



Gresham House
Specialist investment

Gresham House Energy Storage Fund plc (GRID)

Interim results presentation
for period ending 30 June 2024

30 September 2024



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Capital at risk:

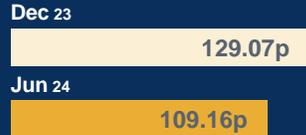
The value of investments may fall as well as rise and investors may not get back the original amount invested.

Performance highlights in H1 2024

NAV per share (at 30 June 2024)

109.16p

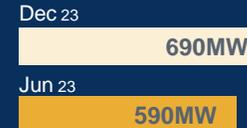
-15.4%



Operational capacity in MW rose 34% to

790MW

(at 30 June 2024)



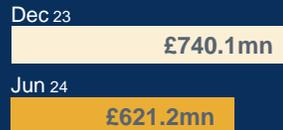
Landmark 568MW, 2-year tolling agreement with Octopus Energy

**170MW /
216MWh**



Net Asset Value, NAV, at 30 June 2024

£621.2mn



Operational capacity expected to be

1,072MW / 1,701MWh

at end of 2024

Net debt set to peak at

<£165mn

Past performance is not necessarily a guide to future performance. Capital at risk.

1. Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

Update on Strategic Plan

Focus on near-term pipeline and cash generation

- Capital focused on completing construction
- Four augmentation projects completed: Arbroath, Enderby, West Didsbury and Penwortham, adding 162MWh of capacity
- Two new projects completed: York and Penwortham adding 100MW
- GRID is on track to reach 1GW in 2024

Dividend policy

- GRID remains committed to revisiting the dividend policy as earnings recover in 2025

Debt reduction

- Net debt set to peak at no more than £165mn
- Cancellation of £110mn of the overall facility to £225mn and a further £30mn cancelled after the period end
- All funding guaranteed for the remaining CAPEX for assets under construction
- The Manager remains focused on a disposal of a sub-set of the portfolio

Diversification of revenues

- Landmark 2-year tolling arrangement agreed with Octopus for 568MW/920MWh. 220MW live today.
- Including Capacity Market revenues, the Company expects annual contracted revenues of c.£43m during the two-year period

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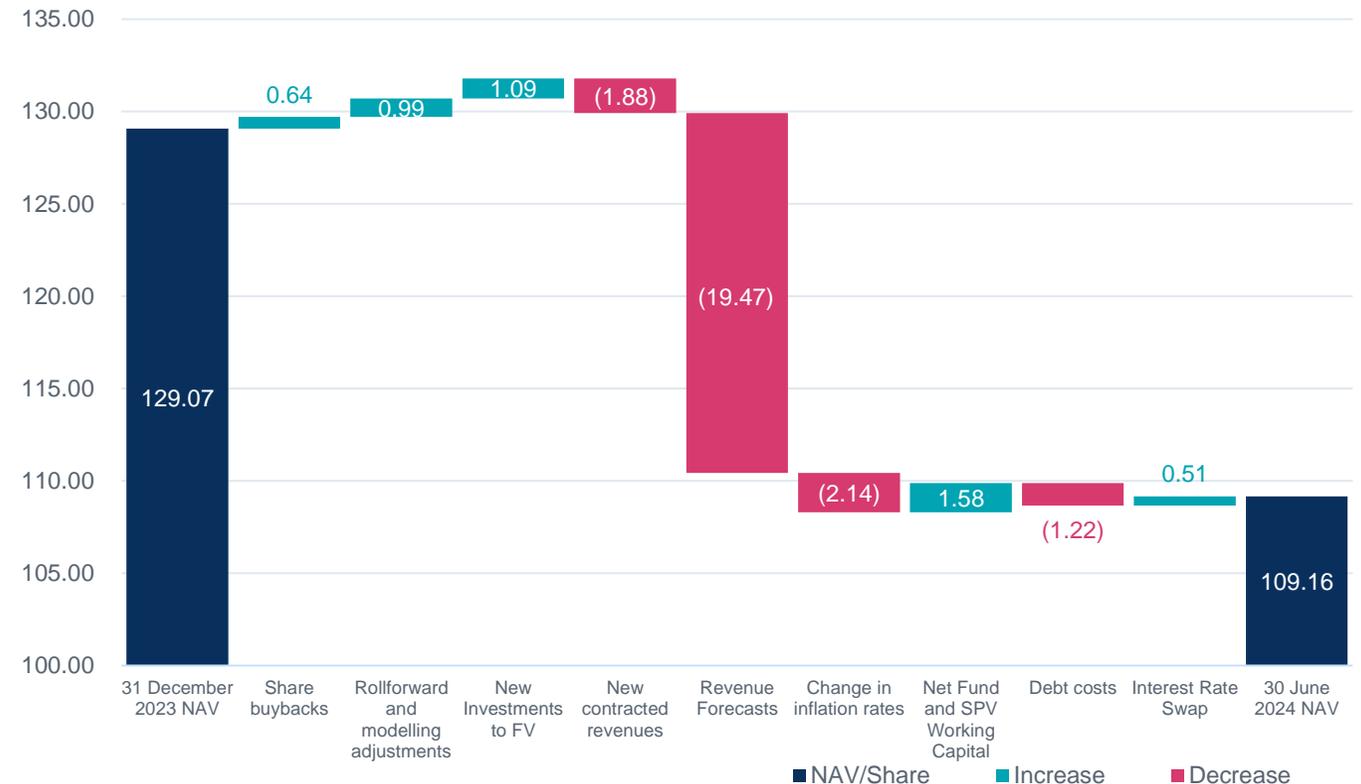
1. Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

