South Korea.
- (c) Group wide physical and cyber security.
- (d) Lead the development of corporate investment activity into the digital enablement of the corporation.

Since leaving BP John has been active as a Senior Advisor to “blue chip” global consultants specialising in the areas of energy and digitisation. He is on the board of cyber security firm Global Integrity in Washington DC and advisor to the Board of ACWA International, the largest independent power producer in Saudi Arabia.

John is also a Partner with donedeal (Monaco) a boutique financial advisory and M&A house covering strategic reviews, preparation for fund raising and running transactions process. Until recently, John was on the board of the ASX listed Carnegie Clean Energy (for over 6 years) and resigned in December 2017.

John also serves on the Enterprise Committee of the Royal Academy of Engineering in London.

Duncan Neale – *(Audit Committee Chairman and Independent Non-executive Director)*

Duncan Neale is a CFO & Finance Director with over twenty years of commercial experience working for both publicly listed and privately-owned companies.

Duncan is a Fellow of the Institute of Chartered Accountants and qualified with Price Waterhouse in London.

Early in his career he was part of the senior management team that turned Corona Energy from a gas trading business into the largest independent supplier of gas to UK businesses.

He has been involved in M&A in the power sector, as a CFO of a team bidding for thermal power stations.

More recently he spent a couple of years as Finance Director of Belltown Power, an operator of renewable energy sites (covering hydro, solar & wind) which has a portfolio of 215 MW.

He is a Trustee and Treasurer of Cambodian Children’s Fund UK.

David Stevenson – *(Independent Non-executive Director)*

David Stevenson is a financial journalist and commentator for a number of leading publications including The Financial Times (the Adventurous Investor), Investment week (The contrarian), Money Week and the Investors Chronicle. He is also executive director of the world’s leading alternative finance news and events service www.altfi.com, which focuses on covering major trends

in marketplace lending, crowdfunding and working capital provision for small to medium sized enterprises. David is the author of a number of books on investment including the bestselling book on ETFs and their use within portfolios in Europe for the FT. Before founding AltFi David was a director at successful corporate communications business The Rocket Science Group and before that a senior producer in business and science in BBC TV. He is also a non-executive director on the SQN Secured Income investment trust and the Aurora Investment Trust.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

10. Administrator

JTC (UK) Limited is a private limited company incorporated on 9 October 2001 in England and Wales with registered number 04301763. It is an established administrator whose ultimate parent company is quoted on the London Stock Exchange and is an independent, award winning provider of fund, corporate and private wealth services to institutional and private clients.

10.1. Administration Agreement

Administrative, company secretarial and other services will be provided by the Administrator. The Administration Agreement may be terminated by either party serving the other party with 6 months' written notice such notice not to be given earlier than the date being 24 months from the date of Admission, or immediately (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction or amalgamation under terms previously approved in writing by the other parties) or such party is unable to pay its debts or if a is appointed, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), or (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful. In the event that the Administration Agreement is terminated by the Company on a no-fault basis prior to the date being 24 months from the date of Admission, the Company shall pay to the Administrator an amount equal to any shortfall in annual fees that would have been earned up until the date being 24 months from the date of Admission.

For the provision of administration services under the Administration Agreement, the Administrator is entitled to receive an annual fee of £55,000 based on Net Asset Value of up to £200 million and an ad valorem fee of 0.04 per cent. on Net Asset Value in excess of £200 million. In respect of its role as company secretary, the Administrator is entitled to receive an annual fee of £60,000. For administrative and company secretarial services provided to Projects an annual fee of £7,500 per Project will be charged by the Administrator. The Administrator will charge an initial set-up fee of £10,000 for corporate governance support relating to the Company's IPO. Additional fees will be payable by the Company to the Administrator on the issuance of New Ordinary Shares and C Shares by the Company, on the establishment of Projects and transfer of ESS Projects into Projects and in respect of any Board, committee or procedural meetings, in addition to the quarterly Board meetings, that may be held from time to time. The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company, provided that the Administrator will be required to seek prior approval in relation to any single expense in excess of £200. All fees charged by the Administrator are charged exclusive of VAT. All annual fees charged by the Administrator will be subject to an annual increase by reference to the U.K. Retail Price Index prevailing at that time applied *pro rata* on an annual basis.

The Administrator, under the terms of the Administration Agreement, provides among other things the following services:

- (a) company secretarial and administrative services;
- (b) assistance with the implementation of corporate governance and other compliance requirements;
- (c) calculation of Net Asset Value of the Shares;
- (d) maintenance of adequate accounting records and management information;

- (e) preparation of the audited annual financial statements and the unaudited interim report and publication of the same through a Regulatory Information Service;
- (f) assisting with the preparation and submission of VAT returns; and
- (g) provision of certain reporting information to the Depositary and the Manager in order to allow the Depositary and the Manager to carry out their obligations under the Depositary Agreement and the AIFM Agreement respectively.

The register of members of the Company will be maintained by the Registrar and a copy of the register of members will be available to the Administrator at its registered office being 7th Floor, 9 Berkeley Street, London W1J 8DW.

11. Depositary

INDOS Financial Limited has been appointed as Depositary for the Company under the Depositary Agreement, a summary of which is set out in paragraph 8.3 of Part 14 (*General Information*) of this Prospectus. The Depositary is a company incorporated in England and Wales with registered number 08255973 whose registered office is 54 Fenchurch Street, London EC3M 3JY. The Depositary is authorised and regulated by the FCA with reference number 602528.

The fees payable to the Depositary by the Company are £30,000 per annum (plus VAT) and are payable monthly in arrears. The Depositary fee will increase by 0.015 per cent. per annum of the value of subsequent Shares issued by the Company once £200 million of Shares have been issued. Additional fees are payable where financial instruments are held in custody by a sub-custodian of the Depositary.

12. Registrar and Receiving Agent

Computershare Investor Services PLC has been appointed as the Registrar to the Company under the Registrar's Agreement. Computershare Investor Services PLC has been appointed Receiving Agent of the Company for the Issue under the terms of the Receiving Agent's Agreement. A summary of each of the Registrar's Agreement and the Receiving Agent's Agreement is set out in paragraphs 8.5 and 8.6 of Part 14 (*General Information*) of this Prospectus.

The fees payable to the Registrar are based on the number of transactions in the Shares plus properly incurred expenses, subject to an annual fee of £1,080. The fees payable to the Receiving Agent are based on the number of applications received pursuant to the Offer for Subscription and are subject to a minimum fee of £5,000, exclusive of VAT.

13. Capital structure

13.1 Share capital and duration

The Company's share capital structure immediately following the Issue will consist of Ordinary Shares. The Ordinary Shares will be in registered form and may be held in certificated or in uncertificated form.

The Company may issue further New Ordinary Shares and/or C Shares pursuant to the Placing Programme.

The Company does not have a fixed winding-up date. As described below under paragraph 14.2 of this Part 8 (*The Company*), the Articles provide Shareholders with an opportunity to vote on the continuation of the Company at five yearly intervals.

13.2 Further issues of Shares

Under the Articles further issues of Shares, of whatever class, for cash will be subject to pre-emption rights conferred on existing Shareholders, save to the extent these rights have been disapplied by a special resolution of the Company. The Directors currently have authority to issue further Shares on a non pre-emptive basis, provided that the number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Issue and Placing Programme may not exceed 200 million Shares in aggregate and (b) further Ordinary Shares will only be issued at prices representing not less than their prevailing NAV per Ordinary Share. The current authority will extend until the date of the first AGM expected to be held in June 2020. Further details of the Placing Programme and the Directors' intentions concerning the issue of New Ordinary Shares and/or C Shares under the Placing Programme are set out in Part 12 (*Placing Programme*) of this Prospectus.

The proceeds of the issue of further Shares will be used in accordance with the Company's investment objective and policy, as described in paragraphs 2 and 4 of this Part 8 (*The Company*).

The Directors only intend to use their authority to issue New Ordinary Shares under the Placing Programme in the event that the Ordinary Shares trade at a premium to Net Asset Value and, consequently, the authority may be used in order to reduce any premium over NAV at which the Company may be trading or to raise additional capital for investment in accordance with the Company's investment policy. As a consequence further issues of Ordinary Shares will be made under the Placing Programme, entirely at the Directors' discretion in respect of an aggregate number of New Ordinary Shares equal to 200 million, less any Ordinary Shares issued under the Issue or C Shares issued under the Placing Programme, and only at prices (net of issue costs) that represent a premium to the prevailing Net Asset Value per Ordinary Share and, therefore will not have a dilutive effect on the NAV of the Ordinary Shares then in Issue.

The Directors currently intend to seek annual renewal of the authority to issue Ordinary Shares and/or C Shares on a non-pre-emptive basis from Shareholders in respect of an aggregate number of Ordinary Shares and/or C Shares equal to up to 10 per cent. of Shares or such other number as the Shareholders at a general meeting of the Company shall approve.

New Ordinary Shares and C Shares issued under the Placing Programme may be issued under this Prospectus provided that it is updated by a supplementary prospectus (if required) under section 87G of FSMA. The Prospectus Rules currently allow for the issue of shares representing, over a period of twelve months less than 20 per cent. of the number of shares of the same class already admitted to trading on the same regulated market without the requirement for a prospectus to be published, provided that such issue is not made by way of an offer of the Company's securities to the public.

Should the Board wish to issue New Ordinary Shares or C Shares in excess of the amount which it is authorised to allot, further authorities will be sought at an appropriate time by convening a general meeting of Shareholders for the purpose. It is expected that this Prospectus will remain valid for twelve months from the date hereof, subject to the requirement under the Prospectus Rules to the publication of supplementary prospectuses to disclose any significant changes in the financial or trading position of the Company.

14. Discount management

14.1 Share buybacks

The Company may purchase Shares in the market at prices which represent a discount to the prevailing NAV per Share of that class so as to enhance the NAV per Share for the remaining holders of Shares of the same class. The Company is authorised to make market purchases of up to 14.99 per cent. of the aggregate number of issued Shares immediately following Admission.

The Board intends to seek Shareholder approval to renew its authority to make market purchases of its own issued Shares once its existing authority has expired or at subsequent AGMs.

Purchases of Shares will be made within guidelines established from time to time by the Board and only in accordance with the Statutes and the Disclosure Guidance and Transparency Rules. Any purchase of Shares may be satisfied by the available cash or cash equivalent resources of the Company, from borrowings, the realisation of the Company's assets or any combination of these sources of liquidity, at the Directors' discretion.

Ordinary Shares bought back by the Company may be held in treasury or cancelled. Such Shares may (subject to there being in force a resolution of Shareholders to disapply the rights of pre-emption that would otherwise apply) be resold by the Company. C Shares bought back by the Company shall be cancelled.

At the date of this Prospectus, the Company does not hold any Shares in treasury.

14.2 Continuation Votes

Shareholders will have the opportunity to vote on an ordinary resolution on the continuation of the Company at the AGM of the Company to be held in 2023, and every fifth AGM thereafter. If any such ordinary resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation, unitisation, reorganisation or reconstruction of the Company for consideration by the Shareholders at a general meeting to be convened by the Directors for a date not more than six months after the date of the meeting at which such ordinary resolution was not passed.

15. Dividend policy

The Board expects that dividends will constitute the principal element of the return to the holders of Ordinary Shares.

On the basis of market conditions as at the date of this Prospectus the Company will target (i) dividend payments of 4.5p per Ordinary Share in respect of the financial year ending 31 December 2019 and 7.0p per Ordinary Share in financial periods thereafter.* Subject to market conditions and the level of the Company's net income, it is intended that a first interim dividend will be declared in April 2019 for the period running from incorporation to 31 March 2019 and thereafter it is intended that dividends on the Shares will be payable quarterly, all in the form of interim dividends (the Company does not intend to pay any final dividends). The Board reserves the right to retain within a revenue reserve a proportion of the Company's net income in any financial year, such reserve then being available at the Board's absolute discretion for subsequent distribution to Shareholders, subject to the requirements of the IT Regulations. The dividend policy will be subject to an annual vote at each AGM. In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled. The Company may, at the discretion of the Board, and to the extent possible, pay all or part of any future dividend out of capital.

The Company may offer, at its absolute discretion, Shareholders the opportunity to elect to receive dividends in the form of further Ordinary Shares.

16. Corporate governance

16.1 Compliance

The Board is committed to high standards of corporate governance and has made arrangements to enable the Company, as a newly incorporated company, to comply with the recommendations of the Corporate Governance Code published by the Financial Reporting Council. The Board intends to obtain membership of the AIC following Admission and as such, intends to comply with the UK Corporate Governance Code as recommended by the AIC Code by reference to the AIC Guide or as otherwise may be disclosed from time to time.

As an investment company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus not all the provisions of the Corporate Governance Code are directly applicable to the Company. The Board intends to take appropriate action to ensure that the appropriate level of corporate governance is attained and the Company's practices are consistent with the Principles of the Corporate Governance Code.

For the reasons referred to below, the Company does not intend to comply with the Corporate Governance Code provisions relating to:

- (a) the role of the chief executive;
- (b) executive directors' remuneration;
- (c) the need for an internal audit function;
- (d) the need for a separate nomination committee; and
- (e) the whistle blowing policy.

For the reasons set out in the AIC Guide, and in the preamble to the AIC Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company will therefore not report in respect of these provisions.

16.2 Internal audit

As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there are no requirements for an internal audit function. The Board will

* This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue, the Company's net income and the Company'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 Company. See further under the section "Risk Factors".

review annually whether a function equivalent to an internal audit is needed and it intends to monitor its systems of internal controls in order to provide assurance that they operate as intended.

16.3 Board independence, composition and tenure

The Board currently consists of three non-executive Directors. It is chaired by John S. Leggate who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role. The Board will meet at least four times a year and will receive full information about the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Directors' biographical details, set out in paragraph 8 of this Part 8 (*The Company*), demonstrate a breadth of investment, commercial and professional experience. The Directors will review their independence annually.

Directors shall stand for election by shareholders at the first AGM after their appointment, and at every general meeting held after the ninth anniversary of his or her appointment as a non-executive director in the Company. Given its non-executive nature, the Board does not think it is appropriate for the Directors to be appointed for a specified term as recommended by the Corporate Governance Code.

The Chairman will regularly review the training and development needs of each Director. Directors' appointments will be reviewed formally every three years by the Board. Any Director may resign in writing to the Board at any time.

The Board will also receive regular briefings from, amongst others, the Company's auditor regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

16.4 Audit Committee

The Audit Committee will meet at least twice per year. It comprises the entire Board including the Chairman and is chaired by Duncan Neale. The Audit Committee is responsible for the review of the annual report and the half year report, the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration, independence and the provision of any non-audit services by them.

The Audit Committee will review the need for non-audit services and authorise such on a case by case basis.

The Audit Committee will meet representatives of the Administrator, Gresham House and their compliance officers who will report as to the proper conduct of business in accordance with the regulatory environment in which the Company and the Administrator operate. The Auditor will also attend the Audit Committee at its request and report on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The Company will meet with the auditor, without representatives of the Administrator or Gresham House being present, at least once a year.

16.5 Management Engagement Committee

The Management Engagement Committee will meet at least once per year. It comprises the entire Board and is chaired by John Leggate. The Management Engagement Committee is responsible for the regular review of the terms of the AIFM Agreement, the Administration Agreement, the Depositary Agreement and other service providers' agreements and the performance of Gresham House, the Administrator and the Depositary and also the Company's other service providers.

16.6 Policy on Directors' fees

The aggregate fees of the Directors will not exceed £500,000 per annum. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

16.7 Directors' letters of appointment

It is the Board's policy that none of the Directors has a service contract. The terms of the Directors' appointment provide that they will retire and be subject to election at the first AGM after their appointment and at every AGM held after the ninth anniversary of their appointment. In addition, any Director who was not appointed or re-appointed at one of the preceding two AGMs

shall retire from office but shall remain eligible for re-appointment. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

17. Profile of typical investors

The typical investors for whom the Shares are intended are institutional investors, professional investors, professionally advised and knowledgeable investors and non-advised private investors who fall within the criterion above who are capable themselves of evaluating the merits and risks of an investment in the Company and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing in the Shares. The Specialist Fund Segment is intended for investment products targeted at institutional, professional, professionally advised and knowledgeable investors and, accordingly, applications under the Offer for Subscription received direct from retail investors may be rejected by the Company.

18. Non-mainstream pooled investment products

The Company intends to conduct its affairs so that its Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products ("NMPI") because they are shares in an investment trust.

The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016 will be met in relation to the Shares and that accordingly, the Shares should be considered "non-complex" for the purposes of MiFID II.

19. Taxation

A summary of certain limited aspects of UK taxation applicable to the Company and Shareholders is contained in Part 13 (*UK Tax*) of this Prospectus. If any potential investor is in any doubt about the tax consequences of his/her acquiring, holding, disposing or conversion of Shares, he/she should seek advice from his/her own independent professional advisers.

20. Financial information

20.1 Financial reports

The audited annual financial statements of the Company will be drawn up in pounds Sterling and prepared in accordance with the IFRS and the SORP. Financial statements prepared by the Company in accordance with IFRS and SORP will include a statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The Company's annual report and financial statements will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders within three months of the year-end. The Company's annual accounting reference date is 31 December and the Company's first accounting period will end on 31 December 2019. The first AGM following Admission is expected to be held in June 2020.

Shareholders will also receive an unaudited half year report covering the six months to 30 June each year which is expected to be despatched within two months of that date. The Company's first unaudited half year report will cover the period running from the Company's incorporation to 30 June 2019.

The Net Asset Value per Share will be published quarterly via an RIS announcement and information on performance, holdings and investment activity will be prepared by the Manager (acting as AIFM) and published quarterly by the Manager in the form of a factsheet to be made available on the Company's Website.

In accordance with the AIFM Rules, Gresham House will ensure that the following information in relation to the Portfolio is published in the Company's annual report and audited accounts:

- (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of the Company;

- (c) the current risk profile of the Company and the risk management systems employed by Gresham House to manage those risks;
- (d) any changes to the maximum level of leverage which Gresham House may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS; and
- (e) the total amount of leverage employed by the Company.

20.2 Annual running expenses

In addition to management, administration and secretarial fees referred to above and in Part 14 (*General Information*) of this Prospectus, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- (a) Directors' fees and expenses;
- (b) fees and expenses for the depositary, custodian, valuer, registrar, corporate broker, legal, auditing and other professional services;
- (c) any borrowing costs;
- (d) the ongoing costs of maintaining the admission of the Ordinary Shares and the C Shares (where relevant) on the Specialist Fund Segment;
- (e) NAV publication costs;
- (f) directors and officers insurance premiums;
- (g) promotional expenses (including membership of any industry bodies, including the AIC and marketing initiatives approved by the Board); and
- (h) costs of printing the Company's financial reports and posting them to Shareholders.

Assuming that the Issue is fully subscribed, the Company's total fixed operational costs (excluding management fees, brokerage and other transaction charges and taxes and any borrowing costs) are estimated in the first year after Admission to amount to not more than approximately 0.4 per cent. per annum of the Company's estimated Net Asset Value on Admission.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

20.3 Allocation of ongoing costs

Interest expenses will be recognised within 'finance costs' in the Statements of Comprehensive Income using the effective interest rate method. All other expenses will be recognised in the Statements of Comprehensive Income in the period in which they are incurred (on an accruals basis).

20.4 NAV calculations

The Administrator is responsible for calculating the NAV which is presented to the Directors for their approval and adoption. The calculations are carried out on at least a quarterly basis as at 31 March, 30 June, 30 September and 31 December, based on valuations provided by the Manager, each year and notified to Shareholders through a Regulatory Information Service. The calculations of the NAVs as at 30 June and 31 December each year will be supported by independent valuations prepared for the purposes of the Company's interim and annual financial statements and will be reported to Shareholders as part of those financial statements.

The NAV calculation is mainly driven by the fair value of the Company's investments in ESS Projects calculated in accordance with the International Private Equity and Venture Capital Valuation Guidelines and applicable accounting standards.

Fair value for each investment is calculated by the Manager as derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues, operating costs, macro-level factors and an appropriate discount rate. This method will be consistent, so far as possible, with that used by the Valuer in providing the Valuation Opinion Letter set out in Part 10 (*Valuer's Opinion*) of this Prospectus.

As at the date of this Prospectus, the Company uses a blended discount rate of around 12 per cent. in respect of the expected future cashflows of the Seed Projects. It is intended that this blended discount rate will also be applied in respect of the expected future cashflows of Projects acquired by the Company in the future with the Gross Proceeds. The Manager will exercise its judgement in assessing the expected future cash flows from each investment. The Manager will produce, for each underlying Project, detailed financial models and the Manager will take into account, amongst other things, in its review of such models, and make amendments where appropriate to:

- (a) discount rates (i) implied in the price at which comparable transactions have been announced or completed in the UK energy storage sector (if available); (ii) publicly disclosed by the Company's peers in the UK energy storage sector (if available); and (iii) discount rates applicable for other comparable infrastructure asset classes and regulated energy sectors;
- (b) changes in power market forecasts from leading market advisers;
- (c) changes in the economic, legal, taxation or regulatory environment, including changes in retail price index expectations;
- (d) technical performance based on evidence derived from project performance to date;
- (e) the terms of any power purchase agreement arrangements;
- (f) accounting policies;
- (g) the terms of any debt financing at project level;
- (h) claims or other disputes or contractual uncertainties; and
- (i) changes to revenue, cost or other key assumptions (may include an assessment of future cost trends, as appropriate).

All NAV calculations by the Administrator are made, in part, on valuation information provided by the Manager. Although the Administrator evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Manager. As part of the annual audit, the Auditor reviews the valuation model used by the Manager, including the discount rate.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Ordinary Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained. However, in view of the nature of the Company's investments, the Board does not envisage any circumstances in which valuations will be suspended. Any suspension in the calculation of the Net Asset Value will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.

