



Gresham House
Specialist asset management

Gresham House Renewable Energy VCT 1 and VCT 2 plc

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Performance for the full year 2023 and outlook

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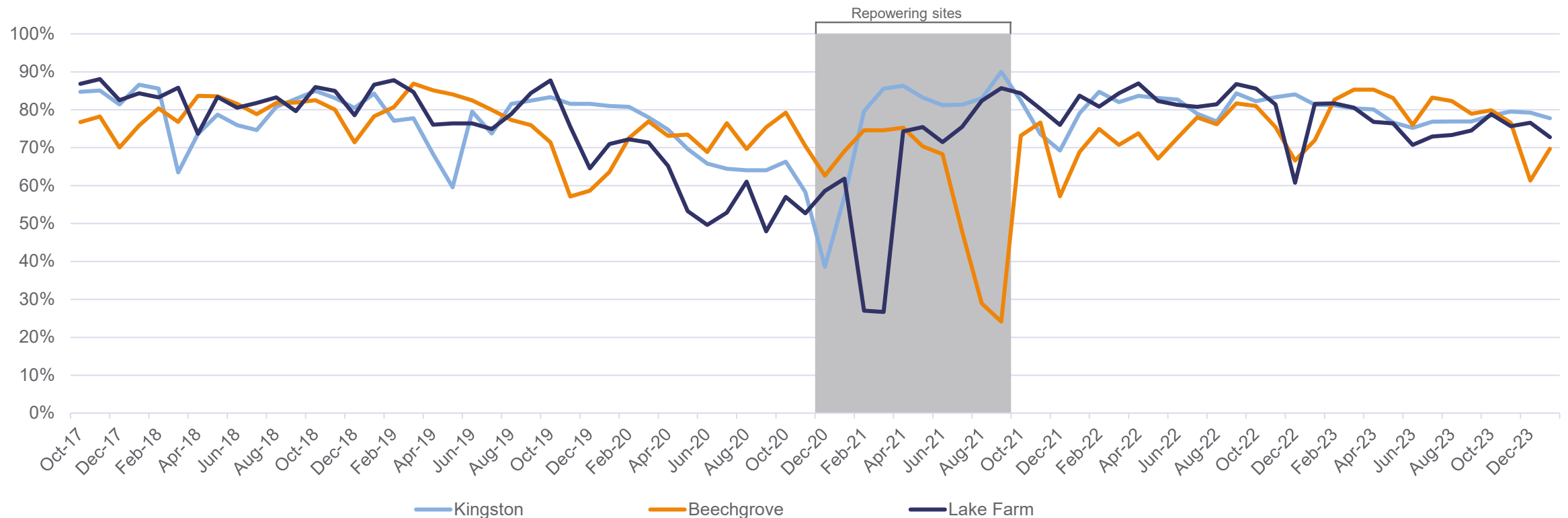
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Repowered sites

The three sites whose inverters were repowered continue to perform well, although solar panel deterioration at Kingston and Lake Farm has impacted their performance in recent months. As a result, warranty claims are being pursued against the solar panel manufacturers.

Repowered sites' performance ratios

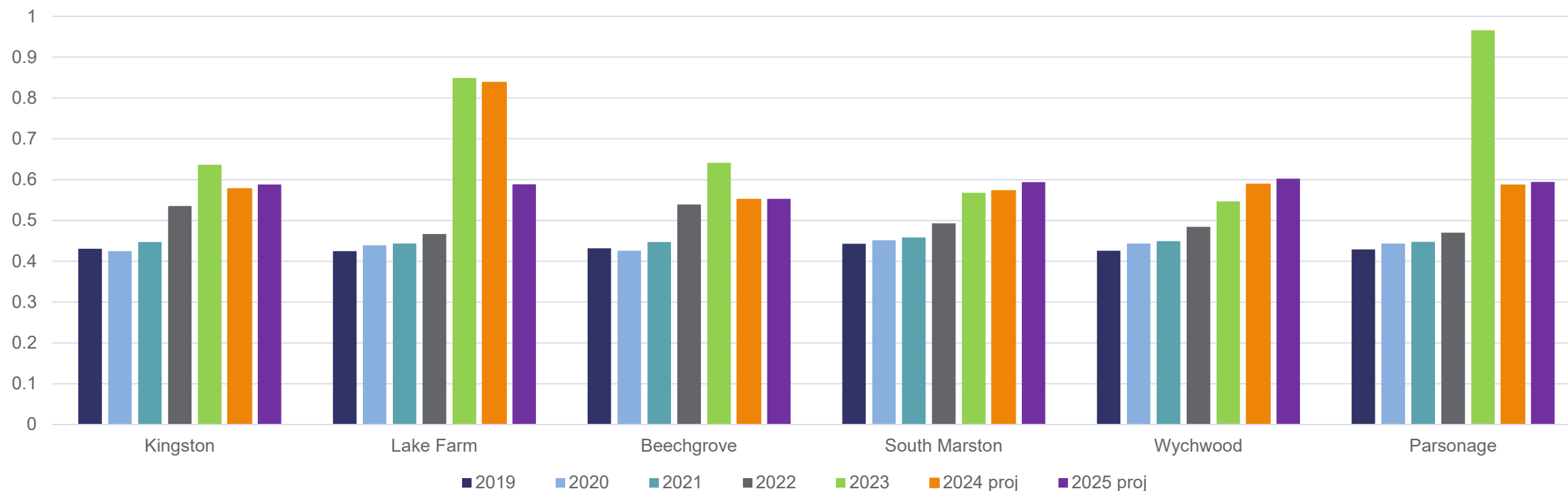


Please note the dip in December 2022 at Lake Farm was due to heavy snow. Beechgrove performance drops every winter around November/December due to each row of solar panels shading the one adjacent to it when the sun is low.