NAV per share bridge

15.4% decline in H1 2024

- 19.47p from updated revenue forecasts
- 2.14p from reducing the 2024 inflation assumption
- 1.88p from including tolling revenues discounted at 8.5%
- +0.51p impact from change in interest rate swap valuations
- +0.64p due to share buybacks. GRID repurchased 4,380,555 shares at an average of 45.90p
- +1.09p as W. Didsbury and York valued as operational having completed construction and commissioning, and Penwortham valued as in-commissioning having completed construction
- +1.35p from model roll-forward, modelling adjustments, working capital movements, fund and debt costs

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



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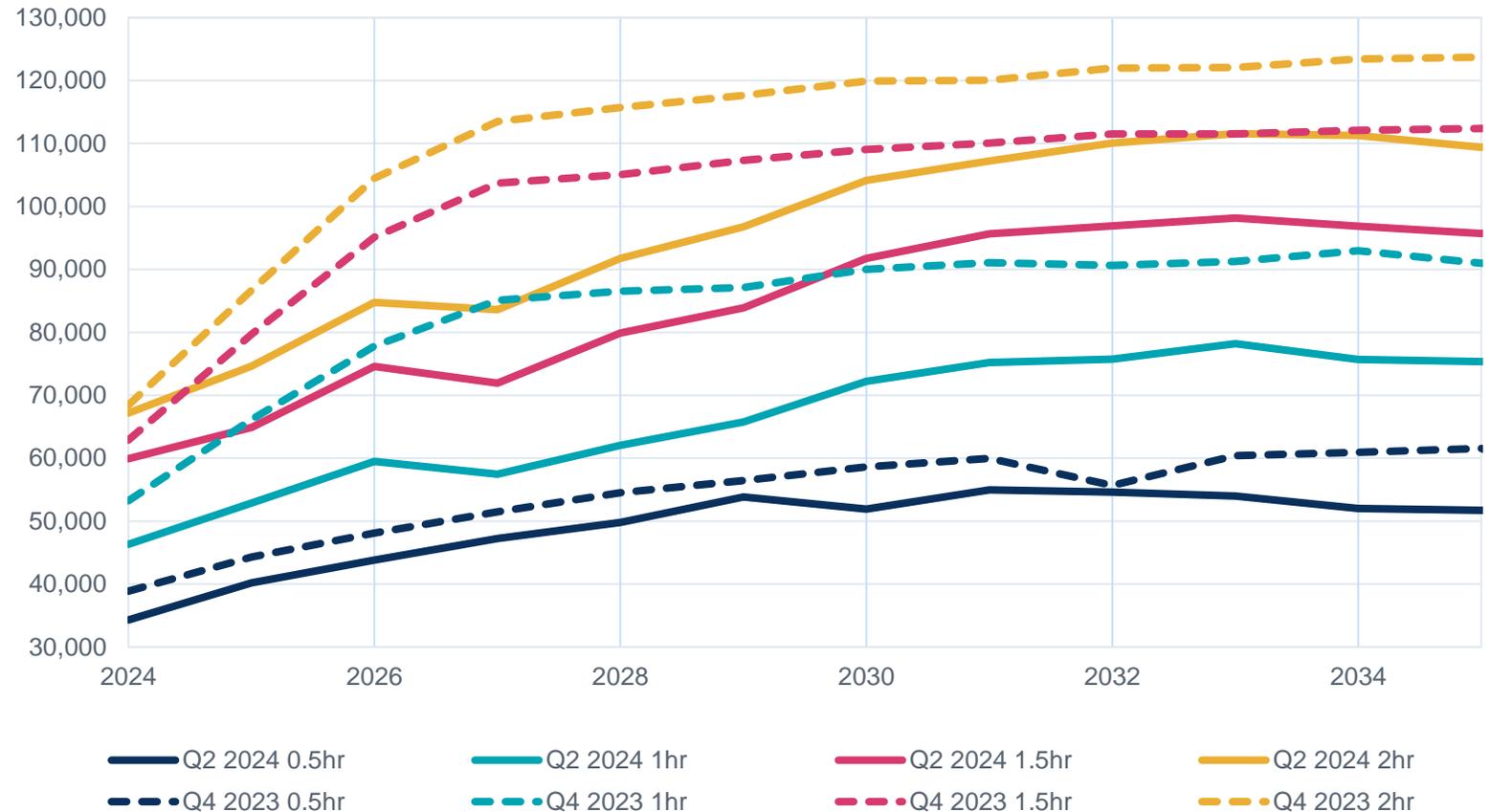
Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

