



Gresham House
Specialist investment

Powering the renewable energy transition

Gresham House Energy Storage Fund plc (GRID)

Annual Report and financial statements for the year ended 31 December 2025

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Welcome

Gresham House Energy Storage Fund plc (GRID) is the UK's largest fund investing in utility-scale battery energy storage systems (BESS).

We develop, construct and manage a portfolio of energy storage projects and seek to deliver returns to shareholders from a combination of income and capital growth.

Welcome to our 2025 Annual Report, where we discuss our performance throughout the year and our exciting growth plans.

GRID is managed by Gresham House Asset Management Limited, which is the FCA-authorised operating business of Gresham House Limited, a specialist alternative asset manager. Gresham House is committed to operating responsibly and sustainably, taking the long view in delivering sustainable investment solutions. The shares of GRID are traded on the London Stock Exchange (LSE: GRID.L).



Activities

34 Sites
(including pipeline)

Operating at
1,072MW
Average duration of 1.6 hours

£60.4mn Portfolio revenue

£38.8mn Portfolio EBITDA



Highlights

NAV / NAV per Share

Dec 25	£645.0mn / 113.34p
Dec 24	£622.2mn / 109.35p
Dec 23	£740.1mn / 129.07p

Why is this important?

- Net Asset Value reflects the fundamental value of the Company's assets.
- It is the clearest single measure of the economic value of the fund.
- NAV per share expresses the Company's asset value on a per share basis, providing investors with a benchmark when considering an investment in the Company's shares.

What we achieved in the year

- Growth in the NAV and NAV per share of 3.7%.
- Project-level equity funding of c.£9mn, which was invested to increase operational capacity and the Company's NAV per share during the period.
- Refinanced, on improved terms, and modestly increased the operational portfolio's debt, with the increase funding eight project augmentations being carried out in 2026.

Operational MW / MWh

Dec 25	1,072MW / 1,701MWh 1.59 hours
Dec 24	845MW / 1,207MWh 1.43 hours
Dec 23	690MW / 788MWh 1.14 hours

Why is this important?

- Measures the size of the asset base currently capable of producing revenue, with a growing capacity reflecting a growing business.
- Successfully taking projects through construction into commercial operations demonstrates the Manager's execution capabilities. The portfolio has grown from 70MW since the Company's IPO in 2018.
- A larger operational base provides the scale and geographic coverage required for stronger market positioning.

What we achieved in the year

- Growth of 27% in MW and 41% in MWh.
- Construction completion of three new projects, adding 227MW / 354MWh of capacity.
- Augmentation of two operational projects, adding 140MWh of capacity.

Net debt / Net debt to NAV

Dec 25	£159.3mn / 25%
Dec 24	£110.1mn / 18%
Dec 23	£66.3mn / 9%

Why is this important?

- A prudent level of debt allows the Fund to create additional value for shareholders by investing in a larger portfolio of assets and augmenting existing assets.
- Net debt shows how much leverage the fund is carrying after subtracting available cash.
- Net debt to NAV indicates how large the debt arrangements are relative to the Fund's asset value.
- The Fund's investment policy limits its leverage to a maximum of 50% of NAV.

What we achieved in the year

- Operational portfolio refinancing, increasing drawn debt to £210mn, unlocking capital for augmentations and project acquisitions, which contributed to the increase in NAV.
- Refinancing on improved terms, lowering the cost of debt for the Fund.

Highlights

Revenue / revenue per MW¹

Dec 25	£60.4mn / £68,600 per MW
Dec 24	£46.5mn / £59,800 per MW
Dec 23	£38.7mn / £63,800 per MW

Why is this important?

- Revenue demonstrates how effectively operational capacity is being monetised.
- Revenue per MW reveals the revenue rate of the portfolio per unit of capacity.

What we achieved in the year

- Revenue growth of 30% driven by both an increase in operational capacity (MW) and an improved revenue rate (revenue per MW) of the assets.
- The Manager initiated a key trial for its alternative revenue strategy (see page 9) to drive further revenue upside relative to the market.

Contracted revenues / per MW / as a percentage of total revenues²

Dec 25	£23.8mn / £27,000 per MW / 39.4%
Dec 24	£11.5mn / £14,700 per MW / 24.7%
Dec 23	£8.7mn / £14,400 per MW / 22.5%

Why is this important?

- Contracted revenues are the sum of tolling, floor and Capacity Market revenues today and demonstrate how secure the revenue base and therefore the cash flows of the Fund are.
- Higher contracted revenues give greater certainty over minimum cash generation levels in the portfolio in the future.

What we achieved in the year

- 528MW operating under existing tolling agreements.
- Put in place additional long-term floor-revenue agreements on 939MW of the operational portfolio and 637MW of project pipeline.

EBITDA / EBITDA margin³

Dec 25	£38.8mn / 64%
Dec 24	£29.1mn / 63%
Dec 23	£25.8mn / 67%

Why is this important?

- Reflects the portfolio's profitability and cash generation from core operations.
- Underpins operating cash flow, debt covenants and dividend cover levels achievable.
- Improving EBITDA supports access to debt capital, improves credit metrics and provides extra cash for distributions.

What we achieved in the year

- EBITDA growth of 33% from a combination of revenue rate, cost-base efficiencies and operational capacity increases.
- Decreased insurance costs drove greater cost-base efficiency of the portfolio.
- Increased average duration of the portfolio projects lowered cost per MWh.

1. Total revenues of underlying portfolio, unaudited.

2. Contracted revenues include Capacity Market, tolling and floor-revenue contracts, unaudited.

3. EBITDA of underlying portfolio, unaudited.

Three-year Plan

IMPORTANT NOTE: The Company will be holding a Capital Markets Day in May to provide a full update on progress with the Three-year Plan to reflect the evolution of strategic milestones and industry events.

At our Capital Markets Day on 27 November 2024, we announced a Three-year Plan for the period from 2025-2027.

The plan included three prongs:

1. augmentation of the existing portfolio by up to 1.5GWh, taking all projects to at least a two-hour duration and a subset to a four-hour duration with the whole existing portfolio reaching a three-hour average duration;
2. a new investment pipeline of 680MW across five projects; and
3. adding to the revenue stack with an “alternative revenues” strategy.

The combination of these actions would target £150mn in operational portfolio EBITDA from 2028. A detailed explanation of the Three-year Plan can be found on pages 15-16 of our 2024 Annual Report.

We made good progress in 2025 with respect to each part of the Plan, as follows:

1. Augmentations

- during 2024 and 2025, we delivered 330MWh in augmentations across seven projects; and
- in 2026, a further 350MWh are being installed across eight projects.

The result of all these works will take the portfolio’s average duration to c. two hours. There are further augmentations that could be carried out in future; however, these are yet to be announced.

2. Pipeline

As recently announced, the Company has now received grid connection offers from NESO on four of its five projects, reflecting 594MW of its 694MW pipeline.

The queue reform process, operated by NESO, was designed to reduce the size of the queue of BESS, wind and solar project grid connections as it had grown far in excess of the market’s need. This process has taken a lot longer than originally intended, as the review process looked at over six thousand grid connection offers made by Transmission Network and Distribution Network Operators across the spectrum of technologies, including solar, wind and BESS. This process was kicked off in 2024 and was meant to conclude in Q4 2025. However, it only went live in April 2025 and will now conclude in January 2027 with the reissuance of connection offers for projects that are being approved with “Gate 2 offers” (i.e.

projects which will be provided with a firm connection date), subject to there being no further delays.

We are therefore pleased to have received four of our five connection offers and expect to receive a fifth offer soon, although the formal deadline for the fifth connection offer (Elland 2) is November 2026.

The offers we have received have connection dates as shown below. The expected connection date on the remaining project (Elland 2) is also included below:

	Capacity (MW)	Newly confirmed connection date
Monets Garden	57	June 2027
Cockenzie	240	July 2027
Elland 2	100	Not yet received: 2027 connection date expected
Ocker Hill	240	October 2029
Lister Drive	57	July 2029

It is good news that the GB electricity market is now moving to completion of the queue reform process, originally intended to accelerate the rollout of Labour’s Clean Power 2030 ambitions. However, this process has clearly delayed the connection dates of the entire market. It has impacted the timing of our Three-year Plan, taking the delivery of Ocker Hill and Lister Drive (297MW out of our 694MW) to 2029, which is beyond the original target date for the Plan of the end of 2027.

The Manager looks forward to updating the market at the upcoming Capital Markets Day on the pipeline and progress with the associated financing arrangements.

3. Alternative revenues

The Company continues to target £25mn in incremental EBITDA target from this strategy by the end of 2027.

The nature of this business is commercially sensitive, compelling the Company to limit its disclosure. However, we also appreciate the importance of providing information to our shareholders to create confidence around this approach.

This strategy is positioned to leverage our current BESS optimisation activities and take different trades over various time horizons overlaid onto our current BESS revenue stack. They are implemented to enhance our risk-adjusted returns but do not require any changes to our existing optimisation arrangements. This is key as most of our agreements with third-party optimisers include floors (minimum revenue per MW guarantees) which underpin our debt arrangements.

Three-year Plan

Key attractions of the additional trades that we are carrying out include:

- increased revenues by adding to (i.e. not replacing) our existing arrangements;
- while the new revenue stream and the profitability of the strategy will fluctuate with market conditions, the strategy is inversely correlated to our existing book of business; and
- the new strategy has been extensively back-tested by running it through a historical dataset and through two revenue trials, the first in 2023 and the most recent from December 2025 through to March 2026, as detailed below.

In summary, we are confident that the new combination of revenues will:

- increase the Company's total revenues by increasing the Company's revenue per MW; and
- improve risk-adjusted returns.

The trial has proved all the points above and achieved the following results in terms of additional revenues and revenues per MW:

- trial dates: 8 December 2025 to 31 March 2026;
- contracted capacity: c.4MW;
- total net revenues: £307,000; and
- average revenue rate: £22.70 per MW per hour.

These trial results are clearly encouraging, being significantly higher than the hourly rate of £7.80 per MW per hour achieved by the operational portfolio in 2025; however, it is likely that there will be a lower target over time. The Manager would be pleased to see operational portfolio revenues increase by c.£5-10 per MW per hour from this strategy when fully operational.

The next steps are to scale to:

- 10-20MW in Q2 2026; and
- 50-100MW by the end of 2026, subject to further performance reviews.

Due to the trial nature of these revenues and the uncertainty associated with them, alternative revenues are not captured in the investment valuations.



Chair's statement

On behalf of the Board, I am pleased to present the Annual Report and Accounts of Gresham House Energy Storage Fund plc (GRID) for the year ended 31 December 2025.

The Company achieved significant growth during the year, increasing operational capacity by 27% in grid connection capacity (MW) and 41% in battery storage capacity (MWh). As at the year end, the portfolio stood at 1,072MW / 1,701MWh. This capacity growth contributed to a healthy increase in revenue and operational EBITDA of 30% and 33% respectively.

We have also worked hard to execute the early stages of the Three-year Plan (see above) and are confident in the value it delivers for shareholders. It was encouraging to see a positive response in the share price during the year as the market began to reward progress on the delivery of the strategy. We look forward to communicating significant further progress through 2026.

Execution and evolution of the Three-year Plan

Refinancing unlocked funding for augmentations

The refinancing of the external debt facility, held by wholly owned subsidiaries, was completed in August 2025, securing improved financing terms for the operational portfolio and unlocking additional capital to fund future growth, having secured contracted floors on 939MW of our existing portfolio.

This refinancing unlocked the capital for eight operational project augmentations, all of which will be completed in 2026, increasing average duration of the operational portfolio to 1.9 hours.

New project pipeline – secured and extended

In December 2025, we signed agreements to acquire three pipeline projects, Cockenzie, Monets Garden and Elland 2, totalling 397MW / 794MWh. In the coming weeks, the project companies expect to reach financial close, securing a combination of senior and junior project financing tranches on attractive terms. Pre-funding construction work is underway.

As detailed in the Three-year Plan section, we also expect to contract to acquire the remaining two pipeline projects, Lister Drive (57MW) and Ocker Hill (240MW), with construction now likely to start in early 2027 as queue reform delays result in later connection dates.

More information on the augmentations and new projects is provided in the Investment Manager's review.