21. Liquidity management policy

The Company is a closed-ended investment fund investing in illiquid assets. Gresham House maintains a liquidity risk management system in accordance with the AIFM Rules in respect of the Company and the Shares.

Shareholders have no right to redeem their Shares from the Company but may trade their Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Shares.

22. Governing law

The agreement between Shareholders and the Company for the acquisition of Shares under the Issue and for the acquisition of New Ordinary shares and/or C Shares under the Placing Programme is governed by English law and, by purchasing Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Shares will be in English.

PART 9: SEED PORTFOLIO AND EXCLUSIVITY PORTFOLIO

1. Introduction

This part of the document sets out a description of (i) the Seed Portfolio, which the Company intends to acquire immediately after Admission; and (ii) the Exclusivity Portfolio, which comprises Exclusivity Projects, which are either owned by members of the Gresham House Group, or in respect of which, members of the Gresham House Group have been granted exclusivity to negotiate, with the owners, the rights to acquire, construct and operate them.

2. Seed Portfolio

The Company has, conditional solely on Admission, contracted to acquire the Seed Projects from the Seed Portfolio Project Holders. These assets are deemed to comprise the Seed Portfolio for the purposes of this Prospectus. A summary of the Seed Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Commissioning date*
Staunch	Staffordshire	20	Battery and generators, net export	March 2017
Lockleaze	Bristol	15	Battery, symmetrical	July 2017
Littlebrook	Kent	8	Battery, symmetrical	December 2017
Rufford	Nottinghamshire	7	Battery and generators, symmetrical	July 2017
Roundponds	Wiltshire	20	Battery and generators, net export	April 2018
Total		70		

The Board has obtained independent advice, including on valuation, and has carried out an independent due diligence exercise in respect of the Seed Portfolio.

The Seed Portfolio Aggregate Project Value is £57,220,000, not taking into account any working capital balances or cash held by any of the Seed Project Companies.

It is expected that the acquisition of the Seed Portfolio will complete immediately after Admission.

2.1 Seed Portfolio Project Holders affiliated with the Manager

Each of the Seed Portfolio Project Holders are affiliates of the Manager (other than Dr Jenny (Zhenni) Wang and Dr Marc Thomas, who are affiliated with Noriker).

The members of HC ESS 1 LLP are Ben Guest, Bozkurt Aydinoglu, Gareth Owen and Corylus Capital LLP. The members of Corylus Capital LLP and HC ESS 1 LLP are persons employed by the Gresham House Group. HC ESS 1 LLP holds shares in Noriker Staunch Ltd ("**Staunch Project**"), HC ESS2 HoldCo Limited ("**Lockleaze, Rufford and Littlebrook Projects**") and HC ESS3 Limited ("**Roundponds Project**").

GHE holds 28 per cent. of the issued share capital of Noriker. Noriker holds shares in Noriker Staunch Ltd, HC ESS2 HoldCo Limited and HC ESS3 Limited. GHE also holds shares directly in HC ESS2 HoldCo Limited.

Gresham House (Nominees) Limited, as nominee of BSIF, is advised by Gresham House and holds shares in HC ESS2 HoldCo Limited.

Dr Marc Thomas is a shareholder of Noriker and holds shares in HC ESS2 HoldCo Limited and HC ESS3 Limited.

Dr Jenny (Zhenni) Wang is a shareholder of Noriker and holds shares in HC ESS2 HoldCo Limited and HC ESS3 Limited.

* Commissioning date based on the date that the G59 Certificate was issued

2.2 Staunch Project (*Noriker Staunch Ltd*)

Acquisition terms

HC ESS 1 LLP and Noriker each hold 50 per cent. of Noriker Staunch Ltd. HC ESS 1 LLP's and Noriker's interests in the Staunch Project are to be acquired by the Company pursuant to the terms of the Seed Portfolio Share Purchase Agreement, the details of which are summarised in paragraph 8.7 of Part 14 (*General Information*) of this Prospectus. The Seed Portfolio Share Purchase Agreement is conditional upon Admission.

Operation of Project

The Staunch Project, which is situated in Newcastle-Under-Lyme, Staffordshire, was commissioned in March 2017 and has an asymmetric grid connection capacity of 20MW export, 0.5MW import. This project is located within a secure compound on the Holditch House Industrial Estate, Newcastle-under Lyme, a brownfield site previously used as hard-standing and for waste collection/sorting. The industrial activity in the surrounding area is of a significant size; in particular, the neighbouring foundry has 24-hour operation. The site itself is approximately 200m from the nearest residential area which is well screened by industrial buildings.

Energy storage systems and supply

The Staunch Project consists of utility-scale batteries, plus silenced containers housing reciprocating generators and alternators, and has a capacity split as follows:

1. 20MW across gas and diesel reciprocating generators; and
2. A battery system, which is comprised of:
 - 4MW (2MWh) of lithium-ion batteries. The batteries have the benefit of a 36 month product warranty and a five year performance warranty from LG Chem. Each battery has an estimated life of at least ten years;
 - inverter unit supplied by Metka (as EPC contractor) with the benefit of a 12-month (subject to a maximum period of 18 months following delivery to site) manufacturer warranty (commencing on the date of provisional acceptance) from Emerson Network Power Ltd; and
 - 1MW of VRLA batteries housed in four containers containing 16 VRLA Fiamm battery sets.

Key contractors

Metka (as EPC contractor) has warranted the performance of the equipment supplied by it, for a period of two years from 1 May 2017, being the date from which Metka and Noriker Staunch Ltd. agreed the plant to be operational, under the terms of its agreement with Noriker Staunch Ltd. It will provide corrective and preventative maintenance services to the Staunch Project under a separate two year O&M contract that will be in place on or before provisional acceptance. GHNE provides management services under a Management Services Agreement, and receives a nominal fee. The Staunch Project has a 25 year lease in place which is registered at the Land Registry.

Off-take contracts and sources of revenue

The Staunch Project earns its revenues from various sources including FFR contracts, Triads and electricity sales. An FFR contract with National Grid Electricity Transmission plc is already in place, and this is held in the name of Noriker Staunch A Ltd, a wholly-owned subsidiary of Noriker ("**FFR Subsidiary 1**"). The FFR Subsidiary 1, Noriker Staunch Ltd and Noriker Power Limited (acting as guarantor) have entered into an FFR services agreement whereby Noriker Staunch Ltd provides the services on behalf of FFR Subsidiary 1 and in return receives the associated FFR revenue. Noriker Staunch Ltd benefits from a debenture over the assets of FFR Subsidiary 1 and pledge of its shares granted by Noriker. This is a temporary arrangement relating to the initial FFR, and subsequent FFR contracts are expected to be granted in the name of Noriker Staunch Ltd. A 15 year capacity market contract worth £18/kW/year commencing in delivery year 2019/2020 is also in place and held in the name of Noriker Staunch A Ltd. On expiry of the existing FFR and capacity market contracts, contracts are renewed by way of auction. FFR contracts are currently available under National Grid auctions for up to maximum terms of two years.

Consents and approvals

Construction of the Staunch Project was completed and all required consents and permits (including planning permission) have been obtained.

The grid connection for the Staunch Project has also been established and grid connection agreements entered into with the relevant DNO. The adoption agreement (relating to the connecting grid infrastructure) has also been executed.

2.3 Lockleaze, Rufford and Littlebrook Projects

Acquisition terms

The interests held by HC ESS 1 LLP, Noriker, Dr Marc Thomas, Dr Jenny (Zhenni) Wang, Gresham House (Nominees) Limited, as nominee of BSIF, and Gresham House plc in HC ESS2 Holdco Limited (Lockleaze, Rufford and Littlebrook Projects) is to be acquired by the Company pursuant to the terms of the Seed Portfolio Share Purchase Agreement, the details of which are summarised in paragraph 8.7 of Part 14 (*General Information*) of this Prospectus. The Seed Portfolio Share Purchase Agreement is only conditional upon Admission.

Operation of projects

The Lockleaze Project, which is situated in Lockleaze, Bristol; the Rufford Project, which is situated in Mansfield, Nottinghamshire; and the Littlebrook Project, which is situated in Dartford, Kent, all commenced commercial operations in December 2017.

The Lockleaze Project is a 15MW symmetrical export battery-only project located in the Lockleaze area of Bristol beside a railway line and a substantial Western Power Distribution substation, on approximately 0.5 acres of land within the local electricity distribution board's estate. The site is adjacent to a large sub-station, a builders' merchant, with a railway line running to the west of the site. Previously, the site area was used as a storage compound by the electricity distribution network operator and has been cleared, surfaced and fenced.

The Rufford Project is a 7MW import and export battery and reciprocating generator project located on land previously used for coal stocking within the former Rufford Colliery in Nottinghamshire. The site is situated on a former coal mine, which is currently undergoing remediation. The project sits adjacent to an existing electrical substation and is positioned within its own secure compound built on approximately 0.5 acres of land. The site is approximately 1.8km north of Rainworth and 2.6km east of Mansfield. There are no properties in close proximity of the site; the nearest residential premises are approximately 1.3km south of the site.

The Littlebrook Project is a 8MW import and export battery-only project located near the site of the old Littlebrook power station near the Dartford river crossing on the south side of the Thames, on less than 0.5 acres of land. The site is located within the existing Littlebrook industrial estate which contains large industrial tenants and is close to the site of a former power station. The site was formerly an isolated patch of scrub vegetation surrounded on all sides by existing industrial development. Since the Littlebrook Project is located in the London area and is connected at 11kV, it benefits from higher locational Triads and other National Grid-related income than other ESS Projects located in less densely populated areas or at higher voltages.

Energy storage systems and supply

The Lockleaze Project is a 15MW battery system, which comprises of:

- (a) 15MW (11MWh) of lithium-ion batteries performance which have the benefit of a ten year manufacturer warranty from LG Chem; and
- (b) Power conversion systems supplied by Metka (as EPC contractor) with the benefit of a five-year manufacturer warranty (commencing on 14 July 2017) from SMA.

The Lockleaze Project benefits from maintenance support under the terms of a two-year O&M contract with Metka (as O&M operator).

The Rufford Project is a 7MW battery system (including reciprocating generators), which comprises of:

- (a) Containerised batteries, supplied by Metka (as EPC contractor). The batteries have the benefit of a ten-year performance warranty from LG Chem;
- (b) Power conversion systems supplied by Metka (as EPC contractor) with the benefit of a five-year manufacturer warranty (commencing on 3 August 2017) from SMA; and

- (c) Eight 500kW containerized diesel generators supplied by Metka (as EPC contractor) with the benefit of a one to two year warranty (duration being dependent on usage classification) from FG Wilson.

The Rufford Project benefits from maintenance support under the terms of a two-year O&M contract with Metka (as O&M operator).

The Littlebrook Project is a 8MW battery system, which comprises of:

- (a) Containerised batteries supplied by Metka (as EPC contractor). The batteries have the benefit of a ten year performance warranty from LG Chem; and
- (b) Power conversion systems supplied by Metka (as EPC contractor) with the benefit of a five-year manufacturer warranty (commencing on 18 December 2017) from SMA.

The Littlebrook Project benefits from maintenance support under the terms of a two-year O&M contract with Metka (as O&M operator).

Each battery has an estimated life of at least 10 years.

Key contractors

Metka (as EPC contractor) has warranted the performance of the equipment supplied by it, for a period of two years from 1 October 2017 under the terms of the EPC contract entered into with HC ESS2 Limited and South West Grid Storage One Limited. In addition, Metka provides corrective and preventative maintenance services to the Lockleaze, Rufford and Littlebrook Projects under a two year O&M contract. The Lockleaze, Rufford and Littlebrook Projects were acquired and delivered by Corylus Capital LLP, whose management team at the time is now employed at the Gresham House Group. GHNE provides management services to the Lockleaze, Rufford and Littlebrook Projects under a Management Services Agreement and receives a fixed annual fee. Each of the Lockleaze, Rufford and Littlebrook Projects have a 25 year lease in place with the respective site owners which is registered at the Land Registry.

Off-take contracts and sources of revenue

Each of the Lockleaze, Rufford and Littlebrook Projects earns revenues from various sources including FFR contracts, Triads, electricity sales and capacity market contracts.

An FFR contract with National Grid Electricity Transmission plc is already in place, and this is held in the name of a wholly-owned subsidiary of Noriker ("**FFR Subsidiary 2**"). FFR Subsidiary 2 and HC ESS2 Limited have entered into an FFR services agreement whereby HC ESS2 Limited makes available the Lockleaze, Rufford and Littlebrook Projects to FFR Subsidiary 2 and in return receives the associated FFR revenue. HC ESS2 Limited benefits from a debenture over the assets of the FFR Subsidiary 2 and pledge of its shares granted by Noriker. While the benefits of the initial FFR contract are held pursuant to the FFR services agreement with FFR Subsidiary 2, the Manager will review the Company's strategy in relation to subsequent FFR contracts and whether they would be granted in the name of HC ESS2 Limited. Each of the Lockleaze Project, the Rufford Project and Littlebrook Project has a 15 year capacity market contract in place worth £8.4/kW/year commencing delivery year 2021/2022 and held in the name of FFR Subsidiary 2. On expiry of the existing FFR contracts, contracts are renewed by way of auction. FFR contracts are currently available under National Grid auctions for up to maximum terms of two years.

Consents and approvals

Construction of the Lockleaze, Rufford and Littlebrook Projects was completed and all required consents and permits (including planning permission) have been obtained in respect of the Lockleaze, Rufford and Littlebrook Projects. Lockleaze currently has an application to discharge a planning condition relating to the material used for the acoustic fence on site.

Grid connections for the Lockleaze, Rufford and Littlebrook Projects have also been established and grid connection agreements entered into with the relevant DNOs.

2.4 Roundponds Project

Acquisition terms

Each of HC ESS 1 LLP, Noriker, Dr Marc Thomas and Dr Jenny (Zhenni) Wang's existing interest in HC ESS3 Limited is to be acquired by the Company pursuant to the terms of the Seed Portfolio Share Purchase Agreement, the details of which are more fully summarised in paragraph 8.7 of

Part 14 (*General Information*) of this Prospectus. The Seed Portfolio Share Purchase Agreement is conditional upon Admission.

Project operation

The Roundponds Project, which is situated in Melksham, Wiltshire, commenced commercial operations in April 2018 and has an asymmetric grid connection capacity of 20 MW export, 10 MW import.

The Roundponds Project is a c.0.5 acre site located near a complex of agricultural buildings at Roundponds Farm, being 1.3km north west of Melksham, Wiltshire off the Bath Road. The site was formerly a compound area used during the construction of a solar farm located to the west of the site. The site is located in open countryside (which previously benefited from planning permission for other electricity generation equipment) and is approximately 150m from the nearest residential building.

Energy storage systems and supply

The Roundponds Project is a 20MW export and 10MW import battery system (including reciprocating generators), which comprises of:

- (a) Containers, racks and modules supplied by supplied by Metka (as EPC contractor) and the batteries have the benefit of a three-year product warranty and a five-year performance warranty from LG Chem. Each battery has an estimated life of at least ten years;
- (b) Power conversion systems were supplied by Metka (as EPC contractor) and the Roundponds Project has the benefit of a 63 month manufacturer warranty (commencing on 27 February 2018) from SMA;
- (c) Containerised diesel generators supplied by the EPC contractor and has the benefit of a one to two year warranty (duration being dependent on usage classification) from FG Wilson; and
- (d) The Roundponds Project will benefit from maintenance support under the terms of a two-year O&M contract with Metka (as EPC contractor), with the agreement being put in place prior to provisional acceptance of the project (as defined in the EPC contract).

Key contractors

Metka (as EPC contractor) has warranted the performance of the equipment supplied by it, for a period of two years from 1 May 2018, under the terms of its agreement with HC ESS3 Limited. It will provide corrective and preventative maintenance services to the Roundponds Project under a separate two-year O&M contract that will be put in place on or before provisional acceptance. The Roundponds Project was acquired and delivered by Corylus Capital LLP. Gresham House New Energy Limited will provide management services to the Roundponds Project under a Management Services Agreement which is to be amended in the near term to be a nominal, fixed, annual fee. The Roundponds Project has a 25 year lease in place which is registered at the Land Registry.

Off-take contracts and sources of revenue

The Roundponds Project expects to earn revenues from various sources including FFR contracts, triads and electricity sales, and capacity market contracts.

An FFR contract with National Grid Electricity Transmission plc is already in place, and this is held in the name of a wholly-owned subsidiary of Noriker ("**FFR Subsidiary 3**"). FFR Subsidiary 3, HC ESS3 Limited and Roundponds Energy Limited have entered into an FFR services agreement whereby Roundponds Energy Limited and HC ESS 3 Limited make available the Roundponds Project to FFR Subsidiary and in return receives the associated FFR revenue. Roundponds Energy Limited benefits from a debenture over the assets of the FFR Subsidiary 3 and pledge of its shares granted by Noriker. While the benefits of the initial FFR contract are held pursuant to the FFR services agreement with FFR Subsidiary 3, the Manager will review the Company's strategy in relation to subsequent FFR contracts and whether they would be granted in the name of HC ESS3 Limited. Roundponds Energy Limited also has two capacity market agreement notices worth £22.50/kW/year and £8.40/kW/year respectively in its name for services commencing delivery year 2020/2021. On expiry of the existing FFR contracts, contracts are renewed by way of auction. FFR contracts are currently available under National Grid auctions for maximum terms of up to two years.

Consents and approvals

Construction of the Roundponds Project was completed and all required consents and permits (including planning permission) have been obtained in respect of the Roundponds Project. Grid connection for the Roundponds Project has been secured and the adoption agreement (relating to the connecting grid infrastructure) is in place.

3. Seed Portfolio Performance

The Seed Portfolio has achieved strong operational performance, in the context of the revenue opportunities that these projects currently pursue.*

With regard to FFR performance, as at 12 October 2018, being the latest practicable date prior to publication of this Prospectus:

- (a) The Seed Projects have not had income deducted for not meeting the operational responses to frequency deviations on the National Grid. In the event the Seed Projects experience a lack of availability, this would be notified to the National Grid and revenue will not be earned during any outage.
- (b) The Staunch Project, which was commissioned in March 2017 has had 99.8 per cent. availability (excluding grid-level outages which are outside the plant and the plant operator's control). The Staunch Project had to notify the National Grid on three occasions that it would not be available to perform services to the National Grid. This was due to a failure to recover immediately after a 4 day "planned outage" on one occasion, as a result of a technical fault on another occasion and due to a spare controller being swapped during DNO outage. Following DNO restoration, and following the planned swapover of backup controller hardware during a DNO outage, an intermittent error in the backup hardware caused a shutdown which required a site visit.
- (c) Since the commissioning of the most recently commissioned site (Littlebrook) in December 2017, the Lockleaze, Rufford and Littlebrook Projects have had 99.95 per cent. availability on a combined basis. Since December 2017 the Lockleaze, Rufford and Littlebrook Projects had to notify the National Grid on one occasion that it would not be available to perform services to the National Grid as a result of a communications fault, preventing an intervention to fix an otherwise non-critical technical fault.
- (d) The Roundponds Project has had 99.5 per cent. availability (excluding planned grid outages). The Roundponds Project had to notify the National Grid on three occasions that it would not be available to perform services to the National Grid. This was due to a communications fault, preventing the fix of a non-critical technical fault until restored on one occasion, as a result of emergency maintenance required on the network on another occasion, and also once due to a fault on the 33kV network caused the site to be offline.

4. Valuation of the Seed Portfolio

The aggregate amount payable by the Company for the Acquisition and repayment of debt is £57,220,000, (not taking into account any debt owed, working capital balances or cash held by any of the Seed Project Companies or the Deferred Project Consideration). The consideration for the Acquisition and repayment of debt is comprised of the issue of the Consideration Shares and the payment of the Cash Consideration on Admission and the payment of the Deferred Cash Consideration and Deferred Project Consideration, if any, after Admission. The Cash Consideration is payable on Admission and will be partly used to repay debt owed by the Seed Project Companies. The Deferred Cash Consideration may be payable in four equal instalments in the event certain operating cash flow metrics of the Seed Portfolio are met in stages by 31 December 2019.

The Deferred Project Consideration, which is in addition to the Seed Portfolio Aggregate Value, may be payable in the event certain conditions are met within 12 months after Admission, such as securing lease extensions or planning consent.

The proceeds of the Issue will be used to pay the Cash Consideration in respect of the Acquisition which is payable on Admission and the Deferred Cash Consideration and Deferred Project Consideration which may be payable after Admission. The Valuer has confirmed that, in its opinion,

* Past performance is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results or that the Company will be able to implement its investment strategy or achieve its investment objective.

based on market conditions as at 30 September 2018 and certain assumptions as set out in the Valuation Opinion Letter in Part 10 (*Valuer's Opinion*) of this Prospectus, the Seed Portfolio Aggregate Project Value falls within a range which it considers fair and reasonable.

The determination of the discount rate applicable to the Seed Portfolio takes into account various factors, including, but not limited to, the stage reached by each project, the period of operation, the historical track record, the terms of the project agreements and the market conditions in which the assets operate.

The projects comprising the Seed Portfolio, based on certain assumptions set out below, have a weighted average IRR of approximately 12 per cent.

5. Share Purchase Agreement

Details of the Seed Portfolio Share Purchase Agreement are set out in paragraph 8.7 of Part 14 (*General Information*) of this Prospectus.

6. Exclusivity Portfolio

The Exclusivity Portfolio is in addition to and separate from the Seed Portfolio. The Exclusivity Portfolio represents Exclusivity Projects, which are either owned by a member of the Gresham House Group or in respect of which members of the Gresham House Group have been granted exclusivity to negotiate with the owners of such Exclusivity Projects the rights to acquire, construct and operate them. Where Exclusivity Projects have not yet been acquired, there can be no guarantee that the Company will conclude its negotiations in respect of those Exclusivity Projects and/or acquire any of them, as any acquisition of an Exclusivity Project remains subject to completion of adequate due diligence and a sale and purchase agreement on suitable terms. In the event that the Company decides to acquire one or more Exclusivity Projects, the Company anticipates that it will acquire such Exclusivity Project or Exclusivity Projects on substantially the same terms as are set out in the Seed Portfolio Share Purchase Agreement. Exclusivity Contracts do not currently have EPC contracts in place.