Changes in revenue forecasts

Change of curve provider is largest driver

- Blended curves have come down as a result of:
 - reductions from the remaining existing provider in the short to medium term and
 - the new provider having lower forecasts than the provider replaced
- Manager is satisfied that GRID's forecasts are at or below the levels used by its peers
- GRID's merchant discount rate remains the highest of its peers

Curve comparison - year end 2023 vs interim 2024 (£/MW/Yr)



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Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

Underlying value creation efforts

Revenue forecasts at their lowest level since IPO

Excluding the effect of the movement in forecasts reveals the value added to the portfolio

Yearly NAV bridge - cumulative impact of revenue curves shown as one element



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Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

Earnings sensitivity and alternate valuation metrics

Earnings are less sensitive to merchant levels during the tolling arrangement

Merchant Revenue assumptions for sensitivity in £ / MW / yr :	35,000	45,000	55,000
Market Capitalisation at 50.8p share price* (£mn)	290	290	290
NAV (£mn)	621	621	621
Contracted revenue during Tolling (£mn)	43.0	43.0	43.0
Merchant revenue on merchant portfolio (£mn)	17.6	22.7	27.7
Portfolio Revenue (£mn)	60.6	65.7	70.7
Portfolio EBITDA (£mn)	40.6	45.7	50.7
Max Net Debt to complete construction (£mn)	165	165	165
Operational MW	1,072	1,072	1,072
EV (Market Cap/NAV less cash plus debt) (£mn)			
Using Market Cap at 50.8p share price	455.2	455.2	455.2
Using NAV	786.2	786.2	786.2
EV per operational MW (£k)			
Using Market Cap at 50.8p share price	424.6	424.6	424.6
Using NAV	733.4	733.4	733.4
EV to EBITDA (EV/EBITDA)			
Using Market Cap at 50.8p share price	11.2	10.0	9.0
Using NAV	19.3	17.2	15.5
Price to Sales (Market Cap or NAV / Revenues)			
Using Market Cap at 50.8p share price	4.8	4.4	4.1
Using NAV	10.2	9.5	8.8

- During the tolling arrangement:
 - If revenues are assumed to be £45,000/MW/yr** on 504MW merchant portfolio, then total operational portfolio revenues could be c.£65mn** in 2025 and portfolio EBITDA, c.£45mn**
 - Earnings are less sensitive to the merchant rate
- Current share price implies an EV per MW of £425k/MW
- EV/EBITDA of 10x at £45k/MW/yr merchant revenue assumption, falling further should revenues improve to longer term third-party forecast levels.

Source: Gresham House Energy Storage Fund PLC Interim Report 2024

*Share price on 13 September 2024 (time of writing the report)

**Disclaimer: Revenue rates on the merchant portion of the portfolio may vary significantly upwards or downwards from the figures mentioned above; the information given here does not and should not be treated as indicating any likely level of any profits for the current financial period or any subsequent financial period or as otherwise constituting a profit forecast. Assumption used here is in line with Modo's August 2024 BESS index