2026 promises to bring tangible signs of progress for GRID as it launches into a significant programme of works, maintaining its leadership in this crucial sector, and growing its asset base."

Chair's statement

Wider strategic opportunities – funding, long-duration and alternative revenues

Funding of Glassenbury – the test case

Raising equity finance when the share price is at a discount to NAV is challenging, so it has been important to look for alternative funding solutions to deliver on our growth ambitions. Funding opportunities have arisen due to the Company's scale and reputation as the market leader in the UK BESS sector. It is in this context that in 2025 we concluded our first project-level equity funding, at the valuation held in the accounts, with E-Energy Invest, a Lithuania-based investor in European storage and renewable energy. This funded the augmentation of Glassenbury, which has now been successfully delivered.

Project-level senior debt financing

For the new projects, we are securing project financing as separate facilities. This funding is expected to enable financing of up to 70% of the total project cost, with senior debt at an attractive margin.

Cost-effective junior debt

In parallel with the senior debt financing, we are also securing a junior debt tranche, which is export credit agency-backed and therefore competitively priced. This tranche of debt capital is specifically financing a portion of the BESS equipment for new projects, junior to the senior debt and expected to be priced at an attractive margin.

Funding summary

Taken together, with an element of equity funding, these transactions demonstrate the Fund's ability to attract long-term capital from diverse sources, even when the ability to issue shares in the public market is constrained.

Finally, the falling cost of BESS and our efficient approach to construction means that cash flow from our contracted revenue base (tolls, floor contracts and Capacity Market contracts) will cover the majority of debt service payments and full debt service coverage is achieved well below current BESS revenue rates.

Long-duration BESS

2026 saw the evolution of BESS technology from a long-duration perspective. Not only has the construction of our two-hour BESS projects become significantly cheaper, but costs for inherently lightly cycled eight-hour systems (as one full cycle now takes 16 hours) have fallen even faster. As such, we are likely to diversify our future pipeline, beyond the projects already under construction, at an eight-hour plus duration. This would generate stronger and more stable investor returns, as well as building assets which meet a growing market need.

Alternative revenues

The Manager has been conducting formal trials of its alternative revenue strategy since late 2025, with promising results. The trial gradually increased in scale between December 2025 and March 2026 but remained below 10MW during this period. From 1 April 2026, the trial is stepping up to c.10MW which, if successful, could be scaled to a higher level before the end of 2026.

Based on recent results, and as further detailed in the Three-year Plan section of this report, we are confident that this strategy can achieve the £25mn incremental EBITDA target set out in our Three-year Plan.





Chair's statement

Outlook on regulations and the utilisation of BESS

NESO continues to work slowly but diligently on deploying new systems (the Open Balancing Platform or OBP) and implementing regulatory changes that assure us that BESS are becoming fully tradable in the Balancing Mechanism. Naturally, we have an appetite for a much faster pace to these programmes and have communicated this to NESO.

A key issue facing BESS is that it is still seen as a “challenger” technology versus legacy gas-fired generation, and we believe this manifests in NESO lacking confidence in the utilisation of BESS. This is despite BESS assets being reliably available at scale as a much cheaper option and offering a much lower carbon footprint. The Company and wider BESS industry are still devoting resource to educating policymakers about the proven benefits of BESS as a critical part of the GB energy ecosystem central to national energy security and resilience – especially now with the energy sector aftershock of the US / Israeli intervention in Iran.

Company outlook

Fundamentally, BESS can provide the vast majority of GB's flexibility needs, once scaled to the Government's own targets. Year on year, BESS are increasingly deployed as they offer value through high reliability, low costs, responsiveness, high round-trip efficiency and scalability due to their comparatively short installation times. In addition, they are buildable almost anywhere geographically and at increasingly long durations.

As the impact of the war in the Middle East reverberates around global energy markets, the imperative to move away from dependence on imported natural gas and crude oil-based fuels and products is self-evident. There is a clear need to move towards domestic energy self-sufficiency, led by renewable generation accompanied by the

necessary associated energy storage. GB is already well underway with this transition. The construction of renewable projects with CfD contracts to be built between now and 2030 is expected to take electricity generation from renewables from c.50% today to over 80%. That increase demands a matching growth in BESS.

Overall energy demand is rapidly electrifying, which, combined with the deployment of data centres for AI, highlights the importance of resilient, secure GB-centric electrical energy at a lower and more stable cost to the consumer.

We continue to believe that BESS is a key ingredient of the GB energy mix to balance rising intermittency. 2026 will be a watershed year, as it is widely accepted to be fundamental to our national infrastructure and resilience.

2026 promises to bring tangible signs of progress for GRID as it launches into a significant programme of works, maintaining its leadership in this crucial sector, and growing its asset base.

The Board set out its Capital allocation policy in the 2025 interim report. As announced in that interim report, the Company intends to pay a single dividend of at least 0.25p per share in 2026 and from 2027 dividends will be declared at half-yearly intervals. The Board will review the dividend and capital allocation policy at the end of 2026.

We look forward to communicating more details of the Company outlook at our Capital Markets Day in May 2026.

John Leggate, CBE, FREng

Chair

20 April 2026

Business model

The role we play in the energy transition and energy security

Demand for electricity is growing but supply is becoming much more dynamic

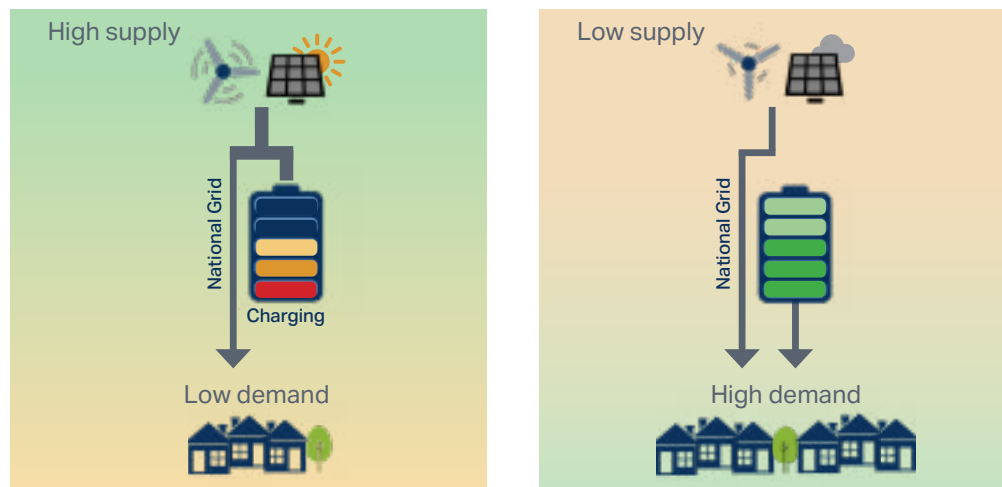
Electricity flows need balancing in real time; what flows onto the network must be allowed to flow out. However, the transition from fossil fuel-based electricity generation to renewable generation makes this balancing more challenging. Renewable generation is dependent on fluctuating wind and solar generation, and its output can vary from 0% to 200% of its average. With renewable generation becoming a larger part of the mix – and we are currently at 36.2% solar and wind⁴ and heading to 75% by 2030⁵ – Great Britain's electricity supply is becoming increasingly intermittent and variable.

This unpredictable supply must be matched exactly with demand that varies significantly by time of day and season. Demand is also increasing after years of stagnation as electrification takes hold and electric vehicles, heat pumps and other technologies are being adopted. Indeed, there are also new sources of significant demand, in particular data centres.

4. <https://neso.energy/news/britains-energy-explained-2025-review>

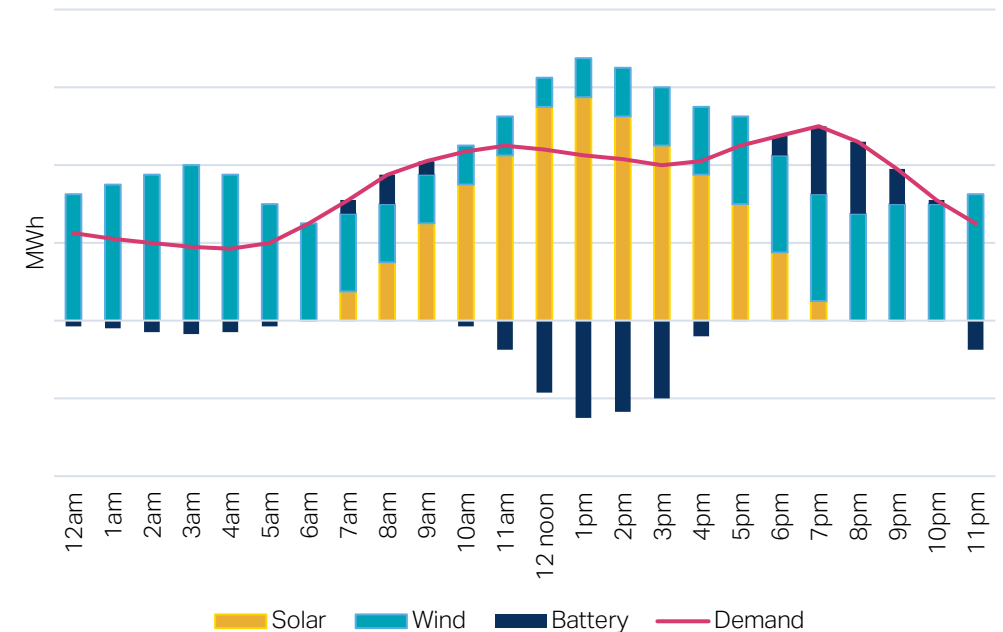
5. NESO report: Future Energy Scenarios, Holistic Transition

The simple diagram below demonstrates how BESS can be used to support the energy system in this way:



This balancing can also be used to manage network constraints which arise when more energy is generated at a site than the connection can transmit to where it is needed. Constraints may occur at the local distribution network level or the national level. For example, the B6 Boundary constraint negatively affects the transmission of energy from Scotland to England. Whilst Scotland has abundant wind resource, GB energy demand is primarily in population centres in England. By having BESS capacity on either side of a constraint, BESS can charge up on the constraint side with the excess power that would otherwise be lost and then transfer the power through once the constraint is lifted. The battery on the other side of the constraint can then charge up, if required, to use that power later. This arrangement can save costs to end consumers by avoiding construction of expensive transmission capacity.

The example below demonstrates how a BESS asset may be used to balance renewable power on a given day to ensure more of the generation is utilised in the system.



Business model

BESS capacity is now large enough to provide significant flexibility

To date, the small scale of legacy BESS has meant that gas-fired generation has provided much of the flexibility in the system. There has been insufficient BESS capacity to meaningfully replace gas when renewable generation is low, while excess generation has resulted in curtailment, with renewable generation being turned down or off.

However, BESS capacity today has reached c.7GW. With demand varying between a low in the year of 13GW and a peak of 46GW⁶, this means BESS is now capable of providing significant flexible capacity, albeit currently for relatively short periods. Once Government-backed plans for energy storage of c.30GW has been achieved (c. two-hour BESS and longer-duration storage⁷), the ability to replace gas-fired generation's role with storage will be all but complete.

BESS's role will only become more important, as:

- the gas fleet is ageing, and it will not be possible to rely on it into the 2030s;
- legacy nuclear fleet is in decline and new installations are delayed further;
- while renewables continue to grow, less gas-fired generation will be required – it is likely to be periodically offline, increasingly expensive to ramp up from a cold state, and vulnerable to international prices; and
- gas only provides half the answer, as it does not store excess renewable generation and only steps in when renewables generate too little power.

6. <https://www.neso.energy/news/britains-energy-explained-2025-review>

7. CP30 Action plan targets for LDES and Batteries

BESS are the cheapest (and increasingly so as battery prices fall), most efficient and most effective at using otherwise wasted wind and solar power, making them the preferred practical solution to the balancing, and "firming up" in industry parlance, of renewable generation.

The Fund has sought to lead the way in the energy storage's role in the energy transition. Currently, the Company has a leading market share, which it intends to exploit as it continues to grow, reaping the benefits of scale that this leadership position brings – from procurement advantages to full-scale operational teams.