Revenue

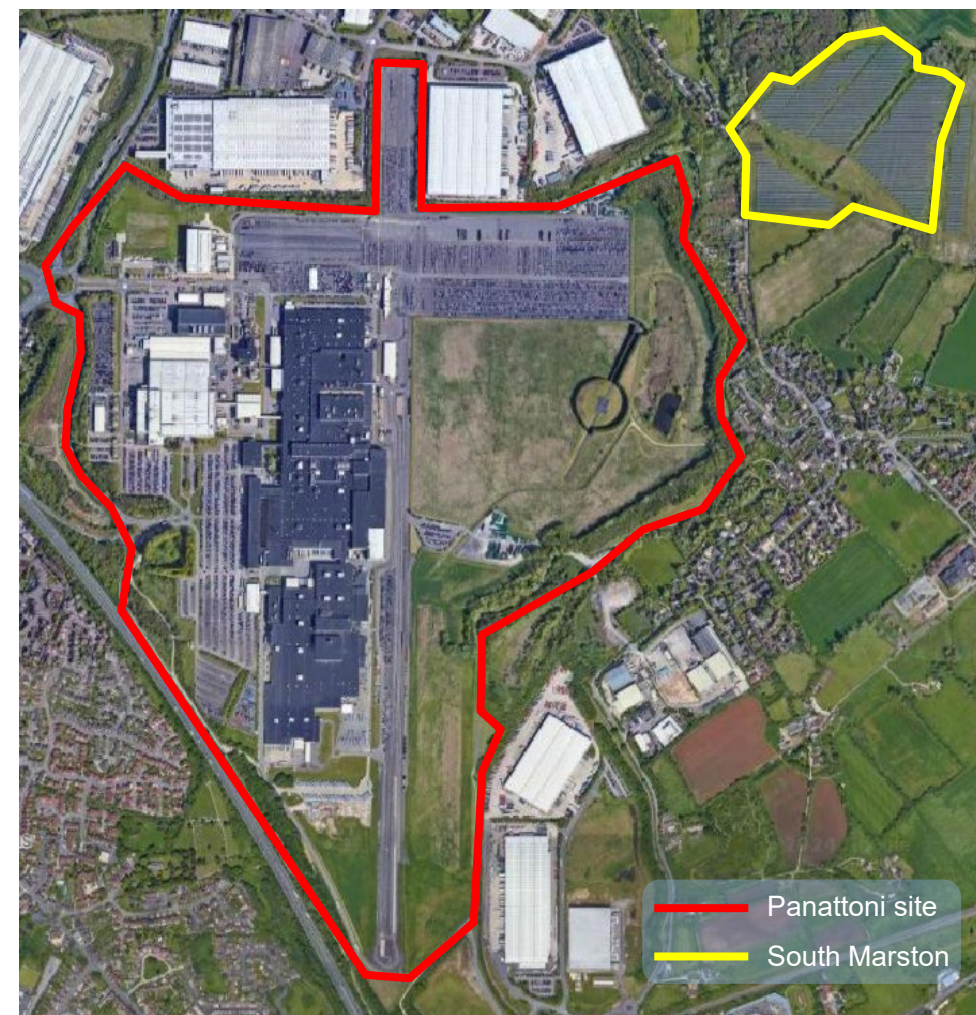
Following a period of high power prices due to Russia's invasion of Ukraine, prices have now dropped back down to more normal levels. Similarly, inflation has fallen back closer to the Bank of England's target of 2%, but still remains stubbornly high at circa 5% and so is expected to substantially raise the Feed-in Tariffs (FITs) in April. In addition, with high power prices locked in for the next one to two years, the revenue outlook for the portfolio looks positive.

Revenues generated per kWh (£/kWh)



South Marston

- The Honda Manufacturing plant in Swindon where South Marston solar park supplies power, has been sold to Panattoni, a privately owned industrial property developer. Panattoni have obtained planning consent to convert the site into an industrial estate with multiple tenanted warehouses/manufacturing/distribution sites
- Contracts have been agreed to ensure South Marston maintains all necessary rights to operate. Since Honda ceased its manufacturing operations, South Marston has been exporting its electricity to the national grid. Agreements to supply solar power to Panattoni's tenants will be negotiated in due course



Outlook

Despite debt repayments being inflation-linked, the ongoing higher average projected revenues generated per kWh are expected to result in strong portfolio cash inflows over 2024 and 2025

This depends on the successful resolution of the warranty claims, good ongoing operational performance and good climatic conditions

The portfolio is not caught by the Electricity Generator Levy being below the “De Minimis” threshold. The Electricity Generator Levy is not expected to be payable by the VCTs for the higher expected revenues in 2024 and 2025