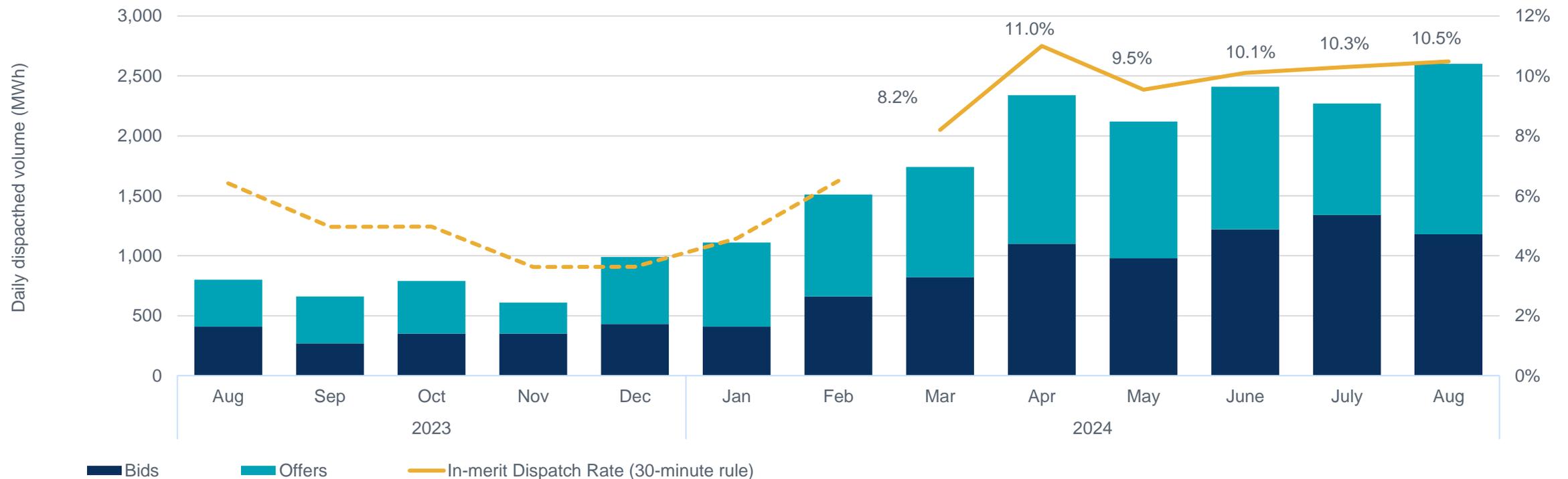
Skip rate update

Small improvements but a long way to go

The 30-minute rule launched in March 2024 and delivered a modest improvement in skip rates

Combination of all open balancing platform (OBP) milestones to date have not significantly reduced BESS skip rates

Volume-weighted skip rate still at c.90%



Past performance is not necessarily a guide to future performance. Capital at risk.

Source: Modo Energy

Growing volatility from renewable generation

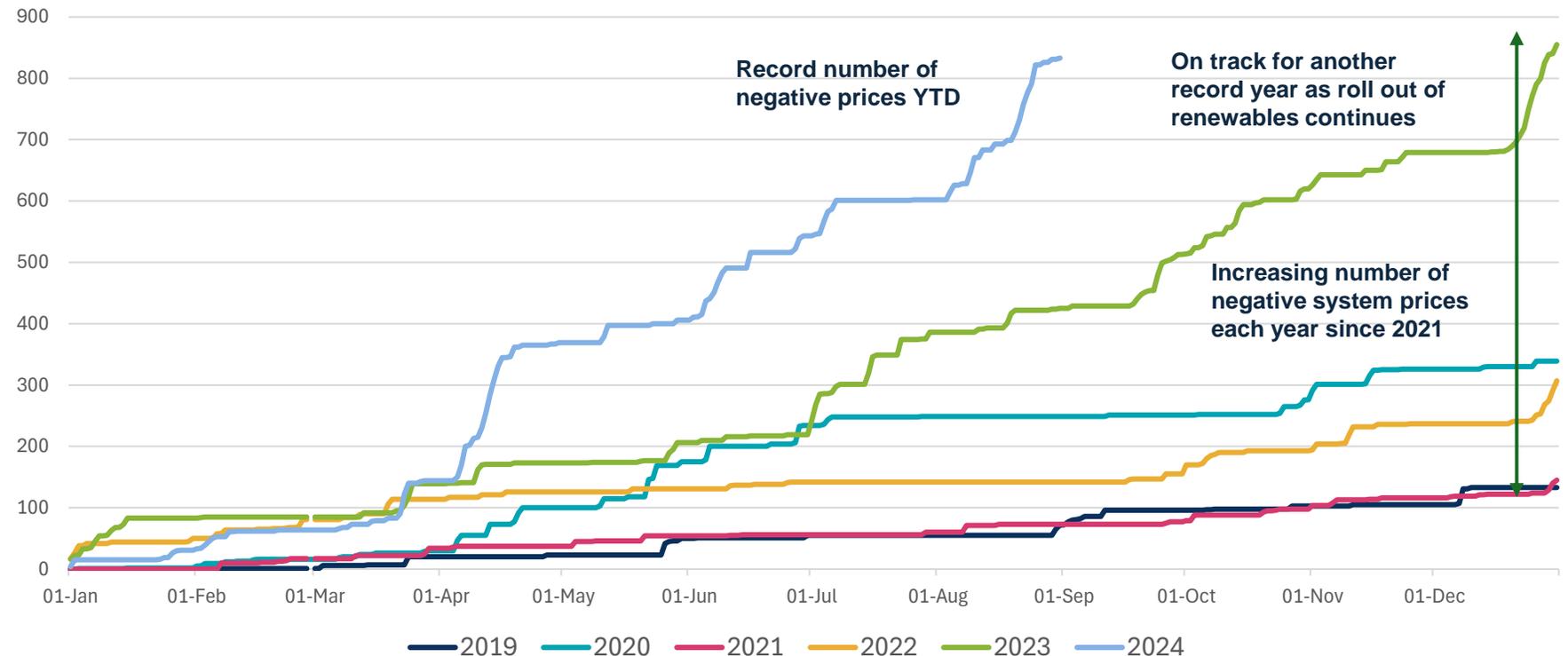
Deeper renewables penetration is changing the economics of the electricity market