In summary:

- Renewable generation is inherently more volatile than the dispatchable generation mix of the past.
- BESS enables more of the excess generation that would otherwise be lost to be stored and then used when demand is higher than supply.
- As we transition to a clean energy system, the balancing of the grid is becoming increasingly difficult for the NESO control room. Recent automations of its platform, the addition of trading algorithms and increased real-time data from sites are all aiding long-term implementation solutions.
- A system built on renewables and BESS will avoid carbon costs and significantly reduce reliance on mainly imported fossil fuels.
- BESS has a critical role to play in GB national energy security and resilience as we move towards energy and reduce our dependence on imported natural gas and hydrocarbon fuels.



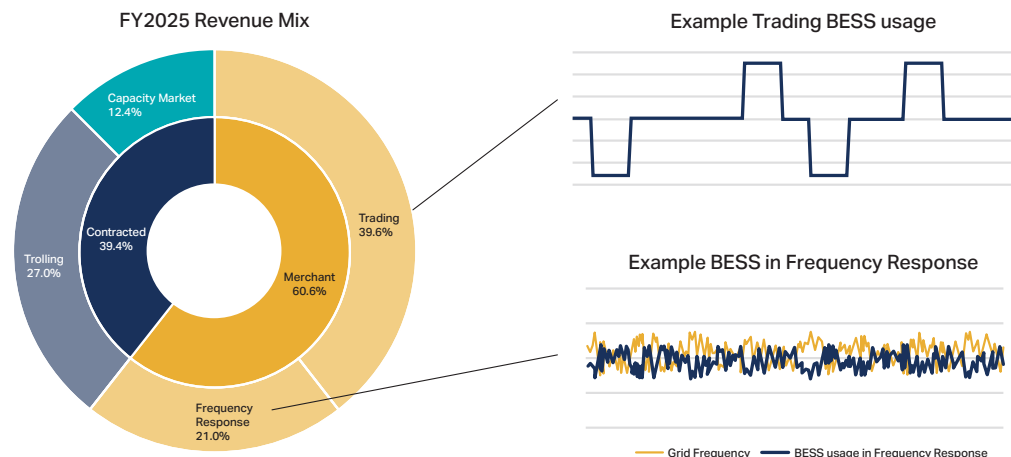
Business model

How storage assets generate revenue

BESS assets earn revenues from three main sources:

1. **Capacity Market (CM)** – the Government created the Capacity Market to ensure the country always has enough supply to meet demand. Capacity providers, such as BESS operators, are awarded contracts of up to 15 years to make capacity available when the system is short of power. These contracts are fixed price, CPI-linked and based on the capacity and duration of a BESS site. The delivery requirement is to provide the contracted capacity when called upon.
2. **Trading** – in its simplest form, this is buying and selling power. This is typically seen as larger blocks of imports and exports, often at full connection capacity. Trading can come in numerous forms, some of which are summarised below:
 - a. Wholesale trading – buying and selling large amounts of energy ahead of time, typically day-ahead or within-day.
 - b. Balancing Mechanism (BM) – NESO uses the BM to balance electricity supply and demand. The BM is a real-time market where participants state a price to bid (import or reduce export power) or offer (export or reduce import power). The NESO control room decides which actions to take and sends instructions to run. This can offer wider pricing opportunities for BESS owners but is hindered by the current inefficiency of asset selection in the control room.
 - c. Reserve services – in these services, site capacity is reserved by NESO ahead of time for a fee. If required, sites must run at the agreed power output. In addition to the availability fee, assets are paid for the power they deliver and must also pay for the power they use, as with typical trades. Reserve services are sometimes grouped with Frequency Response, due to the availability fee received for being reserved ahead of time. However, we include this in trading, as it is a route to accessing additional trading volumes with the control room and hence is often considered alongside the BM.
3. **Frequency Response (FR)** – a range of frequency response products run by NESO, specifically Dynamic Containment (DC), Dynamic Modulation (DM) and Dynamic Response (DR). Each of these services aims to manage the deviation of the frequency on the electricity grid, which is only allowed to deviate by small margins from 50Hz. BESS assets respond to the live changes in frequency of the grid and add extra power when the frequency falls or charge / import when frequency goes too high. For providing this service, BESS assets receive an availability fee for the contract period. The net cost of the imports and exports typically reduce the amount of revenue achieved but, in some instances, can be profitable in itself.

These services are characterised by an inverse output from the site compared to the frequency on the system (see below):



Note: Other ancillary services are available and new ones will no doubt arise in future. They typically follow a similar approach with a service or availability fee for delivering the services required on the grid. Today, we mostly operate in Frequency Response services.

Asset optimisers are counterparties who deal with the day-to-day operations of a site and how it makes money. They decide between trading and frequency response and perform the trades and enter relevant services, with the aim of optimising revenue generation. They are typically paid through a revenue share and hence incentivised to achieve the best results for an asset. We use a variety of traders in our portfolio, all of which are unaffiliated third parties, to ensure broad coverage and expertise in the market. This enables us to diversify, benchmark and rotate providers to ensure we are getting the most out of our portfolio.

The Manager enters assets into long-term contracts such as Capacity Market, as well as other forms such as tolling and floors (see below). The Manager reviews all these options to ensure the right blend of risk and reward from the portfolio.

Business model

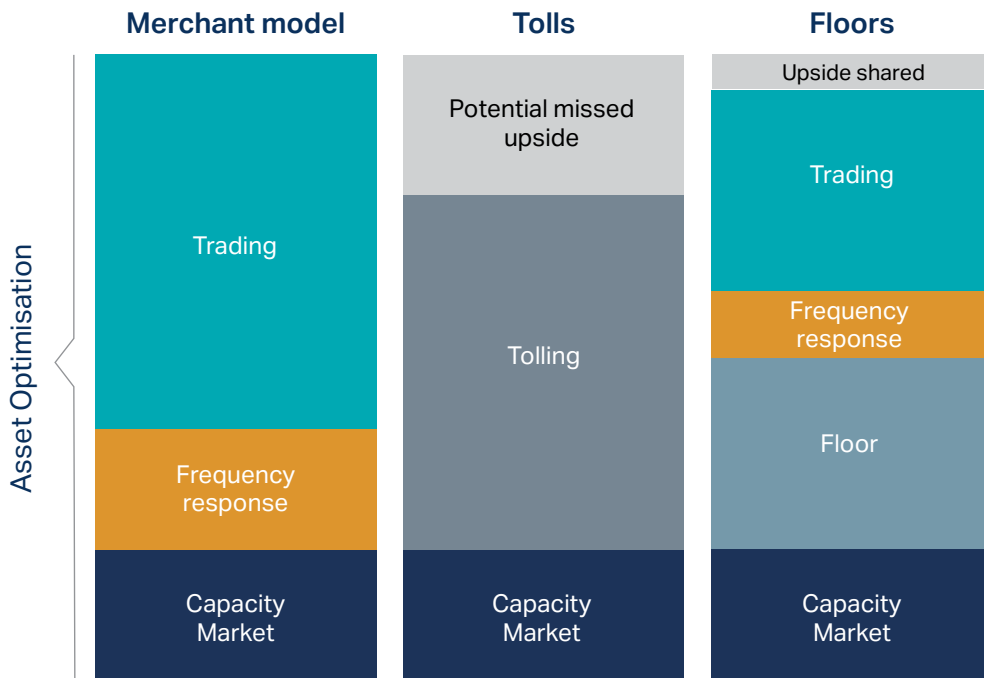
Contracting merchant cash flows

GRID has led the industry in pioneering the biggest developments in the last two years: contracting away merchant exposure – reducing or replacing the variable revenue from trading and Frequency Response with de-risked revenue streams. The two main options for converting merchant revenues to contracted revenues are tolls and floors:

1. Tolls – these replace the entire merchant revenue potential of a site for an agreed fee. This removes risk around merchant revenue levels but can give away some upside in a well-performing merchant environment. These contracts often have performance requirements for ensuring the site is available. GRID announced a landmark tolling arrangement in 2024 with Octopus Energy, to contract 568MW of the operational portfolio for two years (subsequently reduced to 528MW). These contracts guarantee revenue levels and are therefore preferable in a low-revenue environment, such as 2024, or where pricing is attractive relative to the merchant revenue rates expected.

2. Floors – these contracts guarantee a minimum revenue level for an asset, with upside above that level shared between the asset owner and the optimiser / contract counterparty. The fee share on our contracts is a small increase on the typical profit share with optimisers. In such contracts, we are protected on the downside whilst maintaining exposure to the upside. The revenue guaranteed in a floor is typically lower than for tolls, as revenues are then shared above the floor level.

In each case, the assets are still optimised in the same way and have the same operational parameters for the optimiser of the asset. The increased certainty of revenues means that adding these contracts enables the Fund to secure more cost-effective and longer-term debt funding for building new assets, whilst in the case of floors, giving away only a small amount of upside.



Business model

Procure, design and build

- Gresham House's in-house construction team works on procurement and design. Its expertise and connections mean that projects are carefully designed based on our cumulative knowledge and experience, avoiding costly delays, overruns and ensuring a best-in-class asset.
- Our portfolio of 29 operational assets provides a vast amount of data, enabling views and insights from the operations team to feed into the planning and design of new sites, helping to drive improvements.

- GRID's scale as a market leader means that we can secure highly competitive pricing on equipment and construction contracts. The scope of the pipeline through in-house development provides increased clarity on long-term opportunities, further incentivising contractors and suppliers to support our aims.
- Gresham House's Engineering, Procurement and Construction Management (EPCm) function ensures the Manager maintains control over the construction programme and reduces costs for the overall project build by contracting directly with counterparties. EPCm fees are benchmarked using the services of an external adviser.

Develop and acquire

- Gresham House has a dedicated early-stage development team, carrying out most of the initial project work (planning, land, grid connections and initial design). This is beneficial to GRID, as it can specify exactly what is needed for the optimal investment and has transparency early in the process on what it is acquiring.
- GRID benefits from projects developed by Gresham House on beneficial terms, whilst Gresham House benefits from having an agreed offtake route for projects. This ensures consistent pricing for project rights and enables the Fund to avoid costly market transactions, leading to an overall lower cost to acquire and build projects. Projects acquired from Gresham House are subject to benchmarking and an external valuation opinion.
- Gresham House's in-house development of projects gives our Board long-term visibility over an attractive, exclusively held pipeline.

Operate and enhance

- Commercial and technical asset management teams maximise our assets' operational performance.
- Data from the large portfolio of operational assets informs day-to-day optimal performance.
- Significant operational scale allows us to extract better pricing on optimisation agreements, ensuring we take a larger proportion of revenues generated.
- Financial expertise and commercial acumen of the Manager have enabled the Fund to implement novel routes to market such as tolls and floors, providing an improved balance of risk and reward for shareholders during more turbulent periods in the market.
- GRID is a leader in industry groups such as the Energy Storage Network and the Battery Storage Coalition and is a vocal advocate for BESS in the wider market.

Creating value



Ben Guest



Investment Manager's review

Introduction

Through 2025 and at the start of 2026, we have been delivering on the plans we have communicated to the market, growing the operational capacity and average duration of the portfolio significantly. As we continue on the journey set out by the Three-year Plan, the focus in 2026 is on the next set of augmentations; the construction of the new pipeline of assets, which on average are much larger, and of a longer duration, than the existing portfolio; and the potential growth in revenues through alternative revenues.

A portfolio at scale that continues to grow

In 2025, we completed the construction of the remaining projects in the 1,072MW portfolio, adding 227MW to the operational portfolio. We also delivered a programme of augmentations across the existing fleet, taking energy storage capacity to 1,701MWh at the year end.

The additional capital raised through the refinancing, alongside an equity transaction at Glassenbury in 2025, is being used for the augmentation of eight projects, increasing the operational portfolio's average duration to 1.9 hours once complete. The first two augmentations, Glassenbury (50MW) and Stairfoot (40MW), were completed in April 2026, extending them to 2.5 and three-hour durations, respectively, and increasing their ability to capture revenues from trading in the wholesale market and the Balancing Mechanism.

Work has begun on a further six augmentation projects, with all of them expected to complete in 2026.

The queue reform process initiated by the UK Government and implemented by NESO, which

restructures the bloated grid connection queue, has taken several months longer than NESO expected and caused some delays to the start of construction of pipeline projects. On a positive note, grid connection offers are now starting to be reissued.