Where Exclusivity Projects are owned by persons affiliated with the Manager, the protocol referred to in paragraph 7.4 of Part 8 (*The Company*) of this Prospectus shall apply.

A summary of the Exclusivity Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Indicative commissioning date
Wolverhampton	West Midlands	5	Battery, symmetrical	Expected Q1 2019
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q3 2019
Red Scar	Lancashire	49	Battery and generators, symmetrical	Expected Q3 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q2 2019
Total		132		

PART 10: VALUER'S OPINION

Gresham House Energy Storage Fund PLC
7th Floor, 9 Berkeley Street
London, W1J 8DW
United Kingdom

17 October 2018

Dear Sirs

Gresham House Energy Storage Fund PLC – Valuation Opinion Letter

Valuation Opinion Letter

We are writing to provide to Gresham House Energy Storage Fund PLC (the “**Company**”) our opinion as to the fair value (a “**Valuation**”) of a portfolio of assets (collectively the “**Seed Assets**”) (the “**Valuation Opinion Letter**”). The details of the Seed Assets are described on pages 92 – 98 of the prospectus issued by the Company dated 17 October 2018 (the “**Prospectus**”).

Purpose

The Valuation has been provided to the Company in connection with the proposed transfer of the entire issued share capital of the Seed Assets to the Company (the “**Acquisition**”), and the admission of the Company’s ordinary shares to trading on the Specialist Fund Segment.

In providing a Valuation, we are not making any recommendations to any person regarding the Prospectus in whole or in part and are not expressing an opinion on the fairness of the terms of the Acquisition or the terms of any investment in the Company.

Responsibility

Save for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this Valuation Opinion Letter required by and given solely for the purposes of complying with, item 23.1 of Annex I of Appendix 3 of the Prospectus Rules, consenting to its inclusion in the Prospectus.

Valuation basis and valuation assumptions

This Valuation Opinion Letter sets out our opinion on a fair value basis for the Seed Assets in connection with the Acquisition, which is expected to take place on or about 5 November 2018, assuming a willing buyer and seller, dealing at arm’s length and with equal knowledge regarding the facts and circumstances.

The Valuation is necessarily based on economic, market and other conditions in effect on, and the tax and accounting and other information available to us as of 30 September 2018. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this Valuation Opinion Letter. Specifically, it is understood that the Valuation may change as a consequence of changes to market conditions, interest rates, the prospects of the energy storage sector in general or the prospects of the Seed Assets in particular.

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In providing this Valuation Opinion Letter, we have relied upon the commercial assessment of the alternative investment fund manager of the Company, Gresham House Asset Management Limited (the “**Manager**”), on a number of issues, including, the markets in which the Seed Assets operate and the assumptions underlying the projected financial information which were provided by and for which the Manager is wholly responsible. We have also placed reliance on the historical and forecast information for the Seed Assets provided to us by the Manager and for which the Manager is solely responsible.

The Valuation has been determined using discounted cash flow methodology, whereby the estimated future equity cash flows accruing to each Seed Asset and attributable to the Seed Assets have been discounted to 30 September 2018, using discount rates reflecting the risks associated with each Seed Asset and the time value of money. The Valuation is based on the estimated future cash flows projected to be received, or paid, on or after 30 September 2018. There is no one precise applicable discount rate but rather a range. In considering the discount rate applicable to each Seed Asset, we took into account various factors, including, but not limited to, the stage reached by each project, the period of operation, the historical track record and the terms of the project agreements.

We have made the following key assumptions in determining the Valuation:

- the cash flow projections for each Seed Asset contained within the financial model (the “**Model**”) provided by the Manager, which has been subject to third party review, for the purpose of our services accurately reflect the terms of all agreements relating to the respective Seed Asset. We have not independently subjected them to an audit or detailed review process;
- the accounting policies applied in the Model for each Seed Asset are in accordance with the relevant Generally Accepted Accounting Principles;
- any cash flows within the Model which are due to the Company from the Seed Assets will not be adversely impacted by any legal or financial restrictions (current or future);
- the tax treatment applied in the Model for each Seed Asset is in accordance with the applicable tax legislation and does not materially understate the future liability of taxes owed; and
- there are no material disputes with parties contracting directly or indirectly with each Seed Asset nor any going concern issues, nor performance issues with regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of our Valuation Opinion Letter are expected to give rise to a material adverse effect on the future cash flows of the relevant Seed Asset as set out in the Model provided to us.

We have received written representations from the Manager, confirming the validity of the above assumptions.

The Valuation is provided solely on the Seed Assets in aggregate and whilst we have considered discount rates applicable to each Seed Asset, we are not providing an opinion on individual values.

Valuation opinion

While there is clearly a range of possible values for the Seed Assets and no single figure can be described as a “correct” Valuation for such underlying assets, Grant Thornton UK LLP advises the Company that, based on market conditions on 30 September 2018, and on the basis and assumptions stated above, in our opinion the proposed purchase price of the Seed Assets of £57,220,000 falls within a range which we consider to be fair and reasonable on a fair value basis.

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Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this Valuation Opinion Letter as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Opinion Letter is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of Appendix 3 of the Prospectus Rules.

Yours faithfully

For Grant Thornton UK LLP

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PART 11: THE ISSUE

1. Introduction

The Issue consists of a placing, an offer for subscription, and an issue of Consideration Shares in accordance with the terms of the Seed Portfolio Share Purchase Agreement and the issue of Ordinary Shares pursuant to the Subscription Agreement, pursuant to which a total of up to 200 million Ordinary Shares in aggregate which are being issued at the Issue Price of 100p per Ordinary Share.

Investors will not be charged a fee in addition to their payment of the Issue Price in order to subscribe for Ordinary Shares, as the Issue Expenses will be met out of the proceeds of the Issue. The Issue Expenses are therefore an indirect charge to investors.

The Issue constitutes the initial opportunity to purchase Ordinary Shares in the Company. The total number of Ordinary Shares to be issued under the Issue will be determined by the Company, Cantor Fitzgerald and Gresham House after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Pursuant to the Issue, the Company has secured commitments from members of the Gresham House management team, funds under management of the Gresham House Group, Noriker and the shareholders of Noriker. These investors have agreed to commit to acquire in aggregate approximately £32 million, including the receipt of the Consideration Shares as part consideration for the Acquisition and the purchase of Ordinary Shares for cash pursuant to the Subscription Agreement. These Ordinary Shares would comprise, in aggregate, approximately 16 per cent. of Ordinary Shares issued by the Company on Admission, assuming that 200 million Ordinary Shares are issued. Each such investor has entered into the Lock-up and Orderly Market Deed. Further information on the terms of the Lock-up and Orderly Market Deed is provided in paragraph 8.9 of Part 14 (General Information) of this Prospectus.

The Placing and Offer for Subscription are conditional amongst other things on:

- 1.1 the Issue Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission;
- 1.2 Net Proceeds of not less than £100 million being raised through the Issue; and
- 1.3 Admission becoming effective not later than 8.00 a.m. on 5 November 2018 or such later time and/or date as Cantor Fitzgerald and the Company may agree, (being not later than 8.00 a.m. on 30 November 2018).

If any of these conditions are not met, the Issue will not proceed and an announcement to that effect will be made through a Regulatory Information Service. Further details of the Issue Agreement are set out in paragraph 8.4 of Part 14 (*General Information*) of this Prospectus.

Neither the Placing or the Offer for Subscription is underwritten. The decision whether to proceed with the Issue will be at the absolute discretion, and subject to the agreement, of the Directors, Gresham House and Cantor Fitzgerald.

Up to 200 million Ordinary Shares, less the number of Consideration Shares and the Ordinary Shares issued pursuant to the Subscription Agreement, are available for issue under the Placing and Offer for Subscription.

Further details on the conditions to the Placing and Offer for Subscription are set out below.

2. The Placing

Placees will receive a contract note following closing of the Placing and prior to Admission of the Ordinary Shares notifying them of the number of Ordinary Shares they will receive. Dealings in the Ordinary Shares issued pursuant to the Placing will not be permitted prior to Admission.

The terms and conditions which apply to any subscription for Ordinary Shares pursuant to the Placing are set out in Part 15 (Terms and Conditions of Application under the Placing and the Placing Programme) of this Prospectus.

3. The Offer for Subscription

Ordinary Shares are also being made available to the public in the United Kingdom (other than certain overseas investors) through the Offer for Subscription at 100p per Ordinary Share payable in full on application.

Applications under the Offer for Subscription must be for a minimum of 20,000 Ordinary Shares (representing a subscription price of £20,000) and thereafter in multiples of 1,000 Ordinary Shares. The Directors may, in their absolute discretion, after taking into account the demand for Ordinary Shares under the Placing and Offer for Subscription and economic and market conditions, waive the minimum initial subscription requirement in respect of any particular application under the Offer for Subscription. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager through an offer to the public (such as the Offer for Subscription) or in the market, but not through the Placing. Any person wishing to apply for Ordinary Shares under the Offer for Subscription through an ISA should contact their ISA manager as soon as possible.

The terms and conditions of application under the Offer for Subscription are set out in Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) of this Prospectus. The procedure for applying for Ordinary Shares under the Offer for Subscription and an application form for use under the Offer for Subscription can be found in the Appendix to this Prospectus.

Payment must be made by cheque or banker's draft or by electronic interbank transfer (CHAPS). Payment by cheque or banker's draft must be in pounds Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form), must be made payable to "CIS PLC re Gresham House Energy Storage Fund PLC OFS" and crossed "A/C Payee". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect.

Cheques or bankers' drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and bankers' drafts sent through the post will be sent at the risk of the sender.

If cheques or bankers' drafts are presented for payment before the conditions of the Issue are fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Offer for Subscription does not become unconditional, no Ordinary Shares will be issued pursuant to the Issue and all moneys will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Offer for Subscription.

Payment by electronic interbank transfer (CHAPS) must be accompanied by a personalised payment reference number which may be obtained by contacting Computershare directly by email at OFSPaymentQueries@Computershare.co.uk quoting GRE OFS. Computershare will then provide you with a unique reference number which must be used when sending the payment. Please make such payment for value by no later than 11.00 a.m. on 31 October 2018. Payment by CHAPS must come from a personal account in the name of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form).

Completed Application Forms accompanied by a cheque or banker's draft for the full amount due or indicating that a CHAPS payment for the full amount has been made must be posted to Computershare Investor Services PLC at Computershare Investor Services PLC, Corporate Actions, Bristol BS99 6AH or delivered by hand (during normal business hours) to the Receiving Agent, Computershare Investor Services PLC, at the Pavilions, Bridgwater Road, Bristol BS13 8AE,

so as to be received by no later than 11:00 a.m. on 31 October 2018 at which time and date the Offer for Subscription will close. The Directors may, with the prior approval of Gresham House and Cantor Fitzgerald, alter such date by shortening or lengthening the offer period under the Offer for Subscription. The Company will notify investors of any such change through the publication of a notice through a Regulatory Information Service.

4. Dealings and settlement

Application will be made to the London Stock Exchange for up to 200 million Ordinary Shares to be issued pursuant to the Issue and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. It is expected that Admission will occur and that dealing in the Ordinary Shares will commence on 5 November 2018.

Subject to the Issue becoming unconditional, the Ordinary Shares will be issued on 5 November 2018, fully paid and in registered form, and may be delivered into CREST or in certificated form. Applicants under the Offer for Subscription wishing to have their Ordinary Shares delivered to a CREST stock account in their own name, which is expected to take place on 5 November 2018, should include their CREST details in section 4 of the Application Form. Temporary documents of title will not be issued pending the despatch of definitive certificate for Ordinary Shares issued in certificated form, which is expected to take place in the week commencing 19 November 2018. Dealings in the Ordinary Shares issued pursuant to the Issue will not be permitted prior to Admission. Subsequent to Admission, dealings in Ordinary Shares in advance of the crediting of the relevant CREST accounts or the issue of share certificates will be at the risk of the person concerned.

When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BFX3K770 and SEDOL number BFX3K77.

5. Announcements regarding the Placing and Offer for Subscription

The results of the Placing and Offer for Subscription and the basis of allocation are expected to be announced by the Company through a Regulatory Information Service on or around 5 November 2018 and, in any event, prior to Admission.

6. Conditions of the Issue

The Issue is conditional on, among other things, (i) the Issue Agreement not being terminated in accordance with its terms at any time prior to Admission and (ii) Admission occurring by 8.00 a.m. on 5 November 2018 (or such later date as the Company and Cantor Fitzgerald may agree, being in any event not later than 8.00 a.m. on 30 November 2018). If either of these conditions is not met, the Issue will not proceed and an announcement to that effect will be made through a Regulatory Information Service.

The issue of Ordinary Shares pursuant to the Placing and Offer for Subscription will be revoked if Admission has not occurred by 8.00 a.m. on 5 November 2018 (or such later date as the Company and Cantor Fitzgerald may agree, being in any event not later than 8.00 a.m. on 30 November 2018) or, if earlier, on the date on which the Issue ceases to be capable of becoming conditional. Any such revocation will be announced by the Company through a Regulatory Information Service as soon as practicable after the Company has become aware of the occurrence of the event that has resulted in such revocation.

In the event that the Issue does not proceed for whatever reason, application monies will be returned, without interest, to investors by returning an investor's cheque or by crossed cheque in favour of the first named applicant, by post at the risk of the person entitled thereto.

7. Scaling back

The Directors are authorised to issue up to 200 million Ordinary Shares, including the Consideration Shares and the Ordinary Shares to be issued under the Subscription Agreement, pursuant to the Issue. To the extent that aggregate demand exceeds 200 million Ordinary Shares, applications under the Placing and Offer for Subscription will be scaled back on such basis as Cantor Fitzgerald may determine (in consultation with the Company).

To the extent that the subscription monies received by the Company in relation to any application for Ordinary Shares through the Placing and Offer for Subscription exceed the aggregate value, at

the Issue Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum will be returned as soon as reasonably practicable without interest by crossed cheque in favour of the first named applicant, sent by post to, and at the risk of the applicant concerned.

8. Costs of the Issue

Assuming that the Issue is fully subscribed, and the Issue Expenses are £4 million, the Net Proceeds will be £196 million (inclusive of any irrecoverable VAT).

9. Use of proceeds

The proceeds of the Issue will comprise cash received under the Placing and the Offer for Subscription, the proportion of the Seed Portfolio the consideration for which will be satisfied by the issue of the Consideration Shares and the cash subscriptions in respect of Ordinary Shares issued under the Subscription Agreement. Such cash will be used to meet the Issue Expenses and for investment in accordance with the Company's investment policy, including the payment of the Cash Consideration and any Deferred Cash Consideration and Deferred Project Consideration in respect of the Acquisition. The proceeds of the Placing Programme will be used for investment in accordance with the Company's investment policy.

The Company has, conditional on Admission, contracted to acquire the Seed Projects. These assets are deemed to comprise the Seed Portfolio for the purposes of this document. A summary of the Seed Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Commissioning date*
Staunch	Staffordshire	20	Battery and generators, net export	March 2017
Lockleaze	Bristol	15	Battery, symmetrical	July 2017
Littlebrook	Kent	8	Battery, symmetrical	December 2017
Rufford	Nottinghamshire	7	Battery and generators, symmetrical	July 2017
Roundponds	Wiltshire	20	Battery and generators, net export	April 2018
Total		70		

The Company may use the net cash proceeds of the Issue and the Placing Programme to invest in some or all of the Exclusivity Portfolio, which represents Exclusivity Projects, which are either owned by a member of the Gresham House Group or, in respect of which members of the Gresham House Group have been granted exclusivity to negotiate with the owners of such Exclusivity Projects the rights to acquire, construct and operate them. Where Exclusivity Projects have not yet been acquired, there can be no guarantee that the Company will conclude its negotiations in respect of those Exclusivity Projects and/or acquire any of them, as any acquisition of an Exclusivity Project remains subject to completion of adequate due diligence and a sale and purchase agreement on suitable terms.

* Commissioning date based on the date that the G59 Certificate was issued

A summary of the Exclusivity Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Indicative commissioning date
Wolverhampton	West Midlands	5	Battery, symmetrical	Expected Q1 2019
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q3 2019
Red Scar	Lancashire	49	Battery and generators, symmetrical	Expected Q3 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q2 2019
Total		132		

10. Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom, the Company and its agents, the Administrator, the Registrar, the Receiving Agent, Gresham House or Cantor Fitzgerald may require evidence of the identity of each investor in connection with any application for Ordinary Shares, including further identification of the applicant(s) before any Ordinary Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, Gresham House and Cantor Fitzgerald reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Company's agents, including the Administrator, the Registrar, the Receiving Agent and Cantor Fitzgerald may refuse to accept a subscription for Ordinary Shares.

11. U.S. purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Gresham House.

The Company has elected to impose the restrictions described below on the issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the Securities Act, so that the Company will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain ERISA, Tax Code, FATCA and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Ordinary Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Ordinary Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

12. Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Ordinary Shares in the United States. Subject to certain exceptions, the Ordinary Shares are being offered and sold only outside the United States to persons who are not U.S.

Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S under the Securities Act (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

13. General

Subject to their statutory right of withdrawal pursuant to section 87(Q)(4) of FSMA, in the event of the publication of a supplementary prospectus, applicants under the Offer for Subscription may not withdraw their applications for Ordinary Shares.

Applicants under the Offer for Subscription wishing to exercise their statutory right of withdrawal pursuant to section 87(Q)(4) of FSMA after the publication of a supplementary prospectus must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and Member Account ID of such CREST member by post or by hand (during normal business hours only) to Computershare Investor Services PLC, at the Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Registrar will not permit the exercise of withdrawal rights after payment by the relevant applicant of his, her or its subscription in full and the allotment of Ordinary Shares to such applicant becoming unconditional and in such event investors are recommended to seek independent legal advice.

PART 12: PLACING PROGRAMME

1. Introduction

The Company has made arrangements under which the Board has discretion to issue under the Placing Programme up to 200 million New Ordinary Shares and/or C Shares, provided that such number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Issue and the Placing Programme and including the Company's existing subscriber share, which is to be transferred to a placee pursuant to the Placing, may not exceed 200 million Shares in aggregate. The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over a period of time. The Placing Programme is intended to satisfy market demand for the Ordinary Shares and to raise further money for investment in accordance with the Company's investment policy.

2. Background to and reasons for the Placing Programme

The Company will have the flexibility to issue further Ordinary Shares or C Shares on a non-preemptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to their Net Asset Value per Ordinary Share. In addition, as any New Ordinary Shares issued under the Placing Programme will be issued at a price not less than the last published cum income Net Asset Value per Ordinary Share, nor more than the best offer price per Ordinary Share as quoted on the London Stock Exchange at the time that the proposed issue is agreed, as determined by the Directors, an issue of New Ordinary Shares under the Placing Programme may be used by the Company to reduce any premium over NAV at which its Shares may be trading.

It is expected that the Board will issue C Shares rather than New Ordinary Shares in circumstances where there is substantial investor demand such that an issue of New Ordinary Shares would have the potential to exert "cash drag" on the performance of the existing Ordinary Shares. The assets representing the net proceeds of an issue of C Shares would be accounted for as a separate pool, and the C Shares would bear a proportionate share of the Company's costs and expenses, until such pool is substantially invested in accordance with the Company's investment policy, following which the C Shares would be converted into New Ordinary Shares based on the respective NAV per Share.

For the purposes of assessing the conversion date of an issue of C Shares into New Ordinary Shares, a separate pool underlying an issue of C Shares will be deemed to have been substantially invested when at least 90 per cent. (or such other percentage as the Directors determine) of the pool has been invested.

The C Shares will carry voting rights at general meetings of the Company. The detailed terms of the C Shares are set out in paragraph 4 of Part 14 (*General Information*) of this Prospectus.

Shareholder authority to issue further Ordinary Shares and/or C Shares on a non-pre-emptive basis was granted on 15 October 2018. In utilising its discretion under the Placing Programme and seeking such authorities in the future the Directors intend to take into account relevant factors, including the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to acquire additional Ordinary Shares at a high premium to NAV per Ordinary Share.

3. Benefits of the Placing Programme

The Directors believe that the issue of Ordinary Shares or C Shares pursuant to the Placing Programme should yield the following principal benefits:

- (a) maintain the Company's ability to issue New Ordinary Shares or C Shares, so as to better manage the premium at which the Ordinary Shares may trade to NAV per Ordinary Share;
- (b) enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance of New Ordinary Shares at a premium of at least 2 per cent. to the last published cum income NAV per Ordinary Share;
- (c) grow the Company, thereby spreading operating costs over a larger capital base which should reduce the total expense ratio; and

(d) improve liquidity in the market for the Ordinary Shares.

The Directors will consider the potential impact of the Placing Programme on the payment of dividends to Shareholders and intend to ensure that it will not result in any material dilution of the dividends per Ordinary Share that the Company may be able to pay. Assuming that 100 million New Ordinary Shares are issued under the Placing Programme, raising £100 million at a Placing Programme Price of 100p per New Ordinary Share and assuming that £100 million are raised pursuant to the Issue before Issue Expenses, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital.

4. The Placing Programme

The Placing Programme will open on 6 November 2018 and will close on 16 October 2019. The maximum number of New Ordinary Shares and/or C Shares to be issued pursuant to the Placing Programme will be equal in aggregate to 200 million Shares, provided that such number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Issue and the Placing Programme may not exceed 200 million Shares. No New Ordinary Shares will be issued at a discount to the Net asset Value per ordinary Share at the time of the relevant allotment. The Company will not issue any New Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Share at the relevant time without further Shareholder approval.