During periods of high renewable generation spot prices turn negative as supply exceeds demand

As renewable penetration rises, instances of negative pricing will increase sharply

Batteries are well positioned to capitalise on negative pricing and to be paid to charge

YTD quantity of negative half hour system prices by year



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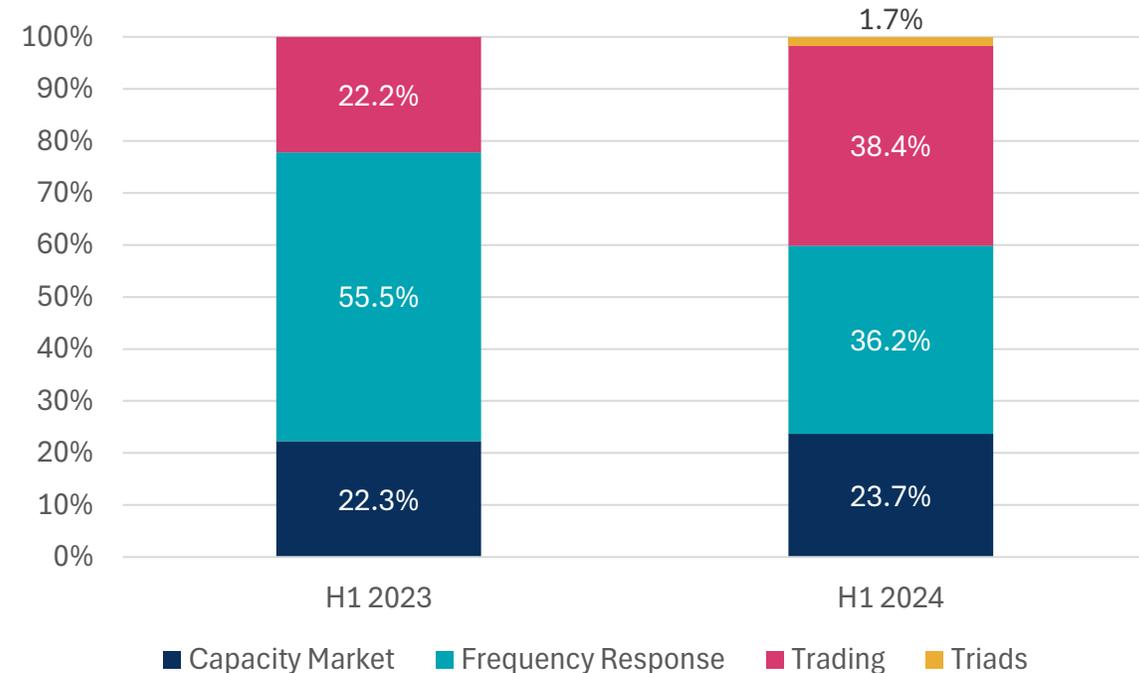
Source: Elexon