Cockenzie, Monets Garden and Elland 2 are being built at the lowest cost to date and are therefore modelled to achieve an even more attractive IRR. They will add significantly to the Company's NAV per share once revalued, and to underlying EBITDA once this capacity is energised, expected between Q3 2027 and Q1 2028.

Financing is also progressing on the next two pipeline projects, Ocker Hill and Lister Drive, which are expected to have slightly later connections. Financing is expected on similar terms to the first three and the projects are expected to achieve similar returns. As such, each incremental MW in the next batch is expected to be similarly accretive to NAV per share and EBITDA per share.

Investment Manager's review

Portfolio performance, a shift to contracted revenues and, going forward, alternative revenues

Portfolio performance

Merchant revenues of £45,000 / MW / yr were assumed in the Company's Three-year Plan announced in November 2024.

In contrast, in 2025:

- Trading revenues of £60,100 / MW / yr were achieved in 2025, demonstrating an improving revenue backdrop.
- As detailed below, the portfolio has moved to long-term contracting at levels higher than the merchant rates assumed at the release of the Three-year Plan, locking in higher and more secure cash flows.

In addition, operational capacity increased. Some of the improvements from the better backdrop and higher operational capacity were offset by temporary reductions in portfolio availability because of the augmentation programme. Once completed, the augmentations will increase the long-term earning potential of the portfolio.

Despite the improvement, underlying revenue rates remain lower than they should be if BESS were being more effectively utilised by the NESO control room. The good news is that the systems and regulations to achieve improved utilisation appear to be falling into place. On the former, for example, the system can now bulk dispatch BESS in order of merit (i.e. choosing the cheapest first). On regulations, Ofgem approved Grid Code GC0166 which is now being implemented and will allow the control room to see the state of charge in every battery in real time. To date, NESO has worked on an assumption that BESS have a maximum of 30 minutes of charge, which significantly reduces their usefulness to NESO. Implementation of GC0166 is scheduled to be completed in Q2 2026, although we expect the benefit to come through from Q3 2026 onwards.

Even after GC0166 is implemented an important step remains – allowing BESS to be considered head-to-head with gas or pumped storage assets. Currently, BESS are effectively considered only after all reserving actions have been carried out hours or even a day in advance using gas, pumped storage, interconnectors, and even the Drax biomass plant. We look forward to pushing hard on this theme once GC0166 is implemented.

While we are confident that the improvements set out above are coming, we have been seeking to diversify our revenue base beyond the traditional revenue stack available to BESS today. This is encompassed in our alternative revenue strategy.

Contracted revenues

As detailed elsewhere in this report, 2025 was significantly about repositioning the Company to enjoy a de-risked revenue mix as well as being positioned for further significant growth, as detailed and updated in the Three-year Plan section.

In terms of de-risking revenues, we have put in place a significant level of contracted revenues since our initial tolling agreement with Octopus Energy in June 2024.

In 2025, we extended the contracted period for most of the projects currently contracted under tolling agreements by adding floor agreements while also adding additional floor contracts on other projects, including most of our new pipeline.

The details of our contracted revenues arrangements are as follows as at 31 December 2025:

- Tolls: 528MW of operational capacity under contract, with the majority expiring during 2026.
- Floors: Floor contracts are taking over during 2025 and 2026 with 939MW under contract, of which 175MW have gone live as of 1 April 2026 and the remainder expected to start in the next two years as assets roll off tolls.
- Floors on Three-year Plan projects: in addition to floor contracts on our existing projects, we have put in place floor contracts on 637MW of our new pipeline to underpin their financing.
- Capacity Market contracts: the portfolio has a total of 901MW in operational capacity contracted under T-4 Capacity Market contracts at the end of 2025. These contracts are CPI-linked and the vast majority have at least ten years remaining.



Investment Manager's review

Alternative revenues

In December 2025 we began formal trials to explore the potential to implement a scalable alternative revenue strategy to capture more EBITDA margin available from the electricity value chain. It has so far exceeded expectations by more than doubling existing revenues on our trial capacity. Alternative revenues generate more revenues than the existing revenue base, which in turn is not displaced. The trial has been gradually scaled up from its start in December 2025 through to March 2026. As at the start of April, we expanded the capacity on this strategy to 10MW.

As it is extended, subject to staged reviews, this could significantly enhance the portfolio's revenues. We are therefore excited about this opportunity and look forward to progressively scaling it up. Our current view is that the alternative revenue strategy has the potential to deliver the £25mn annual incremental EBITDA target for the Three-year Plan's third prong.

The Board and the Manager are continuing to scale up the strategy with a strong focus on the risk profile. More details on the model will be provided once commercial viability has been proven.

Due to the trial nature of these revenues and the uncertainty associated with them, alternative revenue is not captured in the investment valuations.



Energy policy remains a key topic of discussion

Government policy is trying to keep up with the fast pace of the energy transition and this is an active space of late. The impact of the war in the Middle East is likely to only increase the need for more urgent change. Queue reform has been a slow process. Thankfully this is reaching a conclusion as offers start to be sent to project owners, but the slow and overly complicated implementation has led to delays in starting construction across the wider infrastructure space, i.e. not just BESS. We have been actively engaged with this and other processes, including NESO's consultations on grid reforms, to encourage effective and efficient delivery that best serves consumers and the overall system.

We continue to be vocal in supporting regulatory and system changes to reduce "skip" rates in the Balancing Mechanism, ensuring batteries are dispatched at a higher frequency. It is good to see that major milestones are being implemented and are on their way in the form of all assets being operated through one system and duration data being provided by BESS sites from Q2 onwards. We are told these points were two of the largest limitations preventing BESS being utilised more effectively, so we hope to see meaningful improvements soon.

Further, we have engaged with policymakers on the topic of long-duration storage incentives. Eight-hour or longer-duration BESS are increasingly becoming attractive on merchant terms without the need for subsidies, pointing to BESS again being the solution. More on these topics can be found in the Market review section.

Outlook

In 2025, we executed on the foundations of the Three-year Plan: completing the initial portfolio, increasing duration and setting up the financing for the new pipeline. 2026 is all about delivering on the next stage of growth for the Company as we close financing for the pipeline projects, put them into construction, and deliver on the alternative revenue opportunity to drive underlying cash flow of the portfolio. Our immediate focus is on the ongoing round of augmentations on the operational portfolio, the construction of the first three pipeline projects and concluding the financing on the next pipeline projects, while bedding down the alternative revenue strategy. We anticipate growth again in 2026 in terms of capacity, revenues, EBITDA and NAV per share. We are excited to share progress on this journey and the value it will unlock for our shareholders.

Case study – Glassenbury

Overview

In June 2025, the Company completed a transaction enabling a third party, UAB E Energy Invest, to invest £8.6mn in Glassenbury Battery Storage Limited. Glassenbury was one of the shortest duration projects in the portfolio and the funds have been used to finance its augmentation to 2.2 hours (50MW / 110MWh), making it one of our largest operational assets.

The funds were raised at the project’s then-prevailing Net Asset Value and construction began in late July 2025. This augmentation was one of the more complicated projects delivered to date, with the majority of the existing site removed and new batteries and inverters installed. The new equipment provides greater technical quality and increased longevity. The upgraded site was energised in April 2026 and is expected to become revenue generating at full capacity from May 2026.

Wide expertise delivering value

- **Opportunity sourcing** - The Manager’s extensive network and outstanding reputation enable it to find interested parties to invest in individual projects.
- **Co-investment deal experience** - In-house transaction expertise resulted in completing the funding at NAV, protecting existing GRID shareholders from value erosion.
- **Construction management** - Augmentation works were managed by the Manager’s construction team, enabling total transparency on project timelines and cost, improving the returns on the project.
- **Operational optimisation** - The Manager’s operational asset management team provided investment and design input to optimise project duration and secure favourable offtake contracts.

Highlights / key insights



£3.4mn uplift

in GRID’s NAV from augmentation



110MWh

capacity of new site, up from 38MWh



22% increase

to projected EBITDA from the project



9-month

construction timeframe for a full-site rebuild



Market and financial review





Financial review

Company metrics table

Company metrics	31 December 2025	31 December 2024
NAV	£645.0mn	£622.2mn
Underlying portfolio asset valuation	£819.3mn	£758.0mn
NAV per share	113.34p	109.35p
Cash in the Company and subsidiaries ⁸	£44.4mn	£39.9mn
Total external debt outstanding at Company and subsidiaries	£203.7mn	£150.0mn
Resulting net debt	£159.3mn	£110.1mn
Underlying portfolio performance	31 December 2025	31 December 2024
Total revenues	£60.4mn	£46.5mn
EBITDA	£38.8mn	£29.1mn
EBITDA margin	64.2%	62.5%
MW	1,072	845
MW weighted average	880	778
MWh	1,701	1,207
MWh weighted average	1,308	988
Total revenue per weighted average MW	£68,600	£59,800
Total revenue per weighted average MWh	£46,200	£47,100

8. Unaudited

Financial review

Underlying portfolio earnings

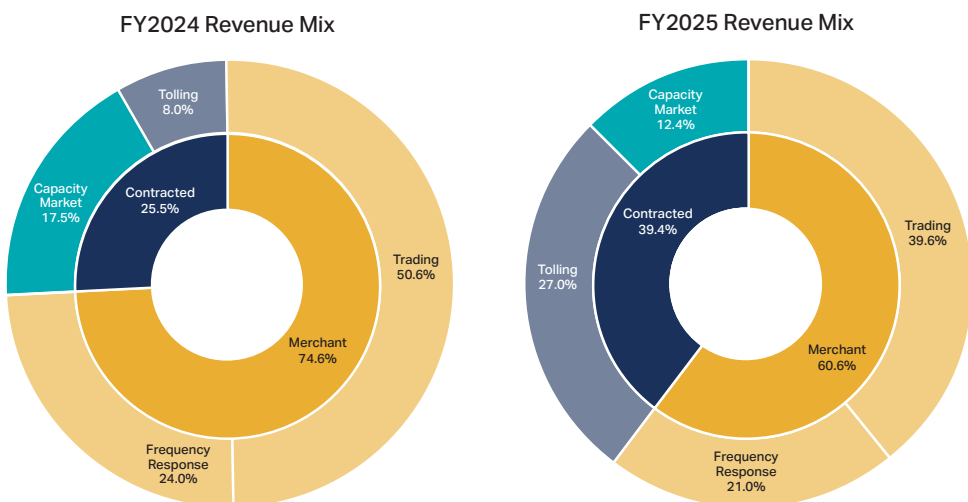
Both revenues and underlying portfolio EBITDA increased significantly this year, up 30% and 33% respectively.

The revenue growth was primarily driven by achieving more from the existing operational capacity, with the portfolio generating £68,600 / MW, up from £59,800 / MW last year. Revenue also benefitted from the increase in operational MWs, although the three new projects this year only began revenue generation late in the period and so the full-year impact of these projects has yet to be felt.

Additionally, the Manager worked to reduce the portfolio's operational cost base, achieving a reduction in insurance costs and acquiring the land at some portfolio sites, which removed the rental expense from these projects. Where economical, the Manager believes there is value in owning the land at projects, both to improve the site's EBITDA margin and secure future land access.

The combination of higher revenues generated on a largely fixed and decreasing cost base has improved the EBITDA margin of the portfolio from 62.5% to 64.2%. There is still significant room for improvement in the revenue environment and NESO's continued upgrades to the Balancing Mechanism should result in a fairer market, where BESS assets can earn consistently higher revenues than they do today. At the same time, the Manager continually assesses the portfolio cost base to seek reductions where possible.

As the remaining assets joined the Octopus toll in 2025, the percentage of revenues coming from contracted income streams has increased to nearly 40% (FY2025: 39.3%; FY2024: 25.6%), significantly de-risking the portfolio's revenues whilst these contracts and the incoming floor contracts are in place. Total Capacity Market revenues were similar year on year, although their weighting in the revenue mix decreased as total revenues rose. We expect Capacity Market revenues to remain 10-15% of the revenue mix, as more contracts come into effect over the next couple of years which are offset by higher forecast merchant curves.