The issue of New Ordinary Shares or C Shares under the Placing Programme is at the discretion of the Directors. Issues may take place at any time prior to the closing date of the Placing Programme. An announcement of each issue under the Placing Programme will be released through an RIS. It is anticipated that dealings in the New Ordinary Shares or C Shares, as applicable, will commence approximately three Business Days after their issue. Whilst it is expected that all New Ordinary Shares and C Shares (as applicable) issued pursuant to the Placing Programme will be issued in uncertificated form, if any New Ordinary Shares or C Shares are issued in certificated form it is expected that share certificates will be despatched within ten Business Days after the relevant issue date.

Payment for any New Ordinary Shares issued under the Placing Programme should be made in accordance with settlement instructions provided to Placees by Cantor Fitzgerald.

The minimum subscription pursuant to the Placing Programme is intended to be £50,000. There is no maximum subscription.

The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of New Ordinary Shares and/or C Shares to be issued under the Placing Programme is not known. The number of New Ordinary Shares and/or C Shares available under the Placing Programme should not be taken as an indication of the number of New Ordinary Shares and/or C Shares finally to be issued.

So far as the Directors are aware as at the date of this Prospectus, no major Shareholders or Directors intend to make a commitment for New Ordinary Shares or C Shares under the Placing Programme.

Applications will be made to the London Stock Exchange for the New Ordinary Shares and C Shares issued pursuant to the Placing Programme to be admitted to the Specialist Fund Segment of the London Stock Exchange. All New Ordinary Shares and C Shares issued pursuant to the Placing Programme will be issued conditionally on such Admission occurring. This Prospectus has been published in order that any New Ordinary Shares and C Shares issued pursuant to the Placing Programme may be admitted to trading on the specialist fund segment of the Main Market of the London Stock Exchange. This will include any Ordinary Shares issued under the Directors' existing authority to issue Ordinary Shares and/or C Shares on a non-pre-emptive basis after the date of this Prospectus. Should the Board wish to issue New Ordinary Shares or C Shares in excess of the amount for which it is then authorised to issue, further authorities may be sought at an appropriate time by convening a General Meeting for this purpose.

The New Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant New Ordinary Shares).

The C Shares issued pursuant to the Placing Programme:

- (a) will not be entitled to any dividends payable in respect of the Ordinary Shares but on their conversion into New Ordinary Shares they will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the conversion of the C Shares);
- (b) will be entitled to any dividends payable in respect of the pool of assets attributable to the relevant C Shares. It is intended that dividends will be declared on the C Shares only in the event that there is material net income available for distribution to the C Shares, but the level of dividends (if any) declared on the C Shares will depend on the actual timing and terms of the deployment of the relevant C Share issue proceeds. In the event that any net income attributable to the C Shares is not distributed as dividend, such net income will be included in the value of the C Shares when calculating their entitlement for New Ordinary Shares upon their conversion.

The Placing Programme will be suspended at any time when the Company is unable to issue New Ordinary Shares and/or C Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

In the event that there are any significant matters affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to the termination of the Placing Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published by the Company will give details of the significant change(s) or the significant new matter(s).

5. Conditions

Each allotment and issue of Ordinary Shares and/or C Shares under the Placing Programme following the Issue, is conditional, among other things, on:

- (a) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant issue being in place;
- (b) in the case of New Ordinary Shares, the Placing Programme Price being determined by the Directors as described below;
- (c) Admission of the New Ordinary Shares or C Shares being issued pursuant to such issue;
- (d) the Issue Agreement becoming otherwise unconditional in respect of the relevant issue of New Ordinary Shares and/or C Shares in all respects and not having been terminated on or before the date of such Admission; and
- (e) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant issue of New Ordinary Shares or C Shares pursuant to the Placing Programme will not take place.

6. Calculation of the Placing Programme Price

The Placing Programme Price of the New Ordinary Shares will be calculated by reference to the last published cum income Net Asset Value of each existing Ordinary Share together with a premium intended to at least cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commissions), such costs and expenses being estimated at 2 per cent. of the amounts raised. The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each placing of New Ordinary Shares under the Placing Programme and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. By way of illustration, assuming an initial NAV of 98p per Ordinary Share, the Placing Programme Price per New Ordinary Share would be expected to be at least 100p, and the expenses indirectly borne by an investor in such New Ordinary Shares would be at least 2p per Ordinary Share.

The Placing Programme Price of any C Shares issued pursuant to the Placing Programme will be 100p per C Share and the costs of the relevant issue of such C Shares will be paid out of the proceeds of the issue and accordingly will be borne indirectly by investors in the relevant C Shares.

Fractions of New Ordinary Shares or C Shares will not be issued.

The net proceeds of the Placing Programme is dependent on the number of New Ordinary Shares and/or C Shares issued pursuant to the Placing Programme and the applicable Placing Programme Price of any New Ordinary Shares issued.

Where New Ordinary Shares or C Shares are issued, the total assets of the Company will increase by that number of New Ordinary Shares or C Shares issued multiplied by the applicable Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and investment policy of the Company and the Placing Programme Price of the New Ordinary Shares is expected to represent a modest premium to the then prevailing Net Asset Value per Ordinary Share.

7. Voting dilution

If 100 million New Ordinary Shares or C Shares are issued pursuant to the Placing Programme, assuming the Issue has been subscribed as to 100 million Ordinary Shares, there would be a dilution of approximately 50 per cent. in Shareholders' voting control of the Company immediately after the Issue (and prior to the conversion of any C Shares). The voting rights may be further diluted on conversion of any C Shares depending on the applicable conversion ratio. However, it is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of any subsequent issue under the Placing Programme.

8. Settlement

Payment for New Ordinary Shares and C Shares issued under the Placing Programme will be made through CREST or through Cantor Fitzgerald, in any such case in accordance with settlement instructions to be notified to Placees by Cantor Fitzgerald. In the case of those subscribers not using CREST, monies received by and held in account by or on behalf of Cantor Fitzgerald will not be held as client money within the meaning of the relevant provisions of the FCA Handbook, which therefore will not require Cantor Fitzgerald to segregate such money, as that money will be held by Cantor Fitzgerald under a banking relationship and not as trustee.

To the extent that any placing commitment is rejected in whole or in part, any monies received will be returned without interest at the risk of the Placee.

9. Costs of the Placing Programme

The costs and expenses of each subsequent issue of Ordinary Shares or C Shares under the Placing Programme will depend on subscriptions received. Assuming that £100 million are raised under the Placing Programme before expenses solely through the issue of New Ordinary Shares, a Placing Programme Price of 100p per New Ordinary Share and costs of the Placing Programme of up to 2 per cent. of the gross proceeds, the gross proceeds would be £100 million, and the net proceeds of the Placing Programme would therefore be £98 million.

10. Use of proceeds

The net proceeds of the Placing Programme will be invested by Gresham House on behalf of the Company in accordance with the Company's published investment policy.

The Company may use the proceeds of the Placing Programme to invest in the Exclusivity Portfolio, in the event that proceeds raised through the Issue are insufficient to have acquired the entire Exclusivity Portfolio with the proceeds of the Issue. The Exclusivity Portfolio represents Exclusivity Projects, which are either owned by a member of the Gresham House Group or, in respect of which members of the Gresham House Group have been granted exclusivity to negotiate with the owners of such Exclusivity Projects the rights to acquire, construct and operate them. Where Exclusivity Projects have not yet been acquired, there can be no guarantee that the Company will conclude its negotiations in respect of those Exclusivity Projects and/or acquire any of them, as any acquisition of an Exclusivity Project remains subject to completion of adequate due diligence and a sale and purchase agreement on suitable terms.

A summary of the Exclusivity Portfolio is set out in the table below:

Project	Location	Capacity (MW)	Site Type	Indicative commissioning date
Wolverhampton	West Midlands	5	Battery, symmetrical	Expected Q1 2019
Hereford	Herefordshire	28	Battery and generators, net export	Expected Q3 2019
Red Scar	Lancashire	49	Battery and generators, symmetrical	Expected Q3 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q2 2019
Total		132		

11. Scaling back

In the event of oversubscription of a subsequent issue of New Ordinary Shares and/or C Shares under the Placing Programme, applications will be scaled back at Cantor Fitzgerald's discretion (in consultation with the Company).

12. Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom, the Company and its agents, the Administrator, the Registrar, the Receiving Agent, Gresham House or Cantor Fitzgerald may require evidence of the identity of each investor in connection with any application for New Ordinary Shares, including further identification of the applicant(s) before any New Ordinary Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, Gresham House and Cantor Fitzgerald reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Company's agents, including the Administrator, the Registrar, the Receiving Agent and Cantor Fitzgerald may refuse to accept a subscription for New Ordinary Shares.

13. U.S. purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Gresham House.

The Company has elected to impose the restrictions described below on the issue and on the future trading of the New Ordinary Shares so that the Company will not be required to register the offer and sale of the New Ordinary Shares under the Securities Act, so that the Company will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain ERISA, Tax Code, FATCA and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Ordinary Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the New Ordinary Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the New Ordinary Shares made other than in compliance with the restrictions described below.

14. Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Ordinary Shares in the United States. Subject to certain exceptions, the Ordinary Shares are being offered and sold only outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S under the Securities Act (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

PART 13: UK TAX

The information below is a general guide based on current UK law and HMRC practice, both of which are subject to change. It does not constitute tax advice.

It summarises the tax position of the Company and of Shareholders who are UK resident (except where indicated) and hold Shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

The comments apply only to Shareholders who are the beneficial owners of their Shares.

1. The Company

The Company will apply to HMRC for approval as an investment trust. It is the intention of the Directors to conduct the Company's affairs so that it qualifies to receive approval as an investment trust and continues to be approved. Neither the Adviser nor the Directors can guarantee that this approval will be granted or maintained. The following comments are made on the basis that the Company is approved as an investment trust and that, the approval is maintained.

As an investment trust the Company will be generally exempt from UK tax on capital gains realised on the disposal of investments, including interest-paying securities and derivatives, held within it.

Dividends from UK and non-UK companies are generally exempt from tax when received by the Company.

Other (non-dividend) income received by the Company will, after deduction of allowable management fees and any other allowable costs, normally be subject to corporation tax at 19 per cent. (expected to fall to 17 per cent. from April 2020).

However, to the extent that the Company receives interest income, then, as an investment trust, it will have the option of paying interest distributions (as well as or instead of dividends). In as far as the Company pays interest distributions it will be able to deduct that amount from its income in calculating its profit for corporation tax purposes.

2. Shareholders

All distributions are paid without the deduction of any UK tax and without any notional tax credit attached. Shareholders in the UK and other countries may be liable to account for tax to the tax authority in their country of residence. The following comments refer only to the tax liabilities of UK resident Shareholders and to UK withholding tax.

2.1 Dividends

Individual UK resident investors are entitled to an annual dividend allowance (currently £2,000). For dividends received in excess of the allowance the income tax rates are currently 7.5 per cent. for dividend income within the basic rate tax band, 32.5 per cent. for dividend income within the higher rate tax band and 38.1 per cent. for dividend income taxable in the additional rate tax band.

UK-resident companies will normally be exempt from corporation tax on dividends received from the Company.

Non-UK residents will not be subject to any UK withholding tax on dividends.

2.2 Interest Distributions

If the Company pays interest distributions then individual UK Shareholders should treat those distributions as interest received without any tax deducted. Individuals may be entitled to an annual savings allowance on interest depending on their highest marginal tax rate. (The allowance is currently £1,000 per year for basic and nil rate taxpayers, £500 per year for higher rate taxpayers and nil for additional higher rate taxpayers.) For interest and interest distributions received in excess of the savings allowance the income tax rates are currently 20 per cent. (basic rate), 40 per cent. (higher rate), and 45 per cent. (additional rate).

A UK resident company should treat an interest distribution received for corporation tax purposes as if it were interest on a creditor loan relationship.

Non-UK-residents will not be subject to any UK withholding tax on interest distributions. They may be taxed differently in their own jurisdiction or the distributions may be treated as dividends. Non-residents should confirm the position in their own jurisdiction.

2.3 Tax on Chargeable Gains

A disposal of Shares by a Shareholder may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Individual UK resident shareholders with chargeable gains in excess of their annual allowance (£11,700 in tax year 2018-19) may be liable to capital gains tax at 10 per cent. (for a gain falling within the basic rate tax band) or 20 per cent. (higher and additional rate gains).

For UK resident companies any chargeable gain will be within the charge to corporation tax.

Allowable losses may be set against chargeable gains in the same or a later period.

2.4 ISAs and SIPPs

As a listed company Shares in the Company will be qualifying assets for stocks and shares ISAs and permitted investments for SIPPs.

2.5 Personal portfolio bonds

The Shares count as property that may be reflected by holders of offshore portfolio bonds without making the bond a personal portfolio bond for the purposes of the personal portfolio bond rules.

2.6 Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The issue of Ordinary Shares and/or C Shares under the Placing and/or the Placing Programme (whether in certificated form or not) will not give rise to stamp duty or SDRT.

Subsequent transfers of Shares will generally incur a Stamp Duty (or SDRT for Shares held through CREST) charge for the buyer of 0.5 per cent. of the transaction value (rounded up to the nearest £5).

Deposits into CREST (where there is no transfer of beneficial owner or consideration paid) will generally not be subject to SDRT or Stamp Duty.

2.7 Reporting requirements

Under legislation implementing the UK's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including but not limited to the international Common Reporting Standard, but not including the US Foreign Account Tax Compliance Act as the Company will be listed) the Company will be required to collect and report information about Shareholders and their investments to HMRC, including information to verify their identity and tax residence. When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HMRC, and, by them, to any relevant overseas tax authorities.

On request from HMRC the Company must provide details of interest distributions and recipients.

PART 14: GENERAL INFORMATION

1. Responsibility

The Company, whose registered office appears in paragraph 2.1(c) of this Part 14 (*General Information*), and the Directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import of such information. All of the Directors accept responsibility accordingly.

2. The Company

2.1 Incorporation

- (a) The Company was incorporated in England and Wales on 24 August 2018 with registered number 11535957 as a public company limited by shares under the Act. The Company is registered as an investment company under section 833 of the Act. The Company has an indefinite life.
- (b) As a listed investment company, the Company will not be regulated as a collective investment scheme by the FCA. However, from the Admission, the Ordinary Shares will be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. The principal legislation under which the Company operates is the Act. The Company will also be subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, the Market Abuse Regulations and the rules of the London Stock Exchange. The Company is domiciled in England and Wales. The Company is an alternative investment fund pursuant to the AIFM Rules.
- (c) The address of the registered office and principal place of business of the Company is 7th Floor, 9 Berkeley Street, London W1J 8DW, with telephone number 020 3367 1185.
- (d) The Company has no employees and most of its day-to-day activities are delegated to third parties.
- (e) The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
 - (i) all or substantially all of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - (ii) the Company is not a close company at any time during the accounting period for which approval is sought;
 - (iii) the Company is resident in the UK throughout that accounting period;
 - (iv) the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period; and
 - (v) the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, it may retain an amount equal to the amount of such losses.

2.2 Financial information

- (a) As at the date of this Prospectus, the Company has not commenced operations and no financial statements in respect of the Company have been made up.
- (b) The Company has no subsidiary or parent undertakings, associated companies and neither owns nor leases any premises.

3. Share capital

3.1 Set out below is the issued share capital of the Company as at the date of this Prospectus:

	<u>Nominal value (£)</u>	<u>Number</u>
Redeemable Preference Shares	50,000	50,000
Ordinary Shares	0.01	1

The Ordinary Share and the Redeemable Preference Shares were issued on incorporation of the Company. The Ordinary Share is fully paid up and is held by Gresham House. This share shall be transferred to a placee under the Placing. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, 50,000 Redeemable Preference Shares were allotted to GHE. The Redeemable Preference Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue.

3.2 Set out below is the issued share capital of the Company as it will be immediately following the Issue (assuming that the Issue is subscribed as to £200 million):

	<u>Nominal value (£)</u>	<u>Number</u>
Ordinary Shares	2,000,000	200,000,000
Redeemable Preference Shares	—	—

All Ordinary Shares will be fully paid.

3.3 By written ordinary and special resolutions of Gresham House passed on 15 October 2018:

- a) THAT the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company (the “**Ordinary Shares**”) up to an aggregate nominal amount of £2 million in connection with the issue of Ordinary Shares pursuant to the conditional placing by Cantor Fitzgerald Europe of Ordinary Shares described in the prospectus relating to the Company to be published on or around October 2018 (the “**Prospectus**”) in connection with the Company’s initial public offering and offer to the public in the UK of the Ordinary Shares, the issue of Ordinary Shares in part consideration for the acquisition by the Company of the share capital of (i) Noriker Staunch Limited (ii) HC ESS2 Holdco Limited and (iii) HC ESS3 Limited and the subscriptions of shares in the Company by Ben Guest and Gresham House British Strategic Investment Fund LP, in each case on the terms and subject to the conditions set out in the Prospectus (together the “**Issue**”), such authority to expire immediately following the date on which admission of the shares issued pursuant to the Issue or, if the context so requires, of new Ordinary Shares or C Shares (where C Shares are shares of £0.01 each in the capital of the Company having the rights and restrictions set out in the Prospectus (the “**C Shares**”)) issued pursuant to the proposed placing programme set out in the Prospectus to trading on the Specialist Fund Segment of the main market London Stock Exchange plc for listed securities first becomes effective (the “**Admission**”) in respect of the Issue, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- b) THAT the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 2 million Ordinary Shares and/or C Shares in aggregate, following Admission, provided that such number of Ordinary Shares (including the new Ordinary Shares to be issued pursuant to the proposed placing programme set out in the Prospectus or arising upon conversion of any C Shares) and C Shares issued pursuant to the Issue and the Placing Programme may not exceed 2 million Ordinary Shares and/or C Shares in aggregate, without being obliged to first offer any Ordinary Shares and/or C Shares to shareholders on a *pro rata* basis, such authority to expire at the conclusion of the first annual general

meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

- c) THAT the Company be and is hereby authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares immediately following Admission in respect of the Issue. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price which may be paid for an Ordinary Share shall be the higher of:
 - (a) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made (where “Business Days” is any day on which the London Stock Exchange is open for business and banks are open for business in London (excluding Saturdays and Sundays); and
 - (b) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date which is 18 months after the date on which the resolution was passed that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract.
 - d) THAT the Directors be and are hereby generally empowered (pursuant to section 570 of the Act) to allot Ordinary Shares for cash pursuant to the authority referred to in Resolution 0 above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following Admission in respect of the Issue, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.
 - e) THAT the Directors be and are hereby generally empowered (pursuant to section 570 and 573 of the Act) to allot Ordinary Shares and C Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution b) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at an time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired.
 - f) THAT conditional upon Admission and subject to the confirmation of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled, and the amount of the share premium account so cancelled be credited to a reserve.
- 3.4 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 or section 573 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraphs 3.3(b) and 3.3(d) above.
- 3.5 The Directors are entitled to exercise all powers of the Company to issue Shares in the Company under the Articles and are expected to resolve to do so prior to Admission in respect of the Ordinary Shares to be issued pursuant to the Issue.
- 3.6 As at the date of this Prospectus:
- (a) no subscriptions, issues or options are to be given by the Company, or are already existing, in respect of any securities of the Company, including any that have a prior right over the Ordinary Shares to a distribution of the profits or assets of the Company;
 - (b) no shares which do not represent capital have been issued by the Company and remain outstanding;

- (c) no shares are held by or on behalf of the Company in treasury or otherwise;
 - (d) no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
 - (e) save in connection with the Issue there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 3.7 Since the Company's incorporation, save for the Ordinary Shares issued to Gresham House referred to in paragraph 3.1 of this Part 14 (*General Information*) and the Redeemable Preference Shares issued to obtain the trading certificate, no share or loan capital of the Company has been issued or, save in connection with the Issue, agreed to be issued.

4. Articles of Association

A summary of the main provisions of the Articles is set out below.

4.1 Objects

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2 Variation of rights

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate general meeting the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum). At such separate general meeting, any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

4.3 Alteration of share capital

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than is fixed by its constitution or was fixed by the resolution creating the existing shares;
- (b) sub-divide its existing shares, or any of them, into shares of smaller nominal value than its existing shares; and
- (c) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, may be given a preference, advantage, restriction or disadvantage as regards dividends, capital or voting.

4.4 Issue of shares

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or if the Company has not so determined, as the Directors may determine).

4.5 Dividends

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders but no dividends shall exceed the amount recommended by the Directors. The Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the Act and the rights of persons (if any) entitled to shares with preferential or special rights as to dividend, all dividends shall be paid *pro rata* according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be

apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.

4.6 Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every Shareholder present in person has one vote, every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every Shareholder (whether present in person or by proxy or by corporate representative) has one vote for every share of which he is the holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the person whose name appears before the names of the other joint holder(s) on the Register in respect of the share and who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders.

No Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

4.7 Transfer of shares

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid and on which the Company has a lien provided that this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of Shares if (i) in the case of certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require.

The Board may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST Regulations where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

If the Directors refuse to register or authorise the registration of a transfer of a share, they shall send notice of refusal to the transferee together with reasons for the refusal as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or its registrar.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

4.8 Distribution of assets on a winding-up

If the Company is wound up, with the sanction of a special resolution, the liquidator may divide among the Shareholders in specie or kind the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.9 Restrictions on rights: failure to respond to a Section 793 notice

If a Shareholder, or any other person appearing to be interested in shares held by that Shareholder, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation his interest in shares (the “**Default Shares**”) within the period of compliance specified in the notice (being not less than 14 days from the date of the service of the notice) and where the default shares represent at least 0.25 per cent. of their class,

sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the default shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares.

4.10 Untraced Shareholders

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years, at least three dividends on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected and no communication has been received by the Company from the Shareholder or person concerned.