Revenue Mix

Trading is now the most significant part of the revenue mix

- H1 revenues declined 12.8% year on year to £17.9mn
- As expected, trading is making up a larger portion of the revenue mix, and is expected to grow further
- Level of contracted revenues expected to rise in H2 2024 as assets enter the tolling arrangement
 - In H1 2024 Capacity Market contracts represented 23.7% of the revenue mix.
- Frequency Response markets remain saturated and are expected to fall as a percentage of revenues going forward

Year-on-year revenue mix comparison H1 2024 vs H1 2023



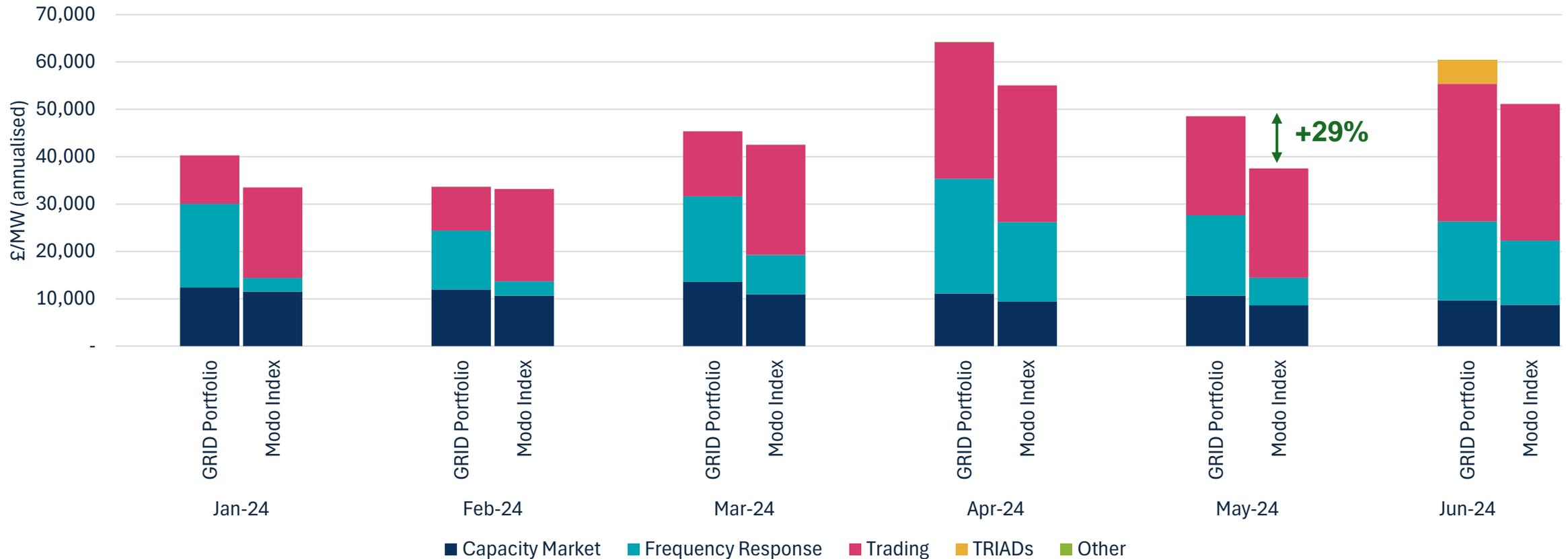
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Source: Gresham House Energy Storage Fund plc, Interim Report to 30 June 2024

Continued outperformance relative to the market

Despite a difficult revenue environment, the portfolio continues to outperform its peers