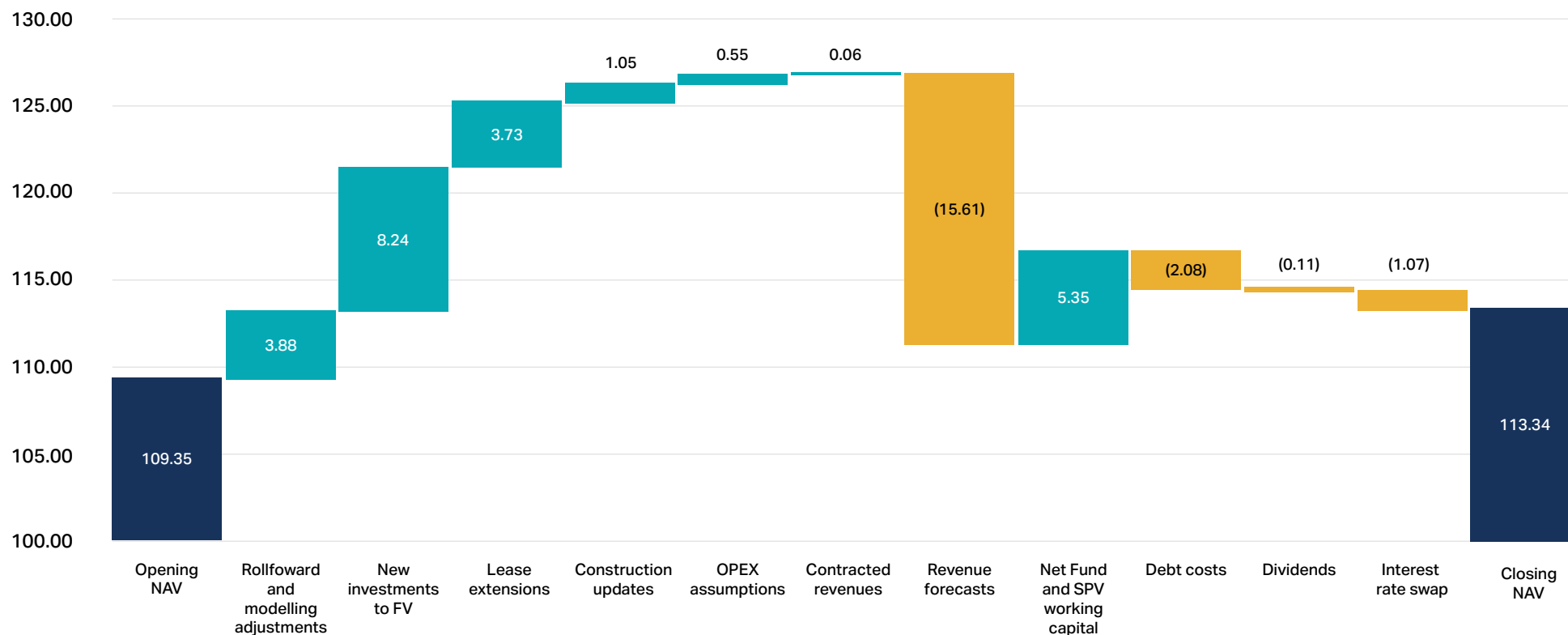
Financial review

Portfolio asset valuations

As at 31 December 2025, NAV per share was 113.34p, up 3.7% from 109.35p as of 31 December 2024. The additional value from the implementation of the Three-year Plan and the work done by the Manager has driven NAV per share growth in the year, despite continued reductions in third-party revenue curves (see below). This includes the completion of the remaining new projects that were in construction at the start of the year (Melksham, West Bradford and Shilton Lane), as well as embarking on a new wave of project augmentations financed through the increased operational debt facility. The changes to NAV per share are shown in the following chart. The valuations in the portfolio do not assume any additional earnings from extending the current alternative revenue trials.



NAV (p/share) bridge from 31 December 2024 to 31 December 2025



Financial review

Third-party revenue forecasts

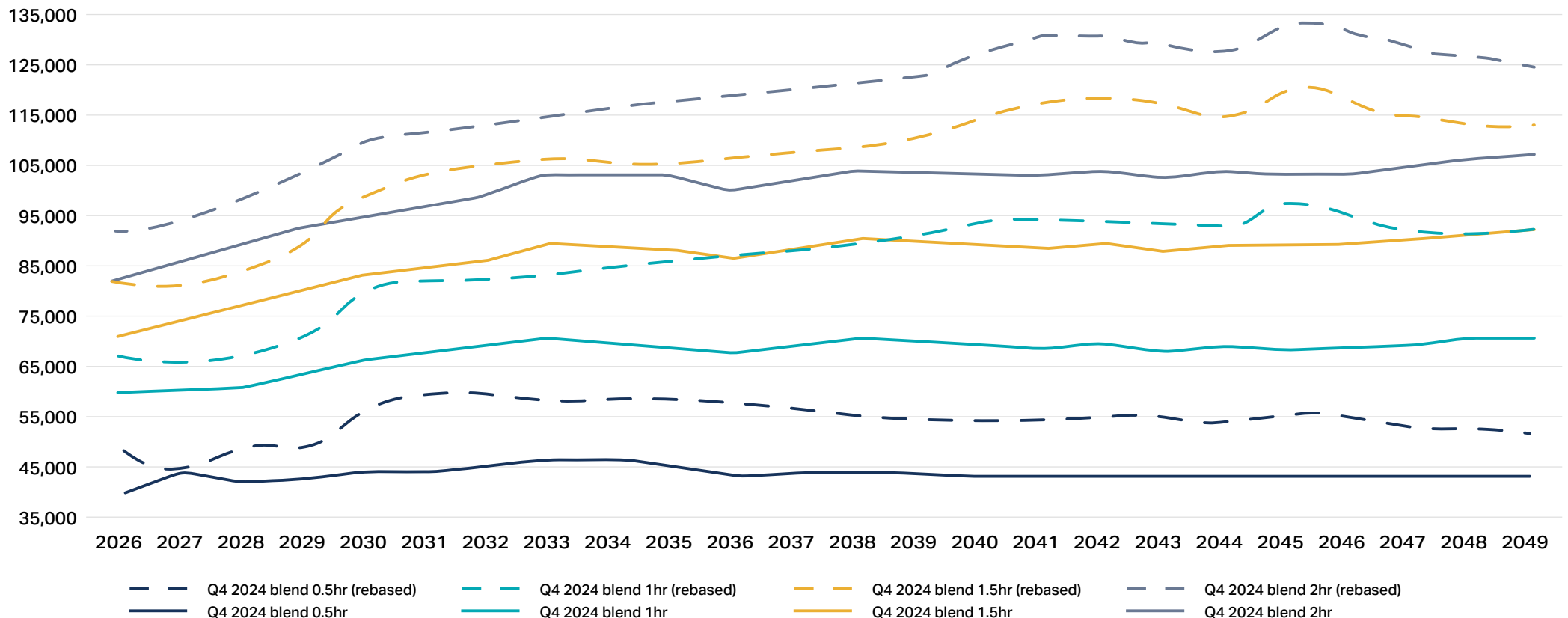
The Fund values its BESS investments using a discounted cash flow approach. Long-term revenue forecasts from third parties are a key input to the cash flow projections that underpin these valuations (see Note 17 to the financial statements for more information on the valuation process).

The continued decline in third-party revenue forecasts had the largest impact on the NAV over the year, reducing NAV per share by 15.61p. Since 31 December 2022, the reduction in forecast revenue assumptions has had a total negative impact on NAV per share of 66.30p. However, the reduced merchant forecasts, coupled with increasing contracted

revenues in the business, lead the Manager to believe the revenue assumptions in the valuations have now been significantly de-risked. The Board and the Manager have chosen not to reflect this in a change to merchant discount rates whilst the revenue environment has been more volatile but continually reviews this area.

The chart below shows the curves used in the current valuations compared to those used at 31 December 2024.

Q4 2024 vs Q4 2025 Revenue Curves



Financial review

Contracted revenues

During Q3 2025, portfolio companies entered into revenue floor contracts across 939MW of operational projects, with the first of these starting in 2025, but with most beginning over the next two years. This has required consideration of the discount rates to use for the contracted floor portion and the merchant upside element of these contracts. After consultation with the independent valuer, the Board and the Manager have determined that the discount rate for floor agreement contracted cash flows should be set at 7.5%, reflecting the investment-grade nature of the counterparties and the length of contracts. The discount rate on the merchant upside above the floor is 11.35%, with the discount rate on uncontracted merchant cash flows remaining at 10.85%. The net impact of the addition of floor contracts and the discount rate amendments was 0.06p on NAV per share.

New investments to fair value

The Company has generated NAV growth in multiple areas during the year, specifically:

- the remaining projects in the 1,072MW portfolio were completed and revalued as operational;
- the acquisition of land at operational sites (York and Elland) has generated a valuation uplift from the associated rent avoided and the increase in asset life beyond the end of the previous lease period in addition to the land value itself; and
- the refinancing and Glassenbury equity transaction have enabled the funding of the eight new augmentations scheduled for 2026, which will generate an incremental return above the cost of construction.

The Company also created value by securing lease extensions on existing projects to increase the usable life of these assets.

Cost assumptions

Operating cost assumptions improved this year. Whilst capacity charge costs increased, this was more than offset by securing significantly lower insurance costs across the portfolio. This is in line with our previous expectations that as the market matures and the size of the portfolio increases, the cost per MW to insure the projects should decrease.

Construction costs also decreased slightly, resulting in NAV gain, as final costs of the projects completed in the year were below the previously budgeted assumptions.

Discount rates

No changes have been made to the discount rates used, except for the introduction of the new floor contract rates as discussed above. The weighted average discount rate for the portfolio is 10.33%, which has decreased from 10.73% as at 31 December 2024, primarily due to the remaining projects becoming operational. As a result, all 1,072MW of assets in the portfolio were valued using operational discount rates at the year end. Additionally, the reduction in revenue curves and inclusion of floor contracts has increased the forecast weighting towards contracted revenues compared to merchant revenues, lowering the weighted average discount rate.

Operational assets were valued on average at £742k / MW as of 31 December 2025. Adjusting for working capital, the valuation, including only the net present value of future cash flows, stood at £734k / MW. Working capital includes cash, batteries and other equipment held for upgrades across the portfolio. None of the new pipeline assets proposed under the Three-year Plan are currently included in the DCF valuations, but, where applicable, they are held at cost.

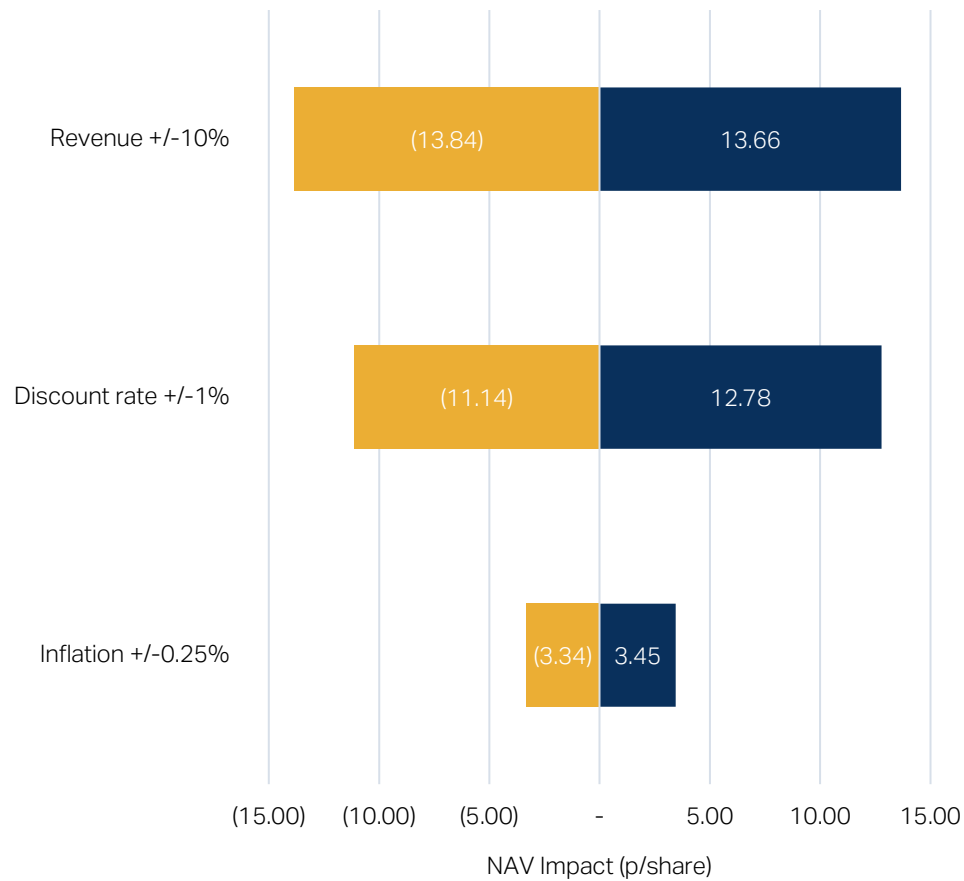


Financial review

Valuation sensitivities

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 Investment Manager and advice from the external valuer.