4.11 Appointment of Directors

Unless the Company determines otherwise by ordinary resolution, the Company must have not less than two and not more than ten Directors.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment.

Subject to the Articles, at each AGM, one third of the Directors (or, if their number is not a multiple of three then the number nearest to and not exceeding one third) shall retire from office. The Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day that retire shall (unless they otherwise agreed amongst themselves) be determined by lot.

A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he or she is not elected or re-elected, he or she shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place.

The office of a Director shall be vacated:

- (a) if he resigns his office by giving written notice signed by him sent to or deposited at the Company's registered office or tendered at a meeting of the Board;
- (b) if a registered medical practitioner who is treating him gives a written opinion to the Company that he has become mentally or physically incapable of acting as a director and may remain so for more than 3 months;
- (c) he is suffering from mental or physical ill health and the Directors resolve at a meeting of the Directors that his office be vacated;
- (d) if he absents himself from meetings of the Board for a consecutive period of 6 months without permission of the Directors and the Board resolves that his office shall be vacated;
- (e) if he becomes bankrupt or applies for an interim order pursuant to section 253 of the Insolvency Act 1986 or enters into any voluntary arrangement within the definition contained in that section or has an interim receiver appointed under section 286 of the Act;
- (f) if he is prohibited by law from being a Director or ceases to be a Director by the Act;
- (g) if he is removed from office by written notice signed by all of the other Directors; or
- (h) if the Company by ordinary resolution shall declare that he shall cease to be a Director.

4.12 Powers of Directors

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by ordinary resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.13 Borrowings

The Board on behalf of the Company may exercise all the powers of the Company to borrow or raise money, to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities, and to give security whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.14 Voting at board meetings

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; unless so fixed at any other number the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

4.15 Restrictions on voting

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

4.16 Directors' interests

Subject to the provisions of the Statutes and provided that the Director has disclosed to the other Directors the nature of any interest of his, a Director, notwithstanding his office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

4.17 Indemnity

Subject to the provisions of the Statutes, the Company may indemnify any person who is a director, alternate director, former director, secretary or other officer of the Company (other than an auditor) of the Company, against any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director of the Company or any associated company. The Directors may purchase and maintain, at the cost of the Company, insurance for any person who is a director, alternate director, former director, secretary, or other officer of the Company or an associated company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as director, alternate director, secretary or officer.

4.18 General meetings

In the case of the annual general meeting, twenty-one clear days' notice at the least shall be given to all the members and to the auditors. All other general meetings shall also be convened by not less than fourteen clear days' notice in writing to all the members.

No business other than the appointment of the chairman of the meeting shall be transacted at any meeting unless a quorum is present. One person where there is only a single member of the Company and two persons where there is more than one member of the Company entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (including for this purpose two persons who are proxies or corporate representatives of the same Shareholder), shall be a quorum.

A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A Shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a Shareholder may, by resolution of its

directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.

Delivery of an appointment of proxy shall not prevent a Shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are Shareholders.

A poll on a resolution may be demanded at a general meeting before or on the declaration of the result of the show of hands by the chairmen or those members entitled under the Act to demand a poll.

4.19 C Shares and Deferred Shares

The rights and restrictions attaching to the C Shares and the Deferred Shares arising on their conversion are summarised below.

(a) The following definitions apply for the purposes of this paragraph 4.19 only:

“**Calculation Date**” means the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and the Adviser may agree) shall have been invested; or
- (ii) close of business on the date falling 12 calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

“**Conversion**” means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph (g);

“**Conversion Date**” means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

“**Conversion Ratio**” is the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{\mathbf{A}}{\mathbf{B}}$$

$$\mathbf{A} = \frac{\mathbf{C} - \mathbf{D}}{\mathbf{E}}$$

$$\mathbf{B} = \frac{\mathbf{F} - \mathbf{C} - \mathbf{I} - \mathbf{G} + \mathbf{D} + \mathbf{J}}{\mathbf{H}}$$

Where:

C is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant class, calculated by reference to the Directors’ belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and
- (ii) the amount which, in the Directors’ opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the relevant class of C Shares (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time;

D is the amount (to the extent not otherwise deducted from the assets attributable to the relevant class of C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the relevant class of C Shares on the Calculation Date (including the amounts of any declared but unpaid dividends in respect of such Shares);

E is the number of C Shares of the relevant class in issue on the Calculation Date;

F is the aggregate of:

- (i) the value of all the investments of the Company, calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and
- (ii) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time;

G is the amount (to the extent not otherwise deducted in the calculation of **F**) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date (including the amounts of any declared but unpaid dividends);

H is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares held in treasury);

I is the aggregate of:

- (i) the value of the investments of the Company attributable to all other class(es) of C Shares in issue other than the class of C Shares as referred to in C above (the "**Other Class(es) of C Shares**"), calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and
- (ii) the amount which, the Directors' opinion, fairly reflect, on the Calculation Date, the value of the current assets of the Company attributable to the Other Class(es) of C Shares (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time; and

J is the amount (to the extent not otherwise deducted from the assets attributable to the Other Class(es) of C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Other Class(es) of C Shares on the Calculation Date,

provided that the Directors shall make such adjustments to the value or amount of **A** and **B** as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the relevant class of C Shares and/or to the reasons for the issue of the relevant class of C Shares;

"Deferred Shares" means deferred shares of £0.01 each in the capital of the Company arising on Conversion;

"Existing Ordinary Shares" means the Ordinary Shares in issue immediately prior to Conversion;

"Force Majeure Circumstances" means (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

"Net Proceeds" means the net cash proceeds of the issue of the C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to ordinary shareholders, C Shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares and Deferred Shares respectively.

- (b) The holders of the Ordinary Shares, the Redeemable Preference Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:
- (i) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative annual dividend at a fixed rate of one per cent. of the nominal amount thereof, the first such dividend (adjusted *pro rata* temporis) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date on which such Deferred Shares were created (the “**Relevant Conversion Date**”) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
 - (ii) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares;
 - (iii) a holder of Redeemable Preference Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend of 0.01 per cent. per annum on the nominal amount of the Redeemable Preference Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period;
 - (iv) the Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
 - (v) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
 - (vi) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between the Calculation Date and the Conversion Date relating to such C Shares (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).
- (c) The holders of the Ordinary Shares, the Redeemable Preference Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- (i) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date relating to such C Shares, be applied (after having deducted therefrom an amount equivalent to (C-D) in respect of each class of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio set out above save that the “Calculation Date” shall be such date as the liquidator may determine, which amount attributable to each class shall be applied amongst the C Shareholders of such class *pro rata* according to the nominal capital paid up on their holdings of C Shares), first, amongst the Redeemable Preference Shareholders *pro rata* according to the nominal capital paid up on their holdings of Redeemable Preference Shares and, second, amongst the existing Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares provided however that the holders of the Redeemable Preference Shares shall only receive an amount up to the

capital paid up on such Redeemable Preference Shares and the Redeemable Preference Shares shall not confer the right to participate in any surplus remaining following payment of such amount; and

- (ii) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:
 - (A) first, if there are Deferred Shares in issue, in paying to the deferred shareholders £0.01 in aggregate in respect of every 1,000,000 Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (B) secondly, the surplus shall be divided, first, amongst the holders of Redeemable Preference Shares *pro rata* according to the nominal capital paid up on their holdings of Redeemable Preference Shares and, second, amongst the Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares provided however that the holders of the Redeemable Preference Shares shall only receive an amount up to the capital paid up on such Redeemable Preference Shares and the Redeemable Preference Shares shall not confer the right to participate in any surplus remaining following payment of such amount.
- (d) As regards voting:
 - (i) The Ordinary Shares and the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as those applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class.
 - (ii) The Deferred Shares and the Redeemable Preference Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- (e) The following shall apply to the Deferred Shares:
 - (i) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;
 - (ii) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of £0.01 for every 1,000,000 Deferred Shares and the notice referred to in paragraph (g) (b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of £0.01 for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and
 - (iii) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the repurchase moneys in respect of such Deferred Shares.
- (f) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall:
 - (i) procure that the Company's records, bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to each class of C Shares in issue;

- (ii) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors consider to be attributable to the C Shares; and
 - (iii) give or procure the giving of appropriate instructions to the Adviser to manage the Company's assets so that such undertakings can be complied with by the Company.
- (g) A class of C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph (g):
- (i) the Directors shall procure that as soon as reasonably practicable and in any event within one month of the Calculation Date:
 - (A) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (B) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (a).
 - (ii) The Directors shall procure that, as soon as practicable following such confirmation and in any event within one month of the Calculation Date, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C Shareholder will be entitled on Conversion.
 - (iii) On conversion each C Share shall automatically subdivide into 10 conversion shares of £0.01 each and such conversion shares of £0.01 each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
 - (A) the aggregate number of Ordinary Shares into which the same number of conversion shares of £0.01 each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
 - (B) each conversion share of £0.01 which does not so convert into an Ordinary Share shall convert into one Deferred Share.
 - (iv) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders *pro rata* according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
 - (v) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he is entitled. Share certificates in respect of the Deferred Shares will not be issued.
 - (vi) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.
- (h) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles:

- (i) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and
 - (ii) no resolution of the Company shall be passed to wind-up the Company.
- (i) For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Ordinary Shares and C Shares, as described above, shall not be required in respect of:
- (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or
 - (ii) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

4.20 Continuation vote

The Articles contain a provision requiring the Directors to propose an ordinary resolution that the Company continue in existence as an investment trust for a further period of five years at the annual general meeting of the Company to be held in 2023 and, if passed, at every fifth annual general meeting of the Company thereafter. Upon such resolution not being passed, proposals will be put forward by the Directors within six months after the relevant annual general meeting for the voluntary liquidation, unitisation, reorganisation or other reconstruction of the Company for approval by ordinary resolution of the Company.

5. The Takeover Code

5.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

5.2 Compulsory acquisition

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their

sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

6. Valuation policy

The Administrator and the Manager (as AIFM) are responsible for calculating the NAV per Share of the Company. The unaudited NAV per Share will be calculated as at the close of business on the last Business Day of every quarter by the Administrator and will be announced through a Regulatory Information Service shortly after the end of the quarter or, in the case of the 30 June and 31 December NAVs, as part of the Company's interim and annual financial statements respectively. The NAV is calculated in accordance with paragraph 20.4 of Part 8 (*The Company*) of this Prospectus. Valuations of NAV per Share will be suspended only in any circumstances in which the underlying data necessary to value the investments of the Company cannot readily or without undue expenditure be obtained or for regulatory reasons. Any such suspension will be announced through a Regulatory Information Service.

7. Interests of Directors, major shareholders and related party transactions

7.1 Directors' interests

- (a) As at the date of this Prospectus, none of the Directors nor their immediate families and related trusts and (insofar as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of section 96B of FSMA (as amended by the Financial Services and Markets Act 2000 (Amendment) Regulations 2009)) with the Directors had any interests in the share capital of the Company.
- (b) No Director of the Company has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which was effected by the Company since its incorporation.
- (c) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (d) There are no outstanding loans granted by the Company to any of the Directors nor is any guarantee provided by the Company for the benefit of any of the Directors.

The Directors intend to subscribe for the following number of Ordinary Shares under the Offer for Subscription:

Director	Ordinary Shares
John S. Leggate	5,000
Duncan Neale	5,000
David Stevenson	5,000

Save as disclosed in this table above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

7.2 Directors' contracts with the Company

All the Directors of the Company are non-executive. It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a Director may be removed without notice and that no compensation will be due on leaving office.

Conditional upon Admission of the Ordinary Shares to be issued pursuant to the Issue, the Directors will be entitled to aggregate annual remuneration (including any contingent or deferred compensation but excluding expenses) payable and benefits in kind granted as follows:

Director	Fees
John S. Leggate	£65,000
Duncan Neale	£45,000
David Stevenson	£40,000
Total	£150,000

The aggregate amount of remuneration (including any contingent or deferred compensation but excluding expenses) payable and benefits in kind granted to the Directors for the current financial period ending 31 December 2019 is estimated to be approximately £200,000.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There is no amount set aside or accrued by the Company in respect of contingent or deferred compensation payments or any benefits in kind payable to the Directors.

Each of the Directors is engaged under a letter of appointment with the Company and does not have a service contract with the Company. Under the terms of their appointment, each Director is required to retire and be subject to election at the first AGM after their appointment and at every AGM held after the ninth anniversary of their appointment. In addition, any Director who was not appointed or re-appointed at one of the preceding two AGMs shall retire from office but shall remain eligible for re-appointment. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

7.3 Directors' other interests

Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

	Current directorships/ partnerships	Past directorships/ partnerships
John S. Leggate	Flamant Technologies Limited Global Integrity, Inc. Rydon Mews Residents Limited	Carnegie Clean Energy Limited Ceto Wave Energy UK Limited Ogin Energy Pink Zulu Quintal Partners SKS Business Services Limited
Duncan Neale	DJN Consultancy Limited Mettrr UK Opco Limited Mettrr US Opco Inc.	—
David Stevenson	321 Publishing and TV Limited Altfi Limited Altfi Data Limited Aurora Investment Trust PLC Bramshaw Holdings Limited ETF Stream Limited Planet Sports Rights Limited Rocket Media LP SQN Secured Income Fund PLC Stockmarkets Digest Limited The Rocket Science Group Limited (dissolved) Windhorse Aerospace Limited	Coalition Partners Limited Investment Compass Limited Planet Yomp Limited Portfolio Review Limited Vidualise Limited Watering Hole Media Limited Wealthview Limited Wild Wiki Limited

As at the date of this Prospectus, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Ordinary Shares.

7.4 The Directors in the five years before the date of this Prospectus:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

The Company shall maintain directors' and officers' liability insurance on behalf of the Company at the expense of the Company.

7.5 Major Shareholders

The Company shall issue a notice requiring disclosure of an interest in shares of 3 per cent. or more of the issued share capital of the Company and the Disclosure Guidance and Transparency Rules provide that certain persons (including shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent. and 10 per cent. and each 1 per cent. thereafter up to 100 per cent.

As at the date of this Prospectus, other than as set out below, there are no persons known to the Company who, directly or indirectly, will be interested in 3.0 per cent. or more of the Company's issued share capital or voting rights on Admission.

Shareholder	Number of Ordinary Shares to be held	Percentage held (based on 200 million Ordinary Shares being issued at Admission)
Ben Guest*	10,000,000	5.00
Gresham House (Nominees) Limited, as nominee for BSIF**	16,500,000	8.25

The Ordinary Shares issued to the Shareholders described above will be subject to the provisions of the Lock-up and Orderly Market Deed.

* Ben Guest will receive 3,219,934 Consideration Shares under the Seed Portfolio Share Purchase Agreement. Lux Energy Limited, a company wholly-owned by Ben Guest has entered into a Subscription Agreement with the Company under which, conditional only on Admission, it will subscribe on the date of Admission for 6,780,066 Ordinary Shares at the Issue Price.

** Gresham House (Nominees) Limited will receive 491,618 Consideration Shares under the Seed Portfolio Share Purchase Agreement and has entered into the Subscription Agreement with the Company under which, conditional only on Admission, it will subscribe on the date of Admission for 16,008,382 Ordinary Shares at the Issue Price.

As at the date of this Prospectus the Company is not aware of any person who will directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangement, the operation of which may at a subsequent date result in a change of control of the Company.

Major shareholders will not have any different voting rights from other shareholders.

7.6 Related party transactions

As at the date of this Prospectus, other than the proposed acquisition of the Seed Portfolio under the Seed Portfolio Share Purchase Agreement, the Company is not a party to, nor has any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No. 1606/2002).

The Directors, members of the Gresham House management team, funds under management of the Gresham House Group, Noriker and the shareholders of Noriker have agreed to invest approximately £32 million, in aggregate pursuant to the Issue.

7.7 Certain Shareholders who are members of the Gresham House management team, funds under management of the Gresham House Group, Noriker and the shareholders of Noriker will receive Consideration Shares in respect of the sale of the Seed Portfolio to the Company under the Seed Portfolio Share Purchase Agreement. In addition, each of Lux Energy and BSIF have entered into the Subscription Agreement under which each of them has, conditional only on Admission, subscribed for Ordinary Shares in the Company to be issued at the Issue Price, payable in cash in full on Admission.

In aggregate, these Shareholders will hold 32,056,602 Ordinary Shares, representing 16.03 per cent. of the Company's issued Ordinary Share capital following the Issue assuming that the Issue is fully subscribed and 31.42 per cent. of the Company's issued Ordinary Share capital assuming that Net Proceeds of £100 million are raised through the Issue.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares (subject to certain limited exceptions). Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person (subject to certain limited exceptions).

Rule 37.1 of the Takeover Code further provides that when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9. An offer required under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time. The Directors do not intend to exercise any power to be authorised to repurchase Shares if as a result of such repurchase any Shareholder (or group of Shareholders who are deemed to be acting in concert pursuant to the Takeover Code) would be required to make a mandatory offer pursuant to Rule 9 of the Takeover Code and, if appropriate, would consider at the time obtaining relevant independent shareholder and Takeover Panel approvals to enable repurchases of Ordinary Shares as described in this Prospectus.

8. Material contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it at the date of this Prospectus.

8.1 AIFM Agreement

For the provision of alternative investment fund management services under the AIFM Agreement, Gresham House is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (1 per cent. on the first £250 million of Net Asset Value, 0.9 per cent. on Net Asset Value in excess of £250 million and up to and including £500 million and 0.8 per cent. on Net Asset Value in excess of £500 million exclusive of VAT). The Company will also reimburse Gresham House for reasonable expenses properly incurred by Gresham House in the performance of its obligations under the AIFM Agreement.

The Manager under the terms of the AIFM Agreement will provide, among other services, the following services:

- (a) seeking out and evaluating investment opportunities;
- (b) discretionary investment management of the Portfolio, having complete power to invest, realise and reinvest all funds and securities for the account of the Company, in accordance with the Company's investment policy, provided that any investment by the Company in an ESS Project in which the Manager or another member of the Gresham House Group or an employee of the Gresham House Group has developed, and/or is invested, or which is operated or advised by the Manager or another member of the Gresham House Group will be subject to the protocol described in paragraph 7.4 of Part 8 (*The Company*) of this Prospectus, which includes Board approval;
- (c) analysing the performance of the investments held in the Portfolio and advising the Company generally in relation to investment trends and all other matters likely, or which might reasonably be considered likely, to affect the investment policy of the Company;
- (d) devoting such time and have all necessary competent personnel and equipment as may be required to enable it to carry out its obligations under the AIFM Agreement properly and efficiently;

- (e) provision of risk management services as required by the AIFM Rules, including the implementation of risk management policies to identify, measure, manage and monitor the risks that the Company is or might be exposed to and ensuring that the Company's risk management policy and its implementation for the same comply with the AIFM Rules;
- (f) assisting the Company to appoint a depositary authorised by the FCA and to ensure that the assets of the Company are entrusted to the depositary or any delegate of the depositary for safekeeping in accordance with the AIFM Rules and providing the depositary with all information required to enable the Depositary to comply with its obligations under the AIFM Rules in respect of the Company;
- (g) ensuring that the disclosures required to be made in respect of the Company under the AIFM Rules are made;
- (h) ensuring the Portfolio is valued in accordance with the AIFM Rules;
- (i) upon written instructions from the Company, use all reasonable endeavours to satisfy the conditions set out in the AIFM Regulations (or the equivalent in the relevant EEA jurisdictions), if and to the extent required to market the Shares to EEA investors in any EEA State into which the Company intends to market;
- (j) producing and publishing quarterly factsheets, which will include information on the Company's performance, holdings and investment activity;
- (k) be responsible for any records, which the company is required to maintain under FSMA and the AIFM Rules;
- (l) providing such advice and assistance to the Board as they may reasonably request, including management and financial information;
- (m) providing such information to the Administrator as it reasonably requests, and at such times and with such frequency as it shall reasonably request to enable the Administrator to fulfil its duties under the Administration Agreement; and
- (n) making available in person or by telephone (as may be requested by the Board) the services of an appropriate person to attend meetings of the board quarterly or at such intervals as shall be agreed between Gresham House and the Company and preparing reports or other documents as reasonably requested by the Company in connection with such meetings.

The AIFM Agreement may be terminated by the Company or Gresham House giving to the other party not less than 12 months' written notice.

In any of the following circumstances either party is entitled immediately to terminate the AIFM Agreement by notice in writing to the other party:

- (a) if the other party commits any material or persistent breach of or omits to observe any of the material obligations on its part contained in the AIFM Agreement and (if such breach is capable of remedy) fails (within 30 Business Days after having been required in writing by the Company so to do) to remedy such breach; and
- (b) if the other party shall have a receiver or administrator appointed or if an order shall be made or an effective resolution passed for the winding-up of the other party (saved for a winding-up for the purpose of and followed by an amalgamation or reconstruction) which shall include where in accordance with the Articles, any Continuation Resolution is not passed by the Shareholders.

The Company may, in addition, terminate the AIFM Agreement with immediate effect if (i) Gresham House's authorisation to be an alternative investment fund manager is not maintained by it, or is suspended or restricted by the FCA; (ii) Gresham House fails to notify the Company of an investigations by the FCA; (iii) both Ben Guest and Bozkurt Aydinoglu cease to be involved in managing the Portfolio and are not replaced within 180 days by alternative portfolio managers approved by the Company; or (iv) if Gresham House causes the Ordinary Shares to be suspended from trading on the Specialist Fund Segment and the suspension of trading is not lifted or the Ordinary Shares are not admitted to trading on another regulated market within 3 months of the date of that suspension or if the Manager fails to enforce (or fails to procure any member of the Gresham House Group to enforce) its rights in respect of any breach by the counterparties to the Framework Agreement.

The AIFM Agreement shall also terminate if the FCA requires Gresham House to stop acting as AIFM.