GRID's portfolio consistently outperforms the market index



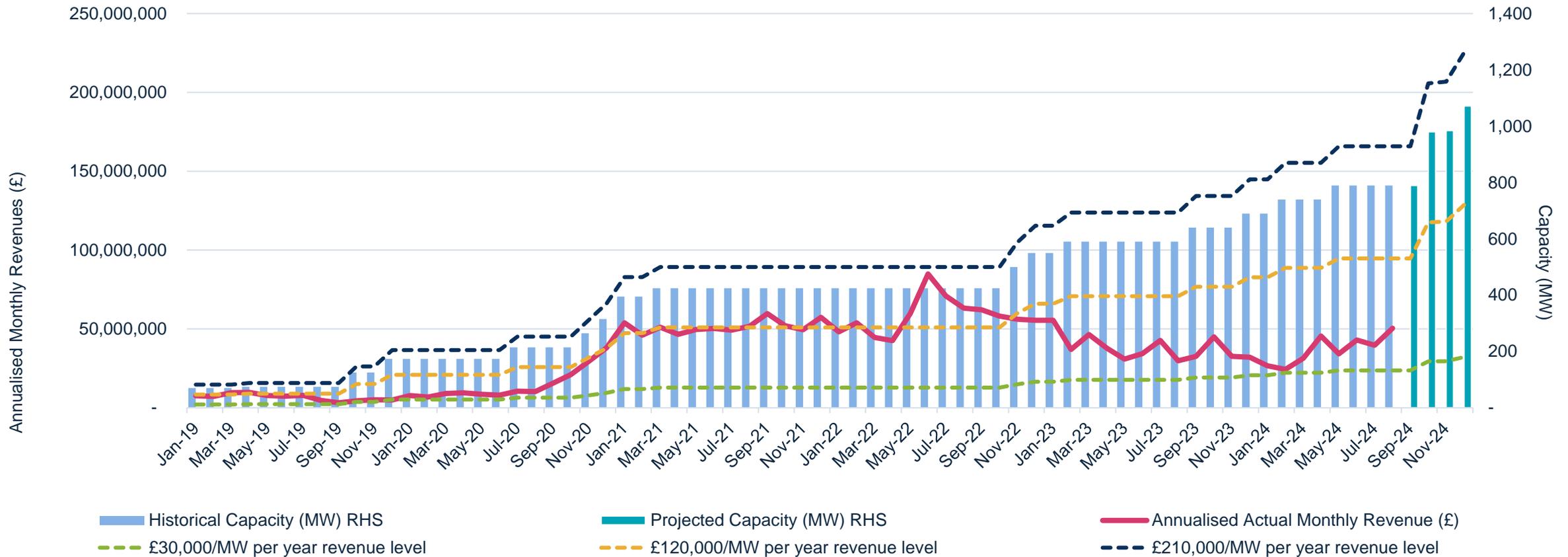
Past performance is not necessarily a guide to future performance. Capital at risk.

Source: GRID portfolio accounts and Modo Energy

Actual revenues and revenue range vs capacity

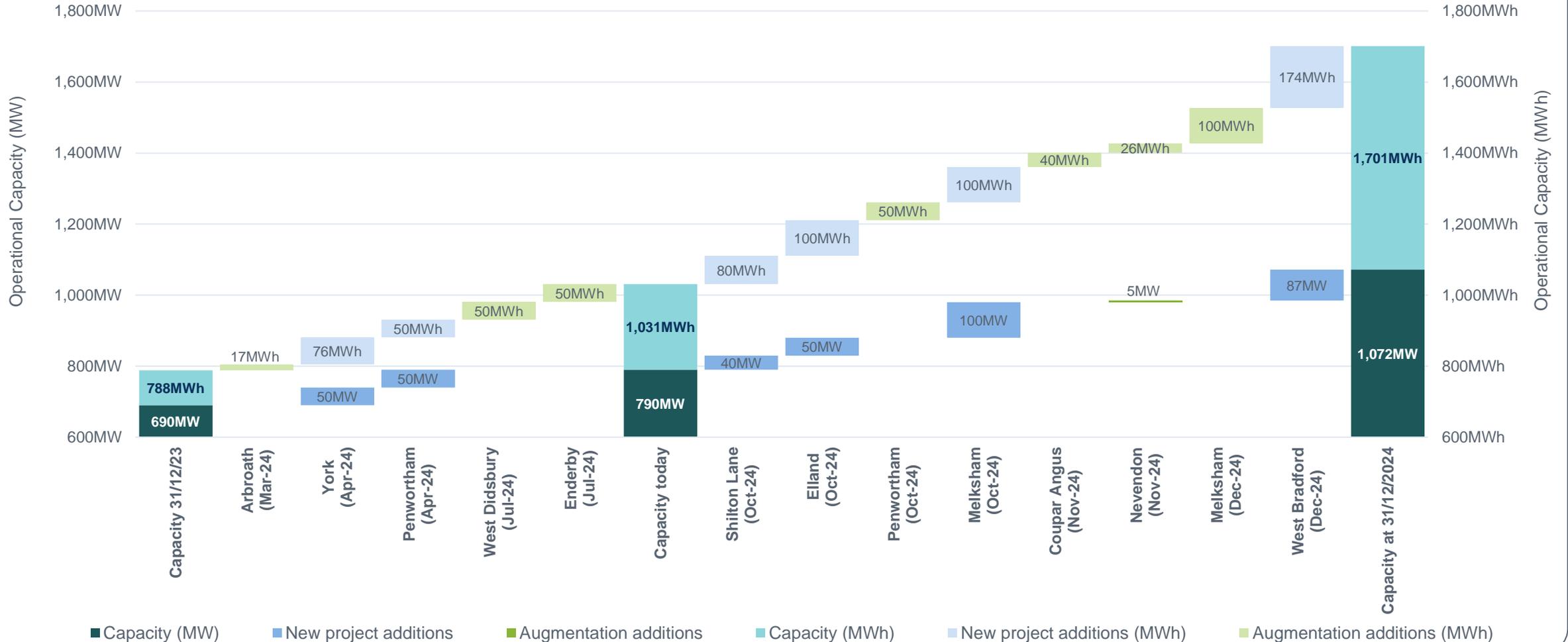
Revenues recovering from lows in Q1 2024 but remain well below the mid-point of the historical range