The impact of applying revenue and discount rate sensitivities to the valuations can be seen by project in Note 17 and summarised in the following graph:



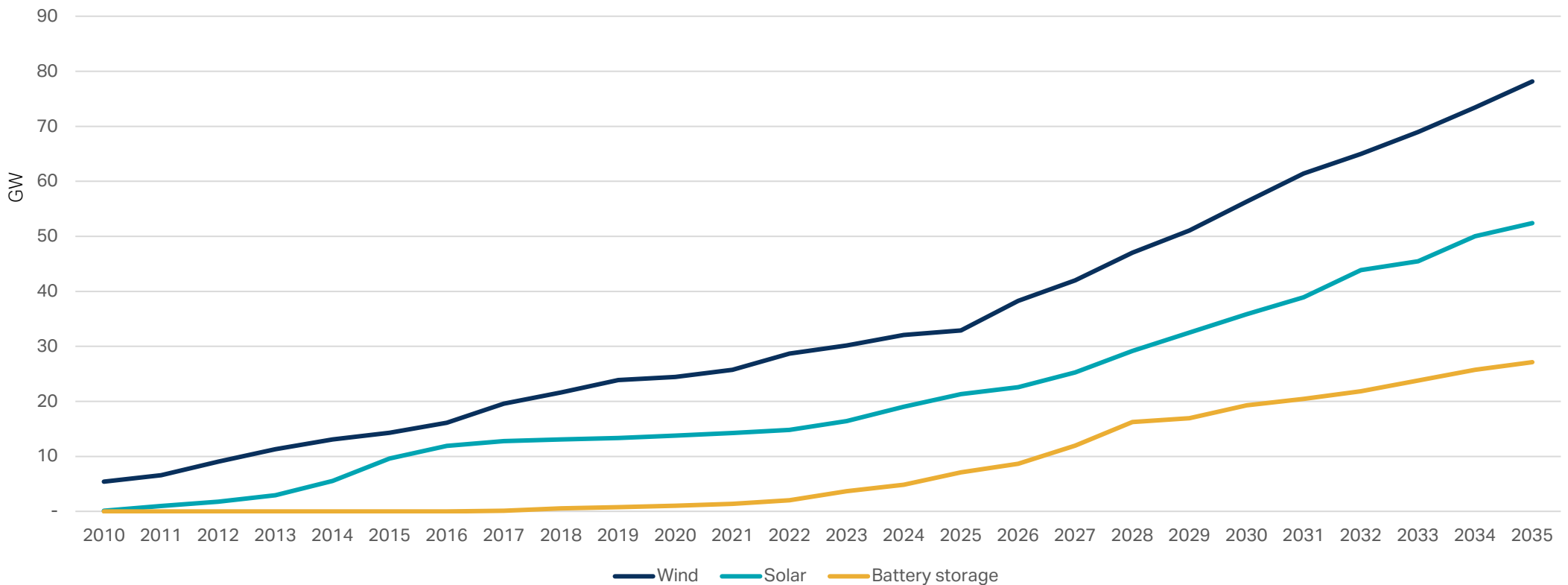
Market review

Renewables build-out continues to accelerate

Renewable generation capacity in Great Britain has increased rapidly over the past 15 years, as the chart below shows. Whilst battery storage has scaled up from a nascent industry ten years ago to over 7GW of operational capacity today, it remains far behind the volume required by faster-growing renewable generation.

The build-out of renewables has drastically changed the shape of the energy market. More zero-marginal-cost variable generation means greater price volatility, more frequent balancing requirements and a clear need for storage assets. As renewables take a larger share of generation, the requirement to shift energy, manage constraints and stabilise the grid only grows.

Battery storage is therefore not a peripheral technology, but a critical-system infrastructure, well placed to benefit from structurally rising demand for flexibility in a high-renewables system.



Source: GOV.UK Energy Trends and Modo Energy

Market review

Significant progress has been made already in the energy transition and even more progress is assured. To incentivise investment in renewable energy, the Government runs a Contracts for Difference (CfD) scheme for renewable energy projects, which protects project developers from volatile wholesale electricity prices. Projects can apply for CfDs through allocation or auction rounds. At the start of 2026, 8.4GW of offshore wind, 4.9GW of solar PV and 1.3GW of onshore wind received CfDs in Allocation Round 7, taking total capacity contracted under the CfD Auction Round regime to over 39GW. Of this, only c.10GW is operational today.

While expanding renewable energy generation is a priority for the current Government, it would be difficult for any government to change course and extremely costly to do so. The energy transition is judged through different lenses, most often cost, need and climate change.

- Costs, in particular non-commodity (i.e. non-fuel-related) costs, have been rising as renewables have needed subsidies to get underway. The earliest, most expensive legacy subsidies continue to add to non-commodity costs, but these will roll off in due course. Similarly, the Capacity Mechanism, which is mostly paid to the gas fleet, has also been necessary to keep this reliable generation while BESS are built out but is also expected to reduce in due course. Finally, network costs are rising as the grid are extended to accommodate renewables installed in places where generation did not exist before. This is likely to continue to be a rising cost. Meanwhile, wholesale prices continue to be affected by gas prices; however, increasingly, low-marginal-cost renewables are taking wholesale prices down as they set the half-hourly power price more often. This is most obvious in summer months when solar generation peaks.
- The UK is no longer a country with meaningful fossil fuel reserves, and with the geopolitical landscape becoming more complicated, there is a strong logic to transition to homegrown (i.e. weather-driven) power in spite of its intermittency.
- Finally, we continue to believe that the need to transition for climate reasons is most compelling. The urgency is growing as even a 2.5°C increase above pre-industrial levels is now a challenging target.

The direction of travel is therefore clear, and BESS still has some way to go to catch up with the rate of renewable build-out.

As a simple guide to the potential for growth in the BESS market, renewable generation collectively tends to generate electricity anywhere between 0% and over 200% of its average annual output, a huge range that needs managing. Therefore, in a system that relies on renewable energy, there is a risk that available power is anywhere from

zero to two times the level of demand. The level of demand and the level of renewable generation on the system both act as clear guides to the level of storage (i.e. flexibility) required to ensure excess is stored and then used in periods of lower renewable supply. With GB BESS capacity of 7GW today at a c. 1.6-hour duration, there remains a long way to go before BESS saturation levels are reached.

Indeed, our assessment of the need for BESS is in excess of the Government's current target of c.30GW. In our view, the capacity requirement is likely to exceed 40GW and the duration required is likely to exceed ten hours. This would represent a 25-fold increase from current levels. Of course, BESS needs to be prioritised over gas for this to be achieved.



Market review

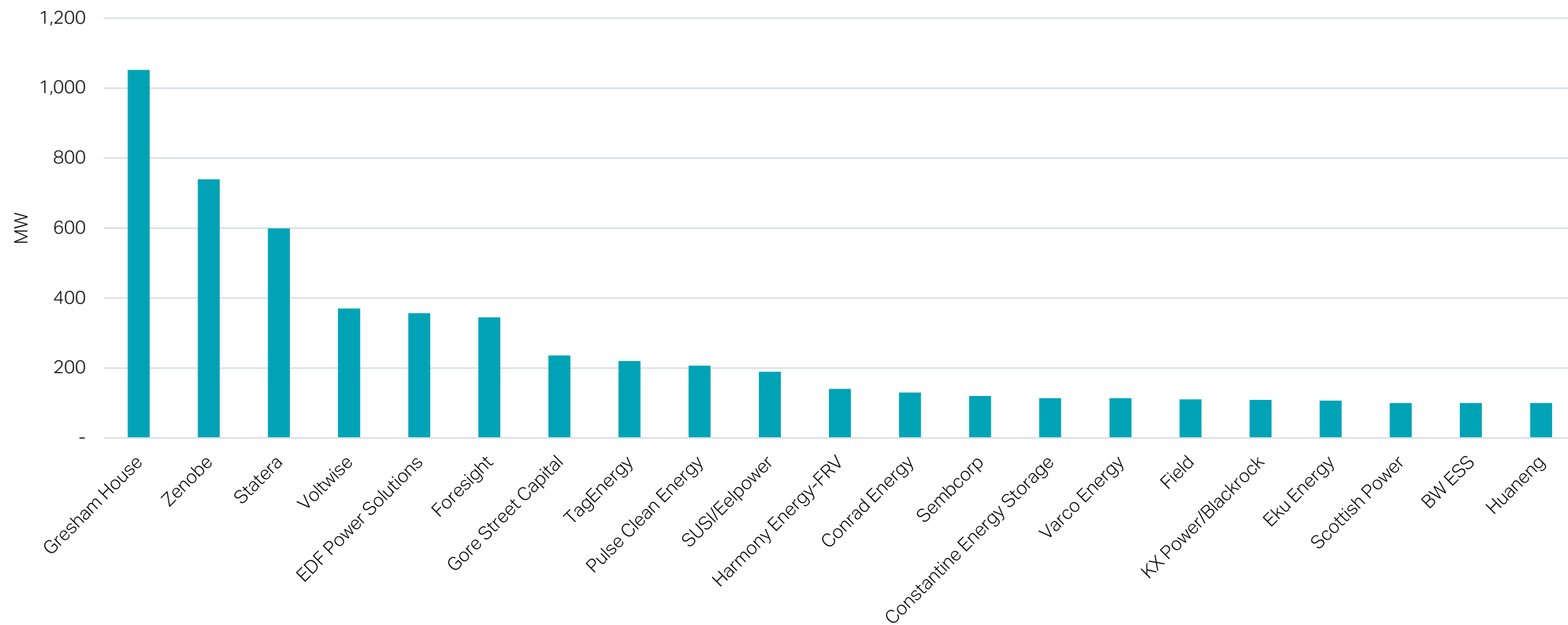
GRID's market position

A handful of BESS owners and operators have emerged in the UK BESS market, but GRID has maintained its market-leading scale, adding 227MW / 494MWh of operational capacity in 2025. As at 3 March 2026, our operational portfolio represented c.15% of the market by MW (31 December 2024: 17%).

GRID benefits from significant diversification across sites, smoothing asset-level volatility and enhancing the resilience of cash flows. It is also less dependent on the performance of a single project, guaranteeing more consistent uptime.

Scale also strengthens our brand and allows us to negotiate the most competitive terms on operational contracts, financing and equipment supply. For example, we have signed a framework agreement for battery supply for all the new pipeline projects at an attractive fixed price. This protects the Fund from any changes in underlying lithium raw material prices or other inflationary pressures.

The Fund is well placed to maintain its scale and market position, with a significant and attractive pipeline alongside funding solutions, as outlined in the Chair's statement.



Source: Modo Energy, March 2026. All remaining owners of operational BESS capacity have under 100MW

Market review

Market evolution

The UK electricity market has been through queue reform, which involved the reassessment of the entire connection queue. As well as delaying construction to all projects due to the process taking over a year, the reform now aims to limit the build of projects, both regionally and nationally. The rationale is to limit the number of projects that grid companies need to connect to ensure the build-out is fit for the energy transition. The impact of this on the Company has been to delay the build-out of the pipeline, but in recent weeks, the Company's pipeline projects have received connection offers. As a result, we now have more certainty regarding the projects that can be connected and the timeline for their connection.

In addition to this, there are three further market developments underway which will drive the use of BESS:

1. Balancing Market reform

Over the next two years, NESO's Balancing Programme is expected to reshape the UK energy market. Key milestones include:

- further enhancement of the Open Balancing Platform, which is NESO's real-time system for balancing supply and demand;
- wider access to the Balancing Mechanism for storage; and
- improvements to data transparency.