Under the terms of the AIFM Agreement, Gresham House is entitled to carry on business similar to or in competition with the Company or to provide similar services or any other services whatsoever to any other customer without being liable to account to the Company for its profits, provided that it will take all reasonable steps to ensure that such business is effected on terms which are not materially less favourable to the Company. However, other than pursuant to the Framework Agreement, neither Gresham House nor any member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests on or after the date of the Framework Agreement in; or (ii) for its own account invest on or after the date of the Framework Agreement in, ESS Projects in Great Britain, without first offering the relevant investment opportunity to the Company. However, Gresham House or a member of the Gresham House Group may (i) act as the manager and/or adviser to or otherwise be actively involved with any new fund, partnership, client, segregated account or counterparty that invests in; or (ii) for its own account invest in ESS Projects in Great Britain, in circumstances where the Company is unable to invest in the relevant investment opportunity because it has insufficient resources or the Company is unable to obtain sufficient resources to make the investment or, otherwise, if the Board provides its prior written consent.

At all times Gresham House shall retain sufficient facilities, personnel, experience and expertise necessary to fulfil its obligations under the AIFM Agreement. Gresham House will, at all times, have regard to its obligations to the Company and under the FCA Rules in relation to the identification, management and disclosure of conflicts of interest.

8.2 Administration Agreement

The Company is a party to an Administration Agreement with JTC (UK) Limited dated 17 October 2018 pursuant to which the Administrator provides day-to-day administration of the Company and acts as company secretary and administrator to the Company including maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value.

For the provision of administration services under the Administration Agreement, the Administrator is entitled to receive an annual fee of £55,000 based on Net Asset Value of up to £200 million and an ad valorem fee of 0.04 per cent. on Net Asset Value in excess of £200 million. In respect of its role as company secretary, the Administrator is entitled to receive an annual fee of £60,000. For administrative and company secretarial services provided to Projects an annual fee of £7,500 per Project will be charged by the Administrator. The Administrator will charge an initial set-up fee of £10,000 for corporate governance support relating to the Company's IPO. Additional fees will be payable by the Company to the Administrator on the issuance of New Ordinary Shares and C Shares by the Company, on the establishment of Projects and transfer of ESS Projects into Projects and in respect of any Board, committee or procedural meetings, in addition to the quarterly Board meetings, that may be held from time to time. The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company, provided that the Administrator will be required to seek prior approval in relation to any single expense in excess of £200. All fees charged by the Administrator are charged exclusive of VAT. All annual fees charged by the Administrator will be subject to an annual increase by reference to the U.K. Retail Price Index prevailing at that time applied *pro rata* on an annual basis.

The Administration Agreement may be terminated by either party serving the other party with 6 months' written notice such notice not to be given earlier than the date being 24 months from the date of Admission, or immediately (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction or amalgamation under terms previously approved in writing by the other parties) or such party is unable to pay its debts or if a is appointed, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), or (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful. In the event that the Administration Agreement is terminated by the Company on a no-fault basis prior to the date being 24 months from the date of Admission, the Company shall pay to the Administrator an amount equal to any shortfall in annual fees that would have been earned up until the date being 24 months from the date of Admission.

The Administrator will generally not be liable for any loss or damages incurred or suffered by the Company, any Project, any shareholder of the company or a Project as a result of the proper performance by the Administrator of its obligations and duties under the Administration Agreement in the absence of its negligence, fraud, bad faith, wilful misconduct, breach of the Administration Agreement or wilful default. The Administrator will indemnify the Company against any loss, damage, claims, costs and expenses suffered or incurred by or made against the Company and any Project, any shareholder of the Company or any Project arising out of or in connection with such bad faith, negligence, wilful default, wilful misconduct, breach of the Administration Agreement or fraud on the part of the Administrator or any of its delegates or any of their respective directors, officers, employees or agents.

The Company will indemnify the Administrator against all actions, proceedings, claims, costs, demands and reasonable expenses that may be brought against, suffered or incurred by the Administrator by reason of the proper performance by the Administrator of its duties under the Administration Agreement, otherwise than as a result of some act of negligence, fraud, bad faith, wilful misconduct or wilful default, breach of its obligations under the Administration Agreement or in respect of any liability or breach of any duties or obligations which the Administrator may have under any statute, governmental decree or order, or rules or regulations made pursuant to the same or rules and/or code of conduct of any professional or regulatory body or association of which the Administrator is a member on the part of the Administrator or any of its delegates or their respective directors, officers, employees or agents.

Provided its ability to perform its obligations under the Administration Agreement is not impaired, the Administrator is entitled to render similar services to others without accounting to the Company for its profits.

8.3 Depositary Agreement

The Depositary Agreement between the Company, the Manager and the Depositary, dated 17 October 2018, pursuant to which the Depositary is appointed as the Company's depositary for the purposes of the AIFM Directive.

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid customary fees as set out in paragraph 11 of Part 8 (*The Company*) of this Prospectus.

The Depositary Agreement provides for the Depositary to be indemnified by the Company against any liability or loss suffered or incurred by an Indemnified Person as a result of or in connection with the proper provision of the Depositary services and any costs and expenses reasonably incurred in defending any proceedings relating to the Depositary services whether civil or criminal, in which judgment is given in favour of the Depositary or it is acquitted, in each case, other than as a result of the fraud, wilful default or negligence on the part of an Indemnified Person.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary will delegate its safe-keeping functions in relation to financial instruments and other assets of the Company. The liability of the Depositary shall in principle not be affected by any delegation of its custody function and the Depositary shall be liable to the Company or its investors for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated. Under AIFMD the Depositary will not be liable for the loss of a financial instrument in the event it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary may discharge its responsibility in case of a loss of a financial instrument: (i) where it has contractually discharged its responsibility in compliance with article 21(13) of the AIFM Directive; or (ii) in compliance with the conditions set out under article 21(14) of the AIFM Directive where the laws of a third country require that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 21(11) of the AIFM Directive. Save as aforesaid, the Depositary shall be liable to the Company for any loss or liability incurred by the Company as a consequence of the Depositary's fraud, wilful default or negligence in failing to properly fulfil its obligations pursuant to the AIFM Directive. In the absence of the Depositary's fraud, wilful default or negligence in failing to properly fulfil its obligations pursuant to the AIFM Directive, the Depositary shall not be liable to the Company or any other person with respect to any act or omission in connection with the services provided under the Depositary Agreement. Indirect and/or consequential damages are excluded.

The Depositary Agreement is terminable by the Company, the Manager (as AIFM) or the Depositary giving to the other parties not less than three months' written notice. In accordance with the AIFM Rules, the Depositary's notice of retirement shall not take effect except upon the appointment of a successor depositary taking effect.

8.4 Issue Agreement

In connection with the Placing and Placing Programme, the Company, the Directors, Gresham House and Cantor Fitzgerald entered into the Issue Agreement on 17 October 2018. The Issue Agreement is conditional on, among other things, Admission taking place on 5 November 2018 or such later date (not being later than 8.00 a.m. on 30 November 2018) as the Company and Cantor Fitzgerald may agree.

The principal terms of the Issue Agreement are as follows:

- (a) Cantor Fitzgerald has agreed, as agent of the Company, to use its reasonable endeavours to procure (i) Placees to subscribe for Ordinary Shares under the Placing at the Issue Price; and (ii) places to subscribe for New Ordinary Shares and/or C Shares pursuant to the Placing Programme at the applicable Placing Programme Price. The Placing and the Placing Programme are not being underwritten;
- (b) the Company has, provided the Issue Agreement becomes unconditional, agreed to pay Cantor Fitzgerald in respect of the Issue:
 - (i) a corporate finance fee of £175,000; and
 - (ii) a placing commission of up to two per cent. of Gross Proceeds less an amount equal to the reasonably and properly incurred costs payable by the Company in connection with the Issue;
- (c) the Company has agreed to pay all of the properly incurred costs and expenses of and incidental to the Issue and related arrangements together with any applicable VAT;
- (d) the Company has given certain warranties to Cantor Fitzgerald as to the accuracy of the information in this Prospectus and as to other matters relating to the Company. Gresham House has also given certain warranties to Cantor Fitzgerald as to certain information in this Prospectus and as to itself and the Directors have given certain warranties in relation to themselves. The Company has given an indemnity to Cantor Fitzgerald in respect of any losses or liabilities arising out of the proper performance by Cantor Fitzgerald of its duties under the Issue Agreement. Gresham House has given an indemnity to Cantor Fitzgerald in respect of its obligations. In addition, the Company and Gresham House have given an indemnity to Cantor Fitzgerald in respect of any increased liability of Cantor Fitzgerald and its affiliates to any third party that would not have arisen had any of the Company or Gresham House not entered into any agreement or arrangement with any third party adviser in connection with the Issue, the terms of which provide that the liability of that adviser to the Company or Gresham House (as the case may be) is excluded or limited in any manner, and Cantor Fitzgerald has joint or joint and several liability with such adviser; and
- (e) Cantor Fitzgerald may at any time before the earliest of (i) the date on which all of the New Ordinary Shares and C Shares available for issue under the Placing Programme have been issued and (ii) such other date as may be agreed between the parties, terminate the Issue Agreement in certain circumstances, including for breach of the warranties referred to above.

8.5 Registrar's Agreement

The Registrar's Agreement dated 17 October 2018 between the Company and the Registrar whereby the Registrar has agreed to provide registrar services to the Company. The fees payable to the Registrar are based on the number of transactions plus properly incurred expenses, subject to an annual fee of £1,080. The Registrar's Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar's Agreement are subject to a financial limit.

8.6 Receiving Agent Agreement

The receiving agent agreement is dated 17 October 2018 between the Company and the Receiving Agent whereby the Receiving Agent has agreed to act as Receiving Agent to the Offer for Subscription. The fees payable to the receiving agent are based on the number of applications received and are subject to a minimum fee. The agreement contains certain standard indemnities

from the Company in favour of the Receiving Agent and from the Receiving Agent in favour of the Company. The Receiving Agent's liability under the agreement is subject to a financial limit.

8.7 Seed Portfolio Share Purchase Agreement

The Company has entered into a sale and purchase agreement with each of the Seed Portfolio Project Holders dated 16 October 2018 in respect of the sale of 100 per cent. of the issued share capital in each Seed Project Company. The Seed Portfolio Project Holders have given various warranties and undertakings in respect of, among other things, the business, assets and accounts of the Seed Project Companies as at the date of the Seed Portfolio Share Purchase Agreement, which will be deemed repeated at Admission. The Seed Portfolio Project Holders have also given tax indemnities in respect of certain tax liabilities that arose prior to completion of the Acquisition. The Seed Portfolio Share Purchase Agreement is conditional upon Admission. The consideration for the Acquisition comprises the issue of the Consideration Shares on Admission and the payment of the Cash Consideration, Deferred Cash Consideration and Deferred Project Consideration. The Cash Consideration is payable on Admission and will be partly used to repay debt owed by the Seed Project Companies. The Deferred Project Consideration may be payable in the event certain conditions are met within 12 months after Admission, such as securing lease extensions or planning consent. The Deferred Cash Consideration may be payable in four equal instalments in the event certain operating cash flow metrics of the Seed Portfolio are met in stages by 31 December 2019. The proceeds of the Issue will be used to pay the Cash Consideration in respect of the Acquisition, which is payable on Admission, and the Deferred Cash Consideration; and Deferred Project Consideration may be payable after Admission.

8.8 Subscription Agreement in respect of certain cornerstone investors

The Company, Lux Energy and BSIF have entered into the Subscription Agreement under which each of Lux Energy and BSIF has, conditional only on Admission, subscribed for Ordinary Shares in the Company. Such Ordinary Shares will be issued at the Issue Price, payable in cash in full on Admission.

Immediately following Admission, the aggregate direct and indirect shareholding in the Company of Ben Guest (comprising Consideration Shares received by him under the Seed Portfolio Share Purchase Agreement) and Lux Energy (comprising Ordinary Shares allotted to it pursuant to the Subscription Agreement) will be 10,000,000 Ordinary Shares representing an investment in the Company of £10,000,000 at the Issue Price.

Immediately following Admission, the shareholding of Gresham House (Nominees) Limited, as nominee of BSIF, comprising Consideration Shares received by it under the Seed Portfolio Share Purchase Agreement and Ordinary Shares allotted to it pursuant to the Subscription Agreement will be 16,500,000 Ordinary Shares.

8.9 Management Services Agreement

GHNE has entered into a Management Services Agreement with each Seed Project Company (or its subsidiary) under which it provides operational, management and administrative services.

The minimum term of each Management Services Agreement is expected to be at least eighteen years.

The fees payable under the Managing Services Agreements for two of the projects is a nominal annual fee. It is anticipated that the terms of the Managing Services Agreement in respect of the third project will be changed in the near term to reduce the fee payable to a nominal annual fee.

GHNE's liability under the Management Services Agreements is limited to the higher of (i) a monetary amount calculated by reference to the fees payable under the agreement or, where only a nominal fee is payable, a fixed monetary amount; and (ii) the revenues which (in the absence of any breach or non-performance by GHNE) would have been expected to accrue to the relevant Project in the three month period immediately following the event giving rise to GHNE's liability.

GHNE indemnifies the relevant Project in respect of:

- (a) injury or death caused or contributed to by the breach of the Management Services Agreement and/or a negligent act and/or omission and/or a wilful act and/or breach of statutory duty of GHNE or arising from GHNE's operations;
- (b) damage to or loss of any property, real or personal, caused by or contributed to by breach of the Management Services Agreement and/or a negligent act and/or omission and/or a wilful act and/or breach of statutory duty of GHNE or arising from GHNE'S operations;

- (c) regulatory penalties or fines imposed by any governmental authority arising from GHNE's violation of any applicable laws; and
- (d) third party claims for intellectual property infringement arising out of the Project's use of any intellectual property assigned or licenced to it by GHNE.

The indemnities (except for the indemnity in respect of property damage) are not subject to GHNE's cap on liability.

Each Project can request that GHNE is required to carry out and perform any variation to the services including any change, addition, omission or substitution to the services or an alteration to the standard of the services (for an agreed fee).

GHNE is entitled to subcontract part but not all of the services under the Management Services Agreement.

8.10 Lock-up and Orderly Market Deed

The Company and Cantor Fitzgerald, and each of the Seed Portfolio Project Holders (except HC ESS1 LLP), Ben Guest, Bozkurt Aydinoglu and Gareth Owen (together, the "Locked-up Shareholders") have entered into the Lock-up and Orderly Market Deed dated 16 October 2018 whereby each of the Locked-up Shareholders has agreed to certain restrictions on the disposal of their shares in the Company for a period following Admission.

Each of the Locked-up Shareholders severally undertakes that:

- a) during the period of 24 months commencing on the date of Admission, they will not dispose or enter into any agreement to dispose of any interest in their ordinary shares;
- b) for a period of 12 months after the end of the 24 month period commencing on the date of Admission, they will not dispose of any interest in their ordinary shares other than through Cantor Fitzgerald, or such replacement broker (as appropriate), subject to being offered terms as to price and rates of commission at least as favourable as those being offered by any other broker at that time, but provided that, if the terms as to price and rates of commission offered by another broker at that time are more favourable than those being offered by Cantor Fitzgerald, Cantor Fitzgerald shall be given 5 Business Days within which to match any such terms, failing which the Locked-up Shareholder shall be free to dispose of any interest in the Ordinary Shares itself or through another broker); and
- c) that they will use their reasonable endeavours to procure that any connected persons will adhere to the same restrictions as if these restrictions applied to them directly.

The Lock-up and Orderly Market Deed also sets out certain circumstances in which the undertakings will not apply.

Each Locked-up Shareholder confirms to Cantor Fitzgerald and the Company that each of their shares are beneficially owned and free from all liens, charges, encumbrances and third party rights.

The Lock-up and Orderly Market Deed is conditional upon Admission will terminate immediately if Admission has not become effective on or before 30 November 2018.

8.11 Framework Agreement

The Manager is party to the Framework Agreement with Noriker and the shareholders of Noriker (other than Gresham House plc) (the "Covenantors"). The purpose behind the Framework Agreement is to ensure that each project developed by Noriker or the Manager is transferred into a new SPV. The shareholders of the new SPV are the Manager and Noriker and the proportions depend on the party that has initially developed the project. The Framework Agreement can only be terminated on a parties' failure to pay, material breach or insolvency.

The terms of the Framework Agreement provide that Noriker gives the Manager an exclusive right of first refusal ("Gresham ROFR") on all projects developed by Noriker. Noriker and the Covenantors are prohibited from selling any projects or assets to any other party without offering them to the Manager under the Gresham ROFR; and if the Manager notifies Noriker that it wishes to invest in that project, then an SPV is set up and all assets and contracts are transferred to that SPV (if the SPV is not already existing and holding all relevant assets and contracts). At that time, the Manager takes a 60% stake and Noriker a 40% stake in the SPV for a nominal sum and the parties shall enter into a shareholders' agreement which contains market standard terms and conditions.

The Manager or the SPV is required to repay the development costs of Noriker to the date of transfer into the SPV or those costs remain outstanding as a secured debt with an interest rate at 15%. At that time, the Manager is to put in place a secured development loan from which the SPV can borrow in order to repay the development costs. Following the SPV being set up, Noriker and the Covenantors have obligations to take the project to ready to build status.

In addition, the Framework Agreement also gives Noriker an exclusive ROFR "Noriker ROFR" on all ready to build projects developed by the Manager. The Manager is prohibited from selling any ready to build projects or assets to any other party without offering them to Noriker under the Noriker ROFR. If Noriker notifies the Manager that it wishes to invest in that project, then an SPV is set up and all assets and contracts are transferred to that SPV (if the SPV is not already existing and holding all relevant assets and contracts). At that time, the Manager takes an approximately 70% stake and Noriker takes an approximately 30% stake and the parties shall enter into a shareholders' agreement which contains market standard terms and conditions.

Once any project has reached ready to build status, Noriker shall provide certain services to the SPV including revenue contracting, site and construction readiness design, procurement and EPC appointment, use and future licensing of certain intellectual property rights by the SPVs, identifying other site specific revenue opportunities, undertaking project delivery, servicing of control systems and undertaking O&M oversight. Once any project has reached ready to build status, the Manager is exclusively mandated to seek external funding.

9. Litigation

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, in the recent past, significant effects on the Company or the Company's financial position or profitability since the Company's incorporation.

10. Significant change in the financial or trading position

As at the date of this Prospectus, there has been no significant change in the financial or trading position of the Company since its incorporation.

11. Significant gross change

Where Ordinary Shares or C Shares are issued under the Issue or the Placing Programme, the total assets of the Company will increase by that number of Ordinary Shares or C Shares, as applicable, multiplied by the applicable Issue Price or Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and policy of the Company and, in the case of an issue of New Ordinary Shares, the Placing Programme Price will always represent at least a 2 per cent. premium to the last published cum income Net Asset Value.

12. Third party information and consents

Cantor Fitzgerald, as sole bookrunner, has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

Grant Thornton UK LLP, as valuer, has given and not withdrawn its written consent to the inclusion in this Prospectus of the Valuation Opinion Letter in Part 10 (*Valuer's Opinion*) of this Prospectus and has authorised the contents of the Valuation Opinion Letter and the references to its name in the form and context in which they appear.

The Manager accepts responsibility for the information contained in Part 6 (*Market Background*), Part 7 (*Investment Opportunity*) and paragraph 7 of Part 8 (*The Company*) of this Prospectus, and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. All such information is included in this document, in the form and context in which it appears, with the consent of the Manager.

Certain information contained in this Prospectus has been sourced from third parties. Such information has been accurately reproduced and, as far as the Company and Gresham House is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13. General

The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

No application is being made for the Shares to be listed or dealt in on any stock exchange or investment exchange other than the London Stock Exchange.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

As at the date of the Prospectus the Company has no subsidiaries but intends to form one or more subsidiaries for the purposes of its business.

14. Auditor

The auditor of the Company is BDO UK LLP, at 55 Baker St, Marylebone, London W1U 7EU.

15. Working capital

In the Company's opinion, on the basis that Net Proceeds of not less than £100 million are raised through the Issue, the working capital available to it will be sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

16. Capitalisation and indebtedness

Details of capitalisation are set out in paragraph 3 of this Part 14 (*General Information*). As at the date of this Prospectus, the Company had no guaranteed and unguaranteed, secured and unsecured indebtedness.

There are no indirect or contingent liabilities.

The following table shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) and the Company's unaudited capitalisation as at the date of this Prospectus.

	17 October 2018 £
	<hr/>
<i>Total current debt</i>	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
	<hr/>
Total current debt	0
	<hr/> <hr/>
<i>Non-current debt (excluding current portion of long-term debt)</i>	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
	<hr/>
Total non-current debt	0
	<hr/> <hr/>
	 17 October 2018 £
	<hr/>
<i>Shareholders' equity</i>	
Share capital	0
Legal reserve	0
Other reserves	0
	<hr/>
Total Shareholders' equity	0
	<hr/> <hr/>

As at the date of this Prospectus, there has been no material change in the unaudited capitalisation of the Company.

The following table shows the Company's unaudited net indebtedness as at the date of this Prospectus. There is no secured or guaranteed indebtedness.

	17 October 2018
	£
A Cash	0
B Cash equivalent	0
C Trading Securities	0
D Liquidity (A) + (B) + (C)	0
E Current financial receivables	0
F Current bank debt	0
G Current position of non-current debt	0
H Other current financial debt	0
I Current financial debt (F) + (G) + (H)	0
J Net current financial indebtedness (I) - (E) - (D)	0
K Non-current bank loans	0
L Bonds issued	0
M Other non-current loans	0
N Non-current loans (K) + (L) + (M)	0
O Net financial indebtedness (J) + (N)	0

There are no indirect or contingent liabilities.

17. Overseas investors

If you receive a copy of this Prospectus in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.