Increasing revenues coupled with the expanding operational capacity of the portfolio will result in improved revenue levels



Portfolio development

GRID Portfolio growth since December 2023 (MW/MWh)



Past performance is not necessarily a guide to future performance. Capital at risk.

Source: GRID Historic Operational Portfolio data and pipeline timings

Portfolio tables

Operational portfolio (today):

Project	Capacity (MW) ¹	Battery size (MWh) ¹	Status	Ownership
1. Staunch	20	3	Operational	100%
2. Rufford	7	9	Operational	100%
3. Lockleaze	15	22	Operational	100%
4. Littlebrook	8	6	Operational	100%
5. Roundponds	20	26	Operational	100%
6. Wolves	5	8	Operational	100%
7. Glassenbury	40	28	Operational	100%
8. Cleator	10	7	Operational	100%
9. Red Scar	49	74	Operational	100%
10. Bloxwich	41	47	Operational	100%
11. Thurcroft	50	75	Operational	100%
12. Wickham	50	74	Operational	100%
13. Tynemouth	25	17	Operational	100%
14. Glassenbury Ext.	10	10	Operational	100%
15. Nevendon	10 / 15	7 / 33	Operational / Nov 24	100%
16. Port of Tyne	35	28	Operational	100%
17. Byers Brae	30	30	Operational	100%
18. Arbroath	35	52	Operational	100%
19. Enderby	50	100	Operational	100%
20. Stairfoot	40	40	Operational	100%
21. Coupar Angus	40	40	Operational	100%
22. Grendon	50	100	Operational	100%
23. West Didsbury	50	100	Operational	100%
24. York	50	76	Operational	100%
25. Penwortham	50	50/100	Operational / Oct 24	100%
Operational today	790 / 795	1,031 / 1,147		

Pipeline in construction:

Project	Capacity (MW) ¹	Battery size (MWh) ¹	Target Energisation	Ownership
26. Elland 1	50	100	Oct 24	100%
27. Shilton Lane	40	80	Oct 24	100%
28. Melksham	100	100 / 200	Oct 24 / Dec 24	100%
29. Bradford West	87	174	Dec 24	100%
2024 capacity including assets in construction	1,067 / 1,072	1,485 / 1,701		

Further pipeline not in construction:

Project	Capacity (MW) ¹	Battery size (MWh) ¹	Target Energisation	Ownership
30. Walpole	100	200	TBC	100%
31. Grendon 2	50	100	TBC	Exclusive pipeline
32. Thurcroft 2	135	270	TBC	Exclusive pipeline
33. Monet's Garden	50	100	TBC	Exclusive pipeline
34. Lister Drive	50	100	TBC	Exclusive pipeline
35. Elland 2	100	200	TBC	Exclusive pipeline
36. Cockenzie	342	684	TBC	Exclusive pipeline
Total incl. pipeline (pre potential disposals)	1,894 / 1,899	3,139 / 3,355		

Past performance is not necessarily a guide to future performance.

Capital at risk.

Source: Gresham House

1. Capacity (MW) and Battery size (MWh) provided pre and where applicable post planned upgrades through 2024

Conclusion and outlook

- The tolling agreement and conclusion of the current construction programme have stabilised the business and provided the visibility to look forward to renewed growth
- Meaningful change in the revenue mix to come as the tolling agreement comes into force in H2 2024
- Expect to see a positive impact on merchant revenues from the launch of Quick Reserve in October 2024
- Growth in renewables is increasing power price volatility and the revenue potential of BESS assets
- On 8 October, the Manager will host site visits for institutional and retail investors, as previously communicated
- At Capital Markets Day in November, Company intends to announce a 3-year plan seeking to maximise capacity, revenues and cashflow from 2025 to 2027 while reducing the volatility of earnings.





Q&A