Together, these changes are designed to make system balancing more cost efficient and technology neutral. For battery storage, this should translate into better utilisation and higher revenues. An important step will be taken in early summer 2026, when GC0166 is implemented, as described on page 17. This will improve NESO's visibility of battery capabilities and enable greater volumes of BESS storage to be utilised, generating stronger revenues.

2. Reformed National Pricing (RNP) – in consultation led by NESO

On the back of the Review of Electricity Market Arrangements in 2025, the Government officially rejected zonal pricing, in which different regions would have had different electricity prices, in favour of RNP⁹.

9. NESO Reformed National Pricing website available here: <https://www.neso.energy/industry-information/reformed-national-pricing>

NESO has since established an RNP programme to develop the Strategic Spatial Energy Plan, intended to co-ordinate where new generation and storage are built. The delivery plan is being developed and is expected to outline plans to change transmission and connection charges, with full implementation by 2029. RNP will look to recognise and reward assets that provide more flexibility to the market, of which BESS is a prime example.

In the nearer term, efforts are focused on improving the Balancing Mechanism and constraint management to improve system efficiency. We believe BESS assets can offer significant value here if they are better utilised and should be a priority focus as part of this delivery. We welcome improved efficiency of the system as when BESS are allowed to compete, they have repeatedly demonstrated savings versus the typically used gas fleet. The Board and the Manager will remain actively engaged on this topic to ensure plans are focused in the right areas, with the interests of the BESS industry fairly considered and reflected.



Market review

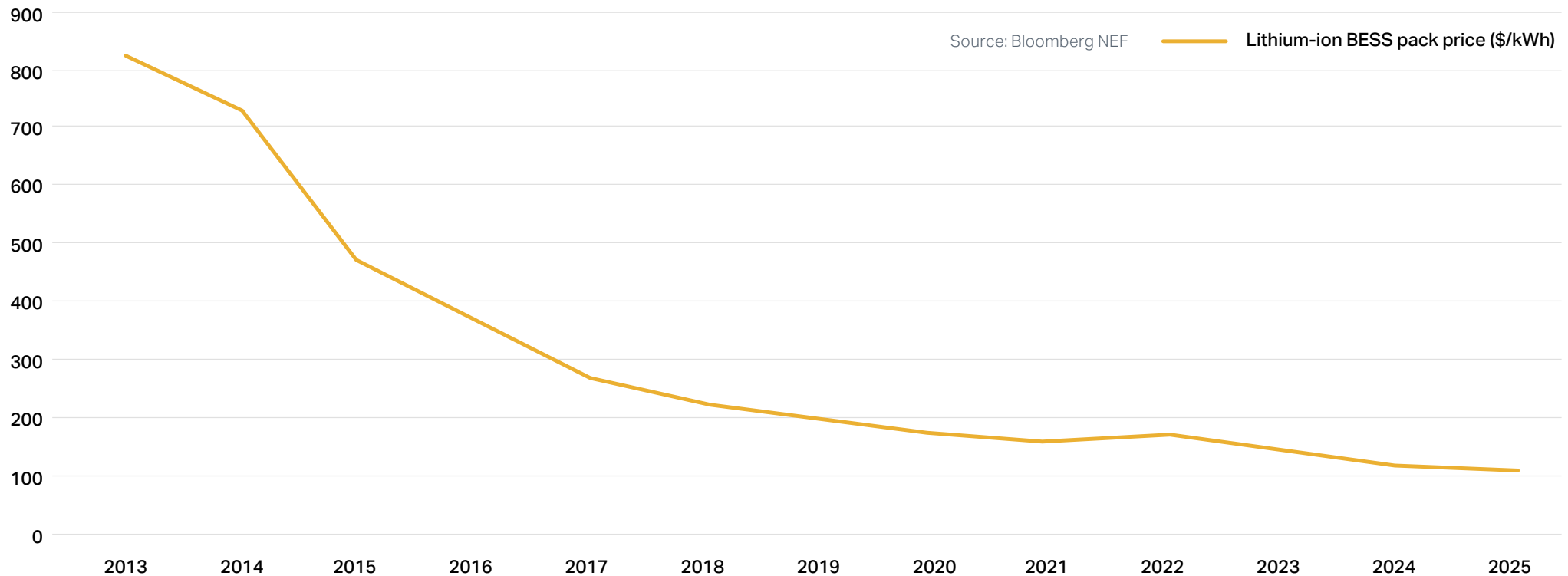
3. Long-duration energy storage – eight-hour systems set to make a breakthrough

Battery pack prices fell a further 8% in 2025¹⁰. This continued a long-term decline in prices, although the price is beginning to plateau, suggesting it is a good time to procure further capacity. In the meantime, energy density (MWh capacity per given area, typically referred in terms of standard shipping container sizes) has increased substantially, from 1MWh in a 20-foot container in the first GB BESS assets less than ten years ago to 8MWh+ capacity being possible in the same footprint today. This means that land required for a one-hour duration project a decade ago can fit an eight-hour solution today, whilst the cost of building the extra duration has fallen substantially. Longer durations also have heavily reduced cycling (the process of charging and discharging the battery) and therefore require less cooling equipment, which can further aid the density and cost of BESS products.

On the revenue side, Capacity Market (CM) contracts pay broadly the same amount for each hour, meaning that CM revenues scale in line with duration. However, the cost of subsequent MW hours is lower as they only involve additional BESS and installation costs, rather than additional grid connection equipment. In addition, the existence of floor and tolling arrangements means a larger proportion of the revenue stack can be contracted, providing security for cheaper capital options.

This is leading to similar or improved returns for longer-duration BESS projects, as well as supporting the GB electricity system’s needs. If the UK is to move away from gas turbines, the BESS GB fleet will need to scale to at least eight hours in duration across the entire c.30GW capacity that the Government is targeting. As such, we are likely to diversify and our longer-term strategic aim will be building projects at an eight-hour plus duration.

10. Bloomberg NEF report available here: <https://about.bnef.com/insights/clean-transport/lithium-ion-battery-pack-prices-fall-to-108-per-kilowatt-hour-despite-rising-metal-prices-bloombergnef/>



Sustainability, risk and S.172 reporting



Sustainability report

This section describes the sustainability aspects of our business and how we integrate and enhance sustainability in our investment processes and asset operations.

Introduction

GRID invests in a portfolio of utility-scale energy storage systems that utilise batteries across Great Britain. By storing electricity when supply is high and releasing it when supply is low, BESS support a more resilient power system and help enable the transition to a lower-carbon energy system.

Sustainability is intrinsic to GRID's strategy. In assessing sustainability, we focus on: (i) the positive system impacts and opportunities created by deploying BESS; and (ii) the environmental, social and governance (ESG) risks that can arise across the full lifecycle of BESS assets (including construction, operation and end of life).

We continue to provide transparency to shareholders through voluntary sustainability disclosures and structured governance and risk management, reflecting GRID's role in supporting the energy transition and critical infrastructure resilience.

We are proud to hold the Green Economy Mark from the London Stock Exchange, recognising our contribution to the green economy. This demonstrates our dedication to integrating ESG considerations into our investment processes. The Company was also awarded Best Sustainability Trust by UK Investor Magazine in 2025. Below, we present updates on our work and performance during 2025.

Environmental

GRID's core environmental contribution is to enable greater penetration of renewable generation by reducing curtailment and providing flexibility services (such as Frequency Response and other ancillary services) that support power system stability. Each additional unit of storage capacity increases the system's ability to absorb excess renewable generation and reduce reliance on higher-carbon generation during periods of low renewable output.

Battery storage also has potential environmental impacts across its lifecycle. GRID's approach is to identify and manage these risks through asset selection, planning and design requirements, contractor oversight and operational controls:

- Responsible sourcing and supply chain standards: applying a supply chain policy and due diligence to key equipment and contractors, including ESG contractual terms where appropriate.
- Planning and environmental assessments: requiring environmental impact assessments and relevant site studies (e.g. groundwater and hazardous waste considerations) during development and consenting.
- Fire safety: adopting current industry fire safety guidance and design mitigations (including separation distances and fire walls where required by planning conditions) and ensuring appropriate monitoring and escalation procedures.
- End-of-life management: ensuring that end-of-life responsibilities and recycling / disposal routes are understood and contractually addressed, consistent with relevant legal requirements on importers and suppliers.
- Legacy emissions: monitoring any legacy generation exposure within the portfolio and maintaining a commitment not to invest in equivalent assets going forward.

Sustainability report

Social

BESS support consumers and communities by improving system resilience and helping to manage electricity supply and demand more efficiently. As GRID grows its operational capacity, it seeks to contribute to lower-cost and more reliable electricity availability by providing flexibility to system operators and enabling improved utilisation of renewable generation.

Health, safety and community considerations

GRID's social approach focuses on maintaining high standards of health and safety during construction and operations, and on managing community impacts through the planning process and ongoing stakeholder engagement:

- construction and operational health and safety: dedicated oversight of construction activities and operational monitoring, supported by specialist partners and site-level procedures;
- community impacts and amenities: site selection and consenting processes seek to minimise impacts on local communities; mitigations can include screening, landscaping, acoustic measures and other planning requirements where relevant;
- emergency preparedness: fire safety planning and risk assessments are incorporated into development and operational management to protect local residents, workers and the environment.

Supply chain and human rights

Battery supply chains can involve human rights risks (including labour standards in critical mineral extraction). GRID's approach is to apply due diligence and contractual standards

to key suppliers and contractors, including modern slavery expectations. Gresham House Asset Management has both a supply chain policy and a Supplier Code of Conduct for energy transition activities to ensure that suppliers are held to a high standard. In May 2025, GRID, along with other major market participants, joined the Energy Storage Network, an industry group for grid-scale electricity storage in Great Britain, in issuing a joint statement condemning the use of forced labour in the global lithium-ion battery supply chain.

Gresham House as a sustainable employer and business

GRID's Investment Manager is part of the wider Gresham House Group. The Group's people and culture priorities include employee health and wellbeing, diversity, equity and inclusion, training and engagement. These initiatives help ensure that the teams responsible for delivering GRID's strategy are supported and equipped to manage sustainability risks and opportunities effectively.

Gresham House as a sustainable corporate citizen

Gresham House also maintains a corporate citizenship programme, supporting charitable partners, employee giving and volunteering. This reflects a broader commitment to positive stakeholder outcomes, alongside investment performance.

Governance

Strong governance underpins GRID's sustainability approach. The Board oversees ESG considerations and principal risks, and the Investment Manager maintains policies, processes and committees to support consistent implementation across the portfolio.



Oversight and accountability

- The Board meets at least quarterly and regularly discusses ESG considerations and sustainability risks as part of the agenda.
- Manager's governance: sustainability matters are supported through relevant committees and the Investment Manager's broader governance framework, including risk and compliance oversight.
- Integration into investment decision-making: ESG factors are embedded through structured due diligence tools and an Investment Committee review, with ongoing stewardship and monitoring through the holding period.

Transparency and reporting

We are committed to transparent sustainability reporting. GRID continues to provide disclosures aligned to recognised frameworks where appropriate and will continue to develop its approach, in line with evolving market standards and regulation, including the UK SDR, SFDR and TCFD regimes. The SFDR and TCFD disclosures can be found at the end of the Annual Report.

Stewardship and continuous improvement

The Investment Manager's stewardship approach includes active oversight of construction partners, the monitoring of operational performance through Operation and Maintenance (O&M) reporting and site data, and escalation processes for incidents and emerging risks. We continue to monitor evolving best practice for BESS safety, supply chain due diligence and sustainability data quality, and to engage with industry initiatives that support consistent and credible reporting.

UK Sustainability Disclosure Requirements (SDR) label awarded during FY2025

During the year, GRID was awarded a UK SDR "Sustainability Focus" label. This indicates that the Fund invests mainly in assets that focus on sustainability for people or the planet, and that it meets the UK SDR labelling and disclosure requirements applicable to Sustainability Focus products.