Without limiting the above, the Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the Securities Act or other relevant legislation. If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States. No application will be accepted if it bears an address in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States or appears to have been posted from Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States or otherwise where there is cause to believe you are in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States.

18. Fair treatment of investors

The Manager has established procedures, arrangements and policies to ensure compliance with the principles more particularly described in the AIFM Rules relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- (a) acting in the best interests of the Company and of the Shareholders;
- (b) ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- (c) ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- (d) ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- (e) preventing undue costs being charged to the Company and Shareholders;
- (f) taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- (g) recognising and dealing with complaints fairly.

The Manager maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

19. AIFM Directive disclosures

- 19.1 The Company is categorised as an EEA AIF for the purposes of the AIFM Directive and the Manager, the Company's AIFM, is an EEA AIFM. Accordingly, the Manager is required to make certain disclosures to prospective investors prior to their investment in the Company, in accordance with Article 23 of the AIFM Directive. An explanation of where each of these disclosures may be found in this Prospectus (or of the non-applicability to the Company of certain of these disclosures) is set out in this paragraph 19.
- 19.2 Part 8 (*The Company*) contains a description of the investment policy, strategy and objectives of the Company, the types of assets in which the Company may invest, the techniques it may employ, any applicable investment restrictions and the procedures by which the Company may change its investment strategy or the Company's investment policy.
- 19.3 Part 8 (*The Company*) of this Prospectus also contains a description of the circumstances in which the Company may use leverage, the types and sources of leverage permitted, restrictions on the use of leverage and the maximum level of leverage which the Company is permitted to employ. There are no collateral or reuse arrangements in place in respect of the Portfolio.
- 19.4 The key risks associated with the investment policy, strategy, objectives and techniques of the Company and with the use of leverage by the Company are contained in the section of this Prospectus entitled "**Risk Factors**".
- 19.5 The Company is not a fund of funds and so there is no master AIF for the purposes of the AIFM Directive, nor will there be any underlying funds.
- 19.6 A description of the main legal implications of the contractual relationship entered into for the purpose of investment in the Company, including information on jurisdiction and applicable law, is contained in Parts 15 (*Terms and Conditions of Application under the Placing and the Placing Programme*) and 16 (*Terms and Conditions of Application under the Offer for Subscription*). In particular, the Issue is governed by English law and subject to the jurisdiction of English courts, the same law and jurisdiction under which the Company is established. More generally, a foreign judgment obtained in an EU member state may be recognised and enforced in England pursuant to Council Regulation (EC) 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Brussels Regulation**"). A judgment which has been certified as a European Enforcement Order pursuant to Regulation (EC) 805/2004 may also be recognised and enforced in England.
- 19.7 Details of the identities of the AIFM, the Depositary, Auditors and other service providers to the Company, their duties to the Company and investors' rights (exercised through the Company) are contained in Part 8 (*The Company*) and in this Part 14 (*General Information*),
- 19.8 Absent a direct contractual relationship between a particular Shareholder and the Company and/or any of its service providers, including, without limitation, the AIFM, the Depositary, the Auditors, Shareholders will have no direct rights against such persons.

- 19.9 The AIFM will cover professional liability risks by way of professional indemnity insurance.
- 19.10 The Manager and the Depositary are responsible for their own work and there will be no delegation of AIFM management functions or safekeeping functions, as applicable for the purposes of FUND 3.2.2R(6).
- 19.11 A description of the Company's valuation procedures and of the pricing methodology for valuing assets, which includes the methods that will be used in valuing hard-to-value assets, is contained in Part 8 (*The Company*) of this Prospectus.
- 19.12 The Company is a closed-ended investment company and there are therefore no redemption rights. However, the Shares are to be admitted to listing on the Specialist Fund Segment of the London Stock Exchange and will be freely transferable save as described in this Prospectus. As regards liquidity risk management, a description of the discount management mechanisms which may be employed by the Company is contained in Part 8 (*The Company*) of this Prospectus, although it should be noted that the Directors' exercise of these rights is entirely discretionary.
- 19.13 A description of all fees, charges and expenses and of the maximum amounts thereof (to the extent that this can be assessed) which are borne by the Company and thus indirectly by investors is contained in Part 8 (*The Company*) and this Part 14 (*General Information*) of the Prospectus. There are no expenses charged directly to investors by the Company.
- 19.14 As its Shares are to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, the Company will be required to comply with, among other things, the relevant provisions of the Disclosure Guidance and Transparency Rules and the Takeover Code, all of which operate to ensure a fair treatment of investors. As at the date of this Prospectus, no investor has obtained preferential treatment or the right to obtain preferential treatment.
- 19.15 Since the Company was incorporated on 24 August 2018 and has not yet commenced operations, no financial statements or Net Asset Value figures have been published by the Company. No historical performance information is available as the Company has no operating history.
- 19.16 The procedure and conditions for the issue and sale of Shares is contained in Part 11 (*The Issue*), Part 12 (*Placing Programme*), Part 15 (*Terms and Conditions of Application under the Placing and the Placing Programme*) and Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) of this Prospectus.
- 19.17 The Company has not engaged the services of any prime broker.
- 19.18 The Depositary Agreement prohibits the transfer or reuse by the Depositary of the Company's assets.
- 19.19 The information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive and FUND 3.2.5 and FUND 3.2.6 will be disclosed to investors in the Company's audited annual report.
- 19.20 If there are any material changes to any of the information referred to in this paragraph 19, such changes will be notified in the Company's audited annual report, in accordance with Articles 23 of the AIFM Directive and FUND 3.2.2.

20. Voluntary compliance with the Listing Rules

Applications will be made to the London Stock Exchange for all of the Shares to be issued pursuant to the Issue and Placing Programme to be admitted to trading on the Specialist Fund Segment. As such, the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UK Listing Authority will not apply to the Company.

The Company will be subject to the admission and disclosure standards of the London Stock Exchange whilst the Shares are admitted to trading on the Specialist Fund Segment. The Company will also be subject to the Disclosure Guidance And Transparency Rules. In addition, the Directors have resolved that, as a matter of good corporate governance, the Company will voluntarily comply with the all of the provisions of the Listing Rules should Admission be granted, other than those relating to related party transactions, including, without limitation the following:

- (a) The Company is not required to comply with the Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, it is the intention of the Company to comply with these Listing Principles from Admission.
- (b) The Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Cantor Fitzgerald as sole bookrunner and financial adviser to guide the Company in understanding and meeting its responsibilities in connection with Admission, the Issue and the Placing Programme and also for compliance with Chapter 10 of the Listing Rules (as and when applicable) relating to significant transactions, with which the Company intends to voluntarily comply.
- (c) The Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company intends however to comply with all of the provisions of Chapter 9 of the Listing Rules from Admission.
- (d) The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, in circumstances where the Company, would, if it were complying with Chapter 11 of the Listing Rules, require shareholder consent in respect of any such transaction the Company has adopted a related party policy (in relation to which Cantor Fitzgerald, as financial adviser, will guide the Company). The policy shall apply to any transaction which it may enter into with:
 - (i) any “substantial shareholder” (as defined in Listing Rule 11.1.4A) (other than: (a) related party transactions with “substantial shareholders” under Listing Rule 11.1.5(2) regarding coinvestments or joint provision of finance; or (b) issues of new securities in, or a sale of treasury shares of, the Company to “substantial shareholders” on terms which are more widely available, for example as part of an offer to the public or a placing to institutional investors);
 - (ii) any Director;
 - (iii) the Manager and any other member of the Gresham House Group; and
 - (iv) any affiliates of such persons,

where (in each case) such transaction would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall deal with such related party transactions in accordance with Chapter 11 of the Listing Rules with appropriate modifications in relation to Chapter 11 requirements to provide information, confirmation and undertakings to the FCA. In circumstances where the Company wishes to acquire energy storage systems that have been operated or developed by the Gresham House Group or are owned by persons who are managed or advised by the Gresham House Group, the protocol agreed between Gresham House and the Board, as more particularly described in paragraph 7.4 of Part 8 (*The Company*) of this Prospectus, will be followed prior to any acquisition by the Company of such energy storage systems. For the avoidance of doubt, the Company will not comply with the provisions of Chapter 11 of the Listing Rules that would require it to seek the approval by independent Shareholders of such acquisition.

- (a) The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2, as more particularly described in the section headed “Share buybacks” in paragraph 14.1 of Part 8 (*The Company*) of this Prospectus.
- (b) The Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company intends however to comply with the following provisions of Chapter 13 of the Listing Rules from Admission: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars).
- (c) The Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing). Nonetheless, the Company intends to comply with the following provisions of Chapter 15 of the Listing Rules from Admission: Listing Rule 15.4.1A to Listing Rule 15.4.11 (Continuing obligations).

It should be noted that the UK Listing Authority will not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UK Listing Authority nor will it impose sanctions in respect of any breach of such requirements by the Company.

21. Availability of Prospectus

A copy of this Prospectus will be available for inspection at The National Storage Mechanism which is located at <http://www.morningstar.co.uk/uk/nsm> and for as long as Shares are available for issue under this Prospectus, copies of this Prospectus are available for collection, free of charge from the offices of the Administrator. The Prospectus will also be available on the Company's website – www.newenergy.greshamhouse.com/products/esf.com.

22. Documents on display

The following documents will be available for inspection between 9.00 a.m. and 5.00 p.m. on any day (Saturdays, Sundays and public holidays excepted) at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS, from the date of this Prospectus until the Placing and Offer for Subscription close:

22.1 this Prospectus dated 17 October 2018;

22.2 the Memorandum and Articles; and

22.3 the material contracts referred to in paragraph 8 of this Part 14 (*General Information*) of the Prospectus.

PART 15: TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING AND THE PLACING PROGRAMME

1. Introduction

Each Placee which confirms its agreement to Cantor Fitzgerald to subscribe for Ordinary Shares and/or C Shares under the Placing and/or the Placing Programme, as the case may be, will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Cantor Fitzgerald may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) see(s) fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”). The terms herein will, where applicable, be deemed to be incorporated into such Placing Letter.

Subject to the paragraph above, the commitment to acquire Ordinary Shares and/or C Shares under the Placing and/or the Placing Programme will be orally agreed with Cantor Fitzgerald as agent for the Company and further evidenced in a contract note (a “**Contract Note**”) or placing confirmation (a “**Placing Confirmation**”) or subscription letter. The terms herein will, where applicable, be deemed to be incorporated into such Contract Note or Placing Confirmation.

References in these terms and conditions to the Ordinary Shares should be construed as references to the New Ordinary Shares where the context permits.

2. Agreement to Subscribe for Ordinary Share/C Shares

Subject to and conditional on:

- (a) in relation to the Placing Admission of Ordinary Shares subscribed in the Placing by a Placee occurring and becoming effective by 8.00 a.m. (London time) on or prior to 5 November 2018 (or such later time and/or date, not being later than 8.00 a.m. on 30 November 2018, as the Company and Cantor Fitzgerald may agree) and in relation to the Placing Programme Admission of Ordinary Shares or C Shares as the case may be subscribed in the Placing by a Placee under the Placing Programme occurring not later than 8.00 a.m. on such other date as may be agreed between the Company and Cantor Fitzgerald prior to the closing of each placing under the Placing Programme, not being later than 16 October 2019;
- (b) the Issue Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on the date of Admission of the relevant Ordinary Shares;
- (c) Cantor Fitzgerald confirming to the Placees their allocation of Ordinary Shares or C Shares, as applicable, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares or C Shares allocated to it by Cantor Fitzgerald at the Issue Price or the applicable Placing Programme Price, as the case may be. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have;
- (d) the terms and conditions herein and the terms and conditions set out in the Placing Letter and accompanying form of confirmation (if any);
- (e) in the case of the Issue, Net Proceeds of at least £100 million being raised;
- (f) in the case of any issue under the Placing Programme, a valid supplementary prospectus being published by the Company if such is required;
- (g) in the case of any issue under the Placing Programme, the relevant Placing Programme Price being determined by the Directors,

a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares or C Shares allocated to it by Cantor Fitzgerald at the Issue Price or the applicable Placing Programme Price, as the case may be.

In the event that Cantor Fitzgerald, in consultation with the Company, wishes to waive condition (e) referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum Net Proceeds figure.

To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. Payment for Shares

Each Placee undertakes to pay the Issue Price or the Placing Programme Price, as applicable, for the Ordinary Shares or C Shares issued to the Placee in the manner and by the time directed by Cantor Fitzgerald. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee shall be deemed hereby to have appointed Cantor Fitzgerald or any nominee of Cantor Fitzgerald as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares or C Shares (as applicable) in respect of which payment shall not have been made as directed, and to indemnify Cantor Fitzgerald and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.

A sale of all or any of such Ordinary Shares or C Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares or C Shares to the extent that Cantor Fitzgerald or its nominee has failed to sell such Ordinary Shares or C Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price or the applicable Placing Programme Price.

4. Representations and Warranties

By agreeing to subscribe for Ordinary Shares or C Shares, each Placee which enters into a commitment to subscribe for such Ordinary Shares or C Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares or C Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, the Manager, the Registrar and Cantor Fitzgerald that:

- (a) in agreeing to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to Admission and the Placing Letter (if applicable) and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares, the C Shares, the Placing and the Placing Programme. It agrees that none of the Company, the Manager, Cantor Fitzgerald or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Manager, Cantor Fitzgerald or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing and/or the Placing Programme;
- (c) it has carefully read and understands this Prospectus and has had the opportunity to read the Key Information Document each in its entirety and acknowledges that it shall be deemed to have notice of all information and representations contained in this Prospectus and the Key Information Document and is acquiring Ordinary Shares or C Shares on the terms and subject to the conditions set out in this Part 15 (*Terms and Conditions of Application under the Placing and the Placing Programme*) and the Articles as in force at the date of Admission of the Ordinary Shares or C Shares;

- (d) it has not relied on Cantor Fitzgerald or any person affiliated with Cantor Fitzgerald in connection with any investigation of the accuracy of any information contained in this Prospectus;
- (e) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Cantor Fitzgerald nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing and/or the Placing Programme based on any information, representation or statement contained in this Prospectus or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing and/or the Placing Programme to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to the date of admission of the relevant Ordinary Shares or C Shares and, if given or made, any information or representation must not be relied upon as having been authorised by Cantor Fitzgerald, the Company or the Manager;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the Ordinary Shares or C Shares have been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, neither the Ordinary Shares nor the C Shares may be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan unless an exemption from any registration requirement is available;
- (i) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Ordinary Shares or the C Shares may otherwise lawfully be offered under such Order and/or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), (i) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive and (ii) if that relevant Member State has implemented the AIFM Directive, that it is a person to whom the Ordinary Shares or the C Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that relevant Member State;
- (k) in the case of any Ordinary Shares or C Shares acquired by a Placee as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the Ordinary Shares or C Shares acquired by it in the Placing and/or the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Cantor Fitzgerald has been given to the offer or resale; or (ii) where Ordinary Shares or C Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares or C Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing and/or the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares or C Shares pursuant to the Placing and/or the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully

be provided to it or such person and Ordinary Shares or C Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (m) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares or C Shares and it is not acting on a non-discretionary basis for any such person;
- (n) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Placing or Placing Programme is accepted;
- (o) it has complied with and will comply with all applicable provisions of the Criminal Justice Act 1993 and the regulation (EU) No. 596/2016 of the European Parliament and of the Council of 16 April 2014 on market abuse with respect to anything done by it in relation to the Placing and the Placing Programme and/or the Ordinary Shares and/or the C Shares;
- (p) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Issue, the Placing Programme, the Ordinary Shares or the C Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (q) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5, below;
- (r) it acknowledges that neither Cantor Fitzgerald nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and/or the Placing Programme or providing any advice in relation to the Placing and/or the Placing Programme and participation in the Placing and/or the Placing Programme is on the basis that it is not and will not be a client of Cantor Fitzgerald and that Cantor Fitzgerald does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing and/or the Placing Programme nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing and/or the Placing Programme;
- (s) it acknowledges that where it is subscribing for Ordinary Shares or C Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares or C Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus (including these terms and conditions of application under the Placing and the Placing Programme); and (iii) to receive on behalf of each such account any documentation relating to the Placing and/or the Placing Programme in the form provided by the Company and/or Cantor Fitzgerald. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares or C Shares by or on behalf of any such account;
- (t) if it is acting as a "distributor" (for the purposes of the MiFID II Product Governance Requirements):
 - (i) it acknowledges that the Target Market Assessment undertaken by the AIFM and Cantor Fitzgerald does not constitute: (A) an assessment of suitability or appropriateness for the purposes of MiFID II; or (B) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and/or C Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or C Shares and determining appropriate distribution channels;
 - (ii) notwithstanding any Target Market Assessment undertaken by the AIFM and Cantor Fitzgerald, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and/or C Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares and/or C Shares with the end target market; and

- (iii) it acknowledges that the price of the Ordinary Shares and the C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and the C Shares offer no guaranteed income and capital protection cannot be guaranteed on the Ordinary Shares or on the C Shares; and an investment in the Ordinary Shares or in the C Shares is compatible only with investors who do not need a guaranteed capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom,
- (u) it irrevocably appoints any director of the Company and any director of Cantor Fitzgerald to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares or C Shares for which it has given a commitment under the Placing and/or the Placing Programme, in the event of its own failure to do so;
- (v) it accepts that if the Placing and/or the Placing Programme does not proceed or the conditions to the Issue Agreement are not satisfied or the Ordinary Shares or C Shares for which valid applications are received and accepted are not admitted to trading on the Specialist Fund Segment for any reason whatsoever then none of Cantor Fitzgerald or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, shareholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (w) in connection with its participation in the Placing and/or the Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2014/849/EC of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Legislation;
- (x) it acknowledges that due to anti-money laundering and the countering of terrorist financing requirements, Cantor Fitzgerald and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Cantor Fitzgerald and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Cantor Fitzgerald and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- (y) it acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the "**DP Legislation**"), the Company and/or the Registrar will, following Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data, such as name, postal address and email address will be retained on record for a period exceeding five years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar (acting as data processor of the Company) will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website at www.greshamhouse.com/wp-content/uploads/2018/05/GDPR-Privacy-Notice-ES-240518-tracks-accepted.pdf (the "**Privacy Notice**") which include to:

- (i) process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares and/or C Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares and/or C Shares;
 - (iii) comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - (iv) process its personal data for internal administration;
- (z) it acknowledges that where it is necessary to fulfil the Purposes, the Company, Cantor Fitzgerald and the Registrar to disclose personal data to:
- (i) third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares and/or C Shares; or
 - (ii) its affiliates, each other or the AIFM and their respective associates, some of which may be located outside the EEA;
- (aa) it acknowledges that any sharing of personal data between the Company, Cantor Fitzgerald or the Registrar with other parties will be carried out in compliance with the DP Legislation and as set out in the Company's Privacy Notice;
- (bb) it acknowledges that by becoming registered as a holder of Ordinary Shares and/or C Shares a person to the extent they are a natural person becomes a data subject (as defined under DP Legislation) and where the registered shareholder is a legal person then its nominated point of contact will be a data subject in respect of his/her name and business related address. In providing the Registrar with information, it hereby represents and warrants to the Company, the Registrar and the AIFM that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company, Cantor Fitzgerald and/or the Registrar; and (ii) where consent is legally competent and/or required under DP Legislation it has obtained the consent of any data subject to the Company and Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes);
- (cc) it acknowledges that by submitting personal data to Cantor Fitzgerald the Registrar (acting for and on behalf of the Company) where it is a natural person he or she has read and understood the terms of the Company's Privacy Notice;
- (dd) it acknowledges that by submitting personal data to Cantor Fitzgerald the Registrar (acting for and on behalf of the Company) where it is not a natural person it represents and warrants that:
- (i) it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account it may act or whose personal data will be disclosed to the Company as a result of it agreeing to subscribe for Ordinary Shares and/or C Shares; and
 - (ii) it has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company;
- (ee) it acknowledges that where it acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to a Placing:
- (i) comply with all applicable data protection legislation;
 - (ii) take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;

- (iii) if required, agree with the Company, Cantor Fitzgerald and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- (iv) it shall immediately on demand, fully indemnify each of the Company, Cantor Fitzgerald and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company, Cantor Fitzgerald and/or the Registrar in connection with any failure by it to comply with the provisions set out above;
- (ff) Cantor Fitzgerald and the Company are entitled to exercise any of their rights under the Issue Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (gg) the representations, undertakings and warranties contained in this Prospectus including these terms and conditions of application under the Placing and the Placing Programme are irrevocable. It acknowledges that Cantor Fitzgerald, the Company, the Manager and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares or C Shares are no longer accurate, it shall promptly notify Cantor Fitzgerald and the Company;
- (hh) where it or any person acting on behalf of it is dealing with Cantor Fitzgerald, any money held in an account with Cantor Fitzgerald on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant provisions of the FCA Handbook which therefore will not require Cantor Fitzgerald to segregate such money, as that money will be held by Cantor Fitzgerald under a banking relationship and not as trustee;
- (ii) any of its clients, whether or not identified to Cantor Fitzgerald, will remain its sole responsibility and will not become clients of Cantor Fitzgerald for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (jj) it accepts that the allocation of Ordinary Shares or C Shares shall be determined by Cantor Fitzgerald in its absolute discretion but in consultation with the Company and that Cantor Fitzgerald in a consultation with the Company may scale down any placing commitments for this purpose on such basis as it may determine;
- (kk) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares or C Shares and to comply with its other obligations under the Placing and/or the Placing Programme;
- (ll) it is capable, or the underlying client(s) in the case of applications on behalf of professionally-advised investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment;
- (mm) authorises Cantor Fitzgerald to deduct from the total amount subscribed under the Placing or the Placing Programme (as applicable), the aggregate fees and commissions (if any) calculated at the rate (agreed with the Company) payable on the number of Ordinary Shares or C Shares allocated under the Placing or the Placing Programme (as applicable);
- (nn) its commitment to acquire Ordinary Shares and/or C Shares will be agreed orally with Cantor Fitzgerald and that a Contract Note or Placing Confirmation will be issued by Cantor Fitzgerald as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding Placing Commitment upon that person (who at that point will become a Placee) in favour of the Company and Cantor Fitzgerald to purchase and/or subscribe for the number of Ordinary Shares and/or C Shares allocated to it at the Placing Price or the relevant Placing Programme Price on the terms and conditions set out in herein and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of Cantor Fitzgerald, such oral Placing Commitment will not be capable of variation or revocation after the time at which it is made; and

- (oo) its allocation of Ordinary Shares and/or C Shares under the Placing and the Placing Programme will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Ordinary Shares and/or C Shares that such Placee has agreed to purchase and/or subscribe for; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares and/or C Shares; and (iii) settlement instructions to pay Cantor Fitzgerald as agent for the Company. The terms herein will be deemed to be incorporated into that Contract Note or Placing Confirmation.

5. United States purchase and transfer restrictions

By participating in the Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares or C Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Manager, the Registrar and Cantor Fitzgerald that:

- (a) it is not a U.S. Person, is not located within the United States and is acquiring the Ordinary Shares or C Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act and it is not acquiring the Ordinary Shares or C Shares for the account or benefit of a U.S. Person;
- (b) it acknowledges that the Ordinary Shares and C Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the Securities Act;
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or C Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “**employee benefit plan**” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “**plan**” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Ordinary Shares or C Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) that if any Ordinary Shares or C Shares offered and sold pursuant to Regulation S under the Securities Act are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“GRESHAM HOUSE ENERGY STORAGE FUND PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.”

- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares or C Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (g) it is purchasing the Ordinary Shares or C Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares or C Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or C Shares or interests therein at any time as to such person's status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Ordinary Shares or C Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with international regimes for the automatic exchange of information to improve tax compliance (including FATCA and the CRS). The Placee agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required to enable it to comply with its obligations under automatic exchange of information regimes;
- (j) it is entitled to acquire the Ordinary Shares or C Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares or C Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Manager, Cantor Fitzgerald or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing and/or the Placing Programme or its acceptance of participation in the Placing and/or the Placing Programme;
- (k) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares and/or C Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Ordinary Shares or C Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the Manager, the Registrar, Cantor Fitzgerald and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Cantor Fitzgerald.

6. Supply and disclosure of information

If Cantor Fitzgerald, the Registrar, the Manager, or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme, such Placee must promptly disclose it to them.

7. Return of application moneys

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become

unconditional, the application moneys or, as the case may be, the balance of the amount paid on application will be returned as soon as reasonably practicable without interest by returning your cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto. In the meantime, application moneys will be retained by the Receiving Agent in a separate account.

8. Miscellaneous

The rights and remedies of Cantor Fitzgerald, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally his nationality.

On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing and/or the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Ordinary Shares or C Shares which the Placee has agreed to subscribe for pursuant to the Placing and/or the Placing Programme, have been acquired by the Placee. The contract to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Cantor Fitzgerald, the Company, the Manager, and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares or C Shares under the Placing and/or the Placing Programme, references to a "**Placee**" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Cantor Fitzgerald and the Company expressly reserve the right to modify the Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing and/or the Placing Programme is subject to the satisfaction of the conditions contained in the Issue Agreement and the Issue Agreement not having been terminated. Further details of the terms of the Issue Agreement are contained in paragraph 8.4 of Part 14 (*General Information*) of this Prospectus.

PART 16: TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. Introduction

If you apply for Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, Cantor Fitzgerald, the Registrar and the Receiving Agent as set out in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*).

2. Terms and conditions for Applicants using the Offer for Subscription Application Form

2.1 Offer to acquire Ordinary Shares under the Offer for Subscription

Your application must be made on the Application Form set out at the Appendix to this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you complete and sign an Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for the Ordinary Shares specified in section 1 of your Application Form (being a minimum of £20,000 or such lesser number for which your application is accepted, and thereafter in multiples of £1,000) at the Issue Price per Share on the terms, and subject to the conditions, set out in this Prospectus (including this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*)) and the Articles;
- (b) agree that in respect of any Ordinary Shares for which you wish to subscribe under the Offer for Subscription you will submit payment in Sterling;
- (c) agree that, in consideration of the Company and Cantor Fitzgerald agreeing that they will not, prior to Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of any supplementary prospectus being published by the Company subsequent to the date of this Prospectus and prior to Admission) and that this paragraph (c) shall constitute a collateral contract between you, the Company and Cantor Fitzgerald which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- (d) undertake to pay the amount specified in section 1 of your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to have any Ordinary Shares applied for in uncertificated form credited to a CREST account or to receive a share certificate for any Ordinary Shares applied for in certificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your offer under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot such Ordinary Shares and may allot them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- (e) agree that the crediting to a CREST account of any Ordinary Shares in uncertificated form to which you may become entitled may be delayed by, and that any share certificate in respect of any Ordinary Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable may be retained by, the Receiving Agent:
 - (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in subparagraphs 3.6(a), 3.6(e), 3.6(g) or 3.6(h) of this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) or any other suspected breach of the terms and conditions of application set out in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*); or

- (iii) pending any verification of identity which is, or which the Company, Cantor Fitzgerald or the Receiving Agent considers may be, required for the purposes of their respective money laundering obligations under the Money Laundering Legislation and any other regulations applicable thereto,

and any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;

- (f) agree, on the request of the Company, Cantor Fitzgerald and/or the Receiving Agent, to disclose promptly in writing to them such information as the Company, Cantor Fitzgerald and/or the Receiving Agent may request in connection with your application and authorise the Company, Cantor Fitzgerald and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (g) agree that, if evidence of identity satisfactory to the Company, and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Cantor Fitzgerald, the Receiving Agent or the Company following a request therefor, the Company or Cantor Fitzgerald may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certificate by a solicitor or notary) is enclosed with your Application Form;
- (j) undertake to pay interest at the rate described in paragraph 3.2(c) of this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to credit the CREST account specified in section 5 of the Application Form with the number of Ordinary Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of Ordinary Shares for which your application is accepted by post to your address (or that of the first-named applicant) as set out in your Application Form;
- (l) agree that, in the event of any difficulties or delays in the admission of the Ordinary Shares to CREST or the use of CREST in relation to the Issue, the Company and Cantor Fitzgerald may agree that all of the Ordinary Shares should be issued in certificated form;
- (m) authorise the Receiving Agent to send a crossed cheque for any monies returnable (without interest) by post to your address (or that of the first-named applicant) as set out in your Application Form at your risk;
- (n) acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar will following Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data, such as name, postal address and email address will be retained on record for a period exceeding five years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar (acting as data processor of the Company) will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice (the “**Purposes**”) which is available for consultation on the Company’s website at www.greshamhouse.com/wp-content/uploads/2018/05/GDPR-Privacy-Notice-ES-240518-tracks-accepted.pdf (the “**Privacy Notice**”) which include to:
 - (i) process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares and/or C Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares and/or C Shares;

- (iii) comply with the legal and regulatory obligations of the Company and/or the Registrar;
- (iv) process its personal data for internal administration; and
- (v) agree that your Application Form is addressed to the Company and Cantor Fitzgerald.

2.2 Acceptance of Applications

- (a) In respect of those Ordinary Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company, or Cantor Fitzgerald on behalf of the Company either:
 - (i) by notifying the London Stock Exchange of the basis of allocation (in which case the acceptance will be on that basis); or
 - (ii) by notifying acceptance thereof to the Receiving Agent.
- (b) The basis of allocation will be determined by the Company in consultation with Cantor Fitzgerald. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with these Terms and Conditions of Application under the Offer for Subscription or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with it in some other manner to apply in accordance with the terms and conditions of application in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*). The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 11.00 a.m. on 31 October 2018.
- (c) The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicant's cheques. The Company may require you to pay interest or its other resulting costs (or both) if any payment accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which the basis of allocation under the Offer for Subscription is publicly announced until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2 per cent. per annum.
- (d) The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 Ordinary Shares, or applications which are more than 1,000 but not a multiple of 100 thereafter.
- (e) Multiple applications are liable to be rejected. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.
- (f) Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to "CIS PLC re: Gresham House Energy Storage Fund PLC OFS" and crossed "A/C Payee". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect.
- (g) Payment by CHAPS must be accompanied by a personalised payment reference number which may be obtained by contacting Computershare directly by email at OFSPaymentQueries@Computershare.co.uk for full bank details or telephone the Shareholder helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

- (h) Applicants choosing to settle via CREST (i.e. by delivery versus payment (“DVP”)), will need to match their instructions to the Computershare’s participant account 3RA05 by no later than 1.00 p.m. on 2 November 2018, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out in the Application Form.

2.3 Conditions

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring and becoming effective by 8.00 a.m. on 5 November 2018 (or such later time or date, not being later than 8.00 a.m. on 30 November 2018, as the Company and Cantor Fitzgerald may agree); and
- (b) the Issue Agreement referred to in paragraph 8.4 of Part 14 (General Information) of this Prospectus becoming unconditional and the obligations of Cantor Fitzgerald thereunder not being terminated prior to Admission.

2.4 Governing Law

- (a) Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.
- (b) You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.5 Return of application moneys

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application moneys or, as the case may be, the balance of the amount paid on application will be returned as soon as reasonably practicable without interest by returning your cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto. In the meantime, application moneys will be retained by the Receiving Agent in a separate account.

2.6 Warranties

By completing an Application Form, you:

- (a) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation and that such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) confirm that, in making an application, you are relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to Admission of the Ordinary Shares issued pursuant to the Issue and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares and/or the Issue. You agree that none of the Company, the Manager, Cantor Fitzgerald or the Registrar, nor any of their respective officers, agents employees, will have any liability for any other information or representation. You irrevocably and unconditionally waive any rights you may have in respect of any other information or representation;
- (c) acknowledge that the Key Information Document prepared by the Manager pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the key Key Information Document via the website at www.newenergy.greshamhouse.com/esfplc, or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the Key Information Document will be provided to you.

- (d) agrees that, having had the opportunity to read the Prospectus and the Key Information Document, it shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to Admission of the Ordinary Shares issued pursuant to the Issue and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Cantor Fitzgerald or the Manager;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and moneys sent by post to, by or on behalf of the Company, Cantor Fitzgerald or the Receiving Agent will be sent at your risk and, in the case of documents and returned moneys to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- (h) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- (i) confirm that you have reviewed the restrictions contained in paragraph 3 of this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) and warrant to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph;
- (j) acknowledge and understand that the Company may be required to comply with international regimes for the automatic exchange of information to improve the compliance (including FATCA and the CRS) and that the Company will comply with requirements to provide information to Her Majesty's Revenue & Customs tax authority which may be passed on to other relevant tax authorities. You agree to furnish any information and documents the Company may from time to time request, including but not limited to information required; and
- (k) agree that you are capable, or the underlying client(s) in the case of applications on behalf of professionally-advised investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

2.7 Money laundering

You agree that, in order to ensure compliance with the Money Laundering Legislation and any other regulations applicable thereto the Company and/or the Receiving Agent may, at its/their absolute discretion, require verification of identify from any person lodging an Application Form who either:

- (a) tenders payment by way of banker's draft or cheque or money order drawn on, or by way of telegraphic transfer or similar electronic means from, an account in the name of another person or persons (in which case verification of your identity may be required); or
- (b) appears to the Receiving Agent to be acting on behalf of some other person (in which case verification of or identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence or identity may result in application(s) being rejected or delays in the despatch of documents or CREST accounts being credited.

Without prejudice to the generality of this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*), verification of the identity of applicants will be required if the value of the Ordinary Shares applied for, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent). If the amount you wish to subscribe for Ordinary Shares, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent) you must ensure that section 6.A., 6.B., or 6.C. (as appropriate) of the Application Form is completed.

2.8 Overseas Investors

The attention of investors who are not resident in, or citizens of, countries other than the United Kingdom is drawn to paragraph (a) to (d) below:

- (a) The offer of Ordinary Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer for Subscription. It is the responsibility of all such persons receiving this Prospectus and/or wishing to subscribe for Ordinary Shares under the Offer for Subscription, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territories.
- (b) No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- (c) Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- (d) The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

2.9 Miscellaneous

- (a) To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
- (b) The rights and remedies of the Company, Cantor Fitzgerald and the Receiving Agent, pursuant to this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) are in addition to any rights and remedies, which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- (c) The Company reserves the right to delay the closing time of the Offer for Subscription from 11.00 a.m. on 31 October 2018 by giving notice to the London Stock Exchange. In this event, the revised closing time will be published in such manner as Cantor Fitzgerald, in consultation with the Company, determines subject and having regard, to the Prospectus Rules and any requirements of the London Stock Exchange.
- (d) The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission of the Ordinary Shares issued under the Issue. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned to you without interest.
- (e) You agree that Cantor Fitzgerald is acting for the Company in connection with the Issue and for no-one else and that Cantor Fitzgerald will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer for Subscription.
- (f) You authorise the Receiving Agent, Cantor Fitzgerald or any person authorised by it or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent Cantor Fitzgerald to execute and/or complete any document required therefor.

- (g) You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations arising under or in connection therewith shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Cantor Fitzgerald or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- (h) The dates and times referred to in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) may be altered by the Company so as to be consistent with the Issue Agreement (as the same may be altered from time to time in accordance with its terms).
- (i) Save where the context requires otherwise, terms used in this Part 16 (*Terms and Conditions of Application under the Offer for Subscription*) bear the same meaning as where used elsewhere in this Prospectus.

2.10 Joint applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA, SIPPS or SSAS. If you are interested in transferring your Ordinary Shares into an ISA, SIPPS or SSAS, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 3 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address set out in the first paragraph of the Application Form.

2.11 Contact telephone number

Insert in section 7 of the Application Form a daytime contact telephone number, including subscriber toll dialing (STD), (and, if different, from the person named in section 2 of the Application Form, the name of the person to contact) in the case of any queries regarding your application.

2.12 Verification of identity

Sections 5 and 6 of the Application Form only applies if the Ordinary Shares which you are applying for, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent). If section 6 applies to your application, you must ensure that section 6.A., 6.B., 6.C. or 6.D. (as appropriate) is completed.

(a) Professional adviser or intermediary

You should complete section 5 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

(b) Applicant identity information

Section 6.3 of the Application Form need only be completed where the amount you wish to subscribe for the Ordinary Shares, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent) and neither sections 6.1 nor 6.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 6.2 of the Application Form has been completed and signed, the Receiving Agent, Cantor Fitzgerald and the Company reserve the right to request of you the identity documents listed in section 6.3 of the Application Form and/or to seek verification of identity of each holder and payer (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 6.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental

approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

2.13 Instructions for delivery of completed Application Forms

The completed Application Form should be returned, by post to Computershare Investor Services PLC, Corporate Actions and Projects, Bristol BS99 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 11.00 a.m. on 31 October 2018. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 11.00 a.m. on 31 October 2018 may be rejected and returned to the first-named applicant.

APPLICATION FORM

GRESHAM HOUSE ENERGY STORAGE FUND PLC (the “Company”)

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

All applicants must complete the Application Form.

Applications should be returned so as to be received no later than 1.00 p.m. (London time) on 31 October 2018.

HELP DESK: If you have a query concerning completion of the Application Form please call the Receiving Agent on 0370 702 0003 or from outside the UK on +44 370 702 0003.

1. APPLICATION

Fill in (in figures) in Box 1 the number of Ordinary Shares you wish to subscribe for at the Issue Price being 100 pence per Ordinary Share. The number being subscribed for must be a minimum of £20,000 and thereafter in multiples of £1,000. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made.

2A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 3.

2B. CREST

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2A enter in section 2B the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. SETTLEMENT

(a) Cheque/Banker's Draft

Payments must be made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds should be made payable to “CIS PLC re: Gresham House Energy Storage Fund PLC OFS” and crossed “A/C Payee”. Third party cheques may not be accepted with the exception of

building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect.

The account name should be the same as that shown on the application.

(b) Electronic Bank Transfers

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 1.00 p.m. on 31 October 2018. Applicants wishing to make a CHAPS payment should contact Computershare by email at OFSPaymentQueries@Computershare.co.uk for full bank details. Applicants will be provided with a unique reference number which must be used when making the payment.

(c) CREST Settlement

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Settlement Date**"). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form in the Appendix contains details of the information which Computershare will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (i) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (ii) yourself; or (iii) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price per New Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 5 November 2018 against payment of the Issue Price per Ordinary Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	1 November 2018
Settlement Date:	5 November 2018
Company:	Gresham House Energy Storage Fund PLC
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BFX3K77
ISIN:	GB00BFX3K770

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 3RA05 by no later than 1.00 p.m. on 2 November 2018.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

5. RELIABLE INTRODUCER DECLARATION

Applications will be subject to the UK’s verification of identity requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

6. IDENTITY INFORMATION

Applicants need only consider section 6 of the Application Form if the declaration in section 5 cannot be completed. Notwithstanding that the declaration in section 5 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

7. CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions and Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 11.00 a.m. on 31 October 2018, together with payment in full in respect of the application. If you post your Application Form you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

Scanned Applications Forms in advance of originals will be accepted and should be emailed to: OFSpaymentqueries@computershare.co.uk.

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APPENDIX – OFFER FOR SUBSCRIPTION APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 1.00 p.m. (London time) on 31 October 2018. Scanned copies emailed to: OFSpaymentqueries@computershare.co.uk will be accepted in advance of originals by post.

FOR OFFICIAL USE ONLY

Log No.

The Directors may, with the prior approval of Cantor Fitzgerald, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Box 1 (minimum of £20,000 and in multiples of £1000 thereafter)

Important: Before completing this form, you should read the Prospectus dated 17 October 2018 and the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus and accompanying notes to this form.

To: Gresham House Energy Storage Fund PLC and the Receiving Agent

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 (above) for Ordinary Shares subject to the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus dated 17 October 2018 and subject to the articles of incorporation of the Company in force from time-to-time.

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) ORDINARY SHARES WILL BE ISSUED (BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode		Designation (if any):
2	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode		Designation (if any):



1:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode		Designation (if any):
2	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Postcode		Designation (if any):

2B. CREST ACCOUNT DETAILS INTO WHICH ORDINARY SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID:

CREST Member Account ID:

3. SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing box 3 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 16 (Terms and Conditions of Application under the Offer for Subscription) of the Prospectus and to have given the warranties, representations and undertakings set out therein.

First Applicant Signature:	Date:
Second Applicant Signature:	Date:
Third Applicant Signature:	Date:
Fourth Applicant Signature:	Date:

Execution by a Company

Executed by (Name of Company):		Date
Name of Director:	Signature:	Date
Name of Director/Secretary:	Signature:	Date
If you are affixing a company seal, please mark a cross <input type="checkbox"/>	Affix Company Seal here:	

4. SETTLEMENT

Please tick the relevant box confirming your method of payment

4A. CHEQUES/BANKER'S DRAFT

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the number of Ordinary Shares shown in Box 1 made payable to "CIS PLC re: Gresham House Energy Storage Fund PLC OFS" and crossed "A/C Payee". Cheques and banker's payments must be drawn in sterling on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp.

4B. ELECTRONIC BANK TRANSFER

If you are subscribing for Ordinary Shares and sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1.00 p.m. on 31 October 2018. Please contact Computershare Investor Services PLC by email at OFSpaymentqueries@computershare.co.uk for full bank details. You will be provided with a unique reference number which must be used when making the payment.

Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 1.00 p.m. on 31 October 2018, together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account Number:
Account Name:	Bank Name and Address:

4C. SETTLEMENT BY DELIVERY VERSUS. PAYMENT (DVP)

Only complete this section if you choose to settle your application within CREST, that is delivery versus payment (DVP).

Please indicate the CREST Participant ID from which the DEL message will be received by the Receiving Agent for matching, which should match that shown in 2B above, together with the relevant Member Account ID.

(BLOCK CAPITALS)

CREST Participant ID:

CREST Member Account ID:

You or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment at the Issue Price per New Share, following the CREST matching criteria set below:

Trade Date: 1 November 2018
Settlement Date: 5 November 2018
Company: Gresham House Energy Storage Fund PLC
Security Description: Ordinary Shares of £0.01 each
SEDOL: BFX3K77
ISIN: GB00BFX3K770

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 3RA05 by no later than 1.00 p.m. on 2 November 2018.

You must also ensure that you or your settlement agent/custodian have a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/their own daily trading and settlement requirements.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “**firm**”) which is itself subject in its own country to operation of ‘know your customer’ and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

DECLARATION:

To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor identified in section 6 if not also a holder (collectively the “**subjects**”) WE HEREBY DECLARE:

- 1. we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
- 2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- 3. each of the subjects is known to us in a business capacity and we have undertaken identity checks on each of them within the last two years and we undertake to immediately provide to you copies of such checks on demand;
- 4. we confirm the accuracy of the names and residential business address(es) of the holder(s) given at section 2A;
- 5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
- 6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:	Name:	Position:
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Name of regulatory authority:	Firm’s licence number:
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Website address or telephone number of regulatory authority:
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STAMP of firm giving full name and business address:
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6. IDENTITY INFORMATION

If the declaration in section 5 cannot be signed and the value of your application is greater than €15,000 (or the sterling equivalent), please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

Holders				Payor

Tick here for documents provided

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 2A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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B. For each holder being a company (a “holder company”) enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company’s business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “beneficiary company”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).

D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:



- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

The Receiving Agent reserves the right to ask for additional documents and information.

7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:

GRESHAM HOUSE ASSET MANAGEMENT LIMITED

Octagon Point
5 Cheapside
London
EC2V 6AA

T: 020 3903 0562

E: info@greshamhouse.com

Gresham House Asset Management Limited is authorised and regulated by the Financial Conduct Authority

newenergy.greshamhouse.com


Since 1837
Gresham House
Specialist asset management