Under the Sustainability Focus approach, GRID's sustainability objective is to invest in BESS assets that facilitate the transition towards a more resilient and lower-carbon energy system by storing excess energy that would otherwise be lost. The Company will invest a minimum of 80% of Gross Asset Value in line with this sustainability objective; up to 20% may be held in cash or other permitted assets for diversification, risk management and liquidity purposes, provided they do not conflict with the sustainability objective.



Principal risks and uncertainties

Risk management approach

The Company recognises that active risk management is critical to enable it to meet its strategic objectives. The Company has a clear framework for identifying and managing risk, at both an operational and strategic level, through a detailed risk register and quarterly risk reviews. Risk identification and mitigation processes have been designed to respond to the changing environment in which the Company operates. The impact of emerging risks on the Company's business model are also considered and used to make informed decisions, including as to the delivery and evolution of the Company's strategy. The table below captures those risks that would have the most significant adverse impact on the Company (and the underlying investments), based on their impact and / or likelihood.

Risk area	Detail of risk	Risk appetite	Net rating	Movement from 2024 Annual Report	Comment / mitigation
Geopolitical	World economic issues create poor market opportunities or supply chain constraints (e.g. Chinese supplies) / constrain credit available to BESS or renewables, which might reduce opportunities for the Company.	Medium	High		Conflict risks in Middle East and US tariffs create potential economic uncertainty, impacting on investment and the potential rollout of electricity infrastructure. This also demonstrates the need for diversified electricity supply due to overreliance on imported gas.
Market	National Grid service offerings impact adversely on BESS or focus more on supporting gas or other plant. Includes poor processes to allocate BESS in the BM and the risk that "skip rates" do not improve.	Low	Medium		Battery visibility improving (i.e. state of charge) and this will encourage better utilisation of BESS and reduce skip rates going forward. However, this has yet to crystallise. Reliance on NESO has been mitigated by entering into tolling and revenue floor agreements.
Financial	Risk that the Three-year Plan announced for new-build projects will not be delivered on time or the current debt process to fund these is unsuccessful. This impacts on the ability of the Company to grow and create cash flow for dividends.	Low	Medium		Three-year Plan is progressing (see page 6) and the debt financing process for some of the new-build projects is expected to complete imminently. Queue reform and the associated offer process created delays, but this risk has now lowered as some projects have received offers.
Financial	Higher-than-expected costs and / or lower-than-expected revenues / capital valuation may reduce the ability of the Company to meet its dividend expectations. This includes the potential slower deployment of debt capital, impacting cash flow.	Medium	Medium		Third-party price curves have reduced incrementally over the last 12 months. However, the Company's portfolio includes tolling and floor arrangements, which protect revenues and mitigate risk. Insurance costs have reduced significantly over the last 12 months.

Principal risks and uncertainties

Risk area	Detail of risk	Risk appetite	Net rating	Movement from 2024 Annual Report	Comment / mitigation
Financial	Despite the narrowing share price discount to NAV, this discount provides the potential for bid approaches which do not fully value the Company, along with its growth and development potential. This would be detrimental to the current shareholder base.	Medium	Medium	↔	The Company is seeking to ensure the value within the Three-year Plan and the associated growth and revenues are reflected in the NAV as the projects are financed and are available to build.
Market	There is a downside risk if the Company does not achieve returns based on market expectations.	Low	Low	↓	As noted above, third-party price curves have reduced incrementally over the last 12 months. However, the Company's portfolio now includes a substantial level of tolling and floor arrangements, which protect revenues and mitigate risk, and supported the refinancing completed in August 2025 at a lower interest rate. The associated revenue risks are low due to these risk mitigation measures.
Financial	Capital allocation policy was not formally announced, and shareholder uncertainty undermines share price.	Low	Low	↓	Capital allocation policy announced and investment allocation clear.
Financial	Risk that the augmentation programme announced will not be delivered on time. This relates to the projects funded by the refinancing completed in August 2025. This impacts revenues and earnings and affects the ability to meet banking covenants and finance Company priorities.	Low	Low	↓	The augmentation programme continues in line with expectations and additional capacity will increase revenues during the course of 2026.

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Shareholders

The Company will require further debt or equity funding to continue the investment strategy and complete construction of the portfolio, as stated in the Three-year Plan. As such, existing and prospective equity investors are vitally important stakeholders.

Stakeholders' interests	How GRID engages	Outcome
<p>Through our engagement activities, we strive to obtain investor buy-in to our strategic objectives and how they are executed.</p> <p>Since IPO, the Company has issued a significant number of shares to allow it to meet its investment strategy.</p>	<p>The Company engaged with shareholders in the year through the following:</p> <ul style="list-style-type: none"> ▪ Investor discussions with shareholders during and post-AGM. ▪ Investor roadshows. ▪ One-to-one meetings with the Investment Manager. ▪ Other regular communication between the Investment Manager, the Company's corporate brokers and shareholders, with shareholder views reported to the Board on at least a quarterly basis. ▪ Direct calls between investors and Board members, organised by the Company's brokers. ▪ The Chair and Board members discuss governance and overall performance with shareholders at their request. ▪ Interim and full-year accounts. ▪ Regular news and quarterly NAV updates. 	<p>The Company has developed a strong and diversified list of shareholders who support the Company in its ambitions, notwithstanding the current market difficulties.</p>

S.172 reporting

Lenders

The Company will require further funding to continue the investment strategy and complete construction, as stated in the Three-year Plan.

Stakeholders' interests	How GRID engages	Outcome
<p>Through constructive engagement, the Company strives to maintain a healthy relationship with its lenders.</p>	<p>The Company engaged with lenders in the year through the following:</p> <ul style="list-style-type: none"> ▪ Regular meetings to negotiate a new operational debt facility and repay the existing debt under the "Senior Debt 1" process in August 2025. ▪ Provision of regular financial and other management information to show compliance with lending covenants and other information requirements. ▪ Continued communication to ensure the completion of the augmentation programmes in 2025 / 2026. ▪ Meetings and discussions to put in place project finance debt facilities for the new pipeline projects. 	<p>The Company successfully replaced the existing debt facility with a new, larger debt facility with covenant levels, incorporating floor contract levels, and resized to deliver the current augmentations programme.</p>

Investment Manager

The Investment Manager implements and oversees the Company's investment strategy, including acquisition identification and manages value enhancement in the underlying SPVs. The Investment Manager is crucial for the Company to meet dividend, profit and NAV expectations.

Stakeholders' interests	How GRID engages	Outcome
<p>Constructive engagement with the Investment Manager is important to ensure that shareholders' expectations are being met and that the Board is aware of challenges being faced by the Investment Manager.</p>	<p>The Company, supported by its Management Engagement Committee and a board adviser, conducts both ongoing reviews and an annual review of the Investment Manager's performance and its terms of engagement.</p> <p>The Board and the Investment Manager maintain an ongoing open dialogue on key issues facing the Company, with a view to ensuring that key decisions such as investment decisions, the Investment Manager's capabilities and resourcing, trading partner performance in the SPVs and the Company's strategy are aligned with achieving long-term shareholder value. The Board has also engaged an independent board adviser that acts as an interface between the Board and the Investment Manager to help review, test and challenge the reporting and financial analysis provided by the Investment Manager. The Board discussed the linkage of the management fee to the Company's share price as well as NAV with the Investment Manager.</p>	<p>The Company and the Investment Manager have aligned interests to ensure the future success of the Company.</p> <p>The Investment Manager sees the growth of the Company as both a key element of its strategy and a company which fits well with its ESG strategy.</p>

S.172 reporting

Investment Manager

Stakeholders' interests	How GRID engages	Outcome
	<p>This open dialogue takes the form of both regular and ad hoc Board meetings, as discussed in the Corporate Governance Report, and more informal contact, as appropriate to the subject matter.</p> <p>During 2025, the Board held a number of meetings with the Investment Manager to discuss matters including the following:</p> <ul style="list-style-type: none"> ▪ Consideration of pipeline acquisitions and augmentations. ▪ Debt re-financing. ▪ Floor contracts. ▪ Capital allocation policy. ▪ Alignment of AIFM fees with market conditions. 	<p>Following comprehensive reviews and discussions throughout 2025, the Board resolved to continue the Investment Manager's engagement and to align the annual management fee structure more closely with market conditions and investor sentiment by basing the fee equally on market value and NAV.</p> <p>The revised management fee structure took effect in early February 2025. At the time of the RNS announcement, with a share price of 41.1p and a NAV of 109.1p, the new formula was expected to deliver annual savings of £1.6mn compared to the previous arrangement. However, as the share price increased from 41.1p to over 70p by the end of 2025, the management fee also rose.</p> <p>In addition to services under the AIFM Agreement, the Board also discussed and agreed that the Manager would undertake EPCm responsibilities for upcoming augmentations and new builds in the Three-year Plan. The work included engaging third-party advisers on market pricing.</p> <p>The Board also evaluated and agreed project rights consideration for the acquisition of ready-to-build projects in the Three-year Plan. The work included engaging third-party advisers on market values.</p>

S.172 reporting

Business partners and key service providers

The Company has various key service providers who provide management services.

Stakeholders' interests	How GRID engages	Outcome
<p>The Company's intention is to maintain long-term and high-quality business partnerships to ensure stability while the Company pursues its growth strategy.</p>	<p>The Board, supported by its Management Engagement Committee, reviews all key service providers and the terms of their engagement. During the year, the Company conducted a review of the terms of all service provider engagements along with their fee levels to ensure appropriate levels of support to the Company during the year.</p> <p>The Company seeks two-way engagement between the Board and key service providers on service delivery expectations and feedback on important issues experienced by service providers during the year.</p>	<p>The Company strengthened its engagement with investors with the appointment of Peel Hunt as joint corporate broker alongside Jefferies. The Fund conducted a competitive selection for Forvis Mazars to succeed Grant Thornton as the independent valuer in line with best practice.</p> <p>The support of the Company's key service providers was also fundamental in the successful completion of the Company's debt refinancing, project acquisition and the audit.</p>

Communities

The Company engages with the communities within which it operates.

Stakeholders' interests	How GRID engages	Outcome
<p>The Company recognises the importance of the communities in which the portfolio projects operate.</p>	<p>During the construction of investment projects, the Investment Manager ensures all relevant planning and construction conditions are met. In addition, the Investment Manager remains committed to engaging with the communities within which the Company operates. The Investment Manager is part of the Gresham House Limited group and is focused on a sustainability agenda as described on pages 33 to 35.</p>	<p>The Board continued to monitor the Investment Manager's adoption of its ESG decision tool, which takes into account the impact of each investment decision on surrounding communities and the importance of engaging with those communities.</p> <p>More direct engagement with communities will continue to educate the public on the role of BESS in the UK's decarbonisation targets.</p>

Governance



Board of Directors



John Leggate CBE, FREng

Chair and Independent Non-Executive Director

John is highly experienced as a global energy sector executive and senior adviser on the energy transition and the commercialisation of advanced technologies. John has significant board experience and is currently on the board of cyber security firm Global Integrity in Washington DC. John is a senior adviser in the energy sector to “blue-chip” international consultants and a senior adviser to Dial Partners (Dubai). John was appointed to the Board on 24 August 2018.

The Board considers that John’s breadth of board experience brings a positive view of engaging with, and responding to, changing market dynamics. John is highly motivated to deliver value to all stakeholders and thus contributes significantly to the long-term sustainable success of the Company.

Significant interests: John is a director of Global Integrity, Inc (US) and Flamant Technologies Limited.



Isabel Liu

Chair of the Management Engagement Committee and Independent Non-Executive Director

Isabel has over 25 years’ global experience investing equity in infrastructure, including the AIG Asian Infrastructure Fund, the ABN AMRO Global Infrastructure Fund, and as managing director of the Asia Pacific investment business of John Laing plc. Isabel served as a non-executive director of Pensions Infrastructure Platform, backed by UK pension schemes to invest in UK infrastructure. She has been a board member of Transport Focus, the consumer watchdog for public transport and England’s highways, and Heathrow Airport’s Consumer Challenge Board. Isabel was appointed to the Board on 1 October 2022.

The Board considers that Isabel’s extensive experience in all phases of direct investment in infrastructure, including renewable energy in the UK and around the world, as well as her work as Chair of the Management Engagement Committee, enable her to contribute effectively to Board discussions on project resourcing and financing, forecasts, valuations and governance, and thus to contribute effectively to the Company’s long-term sustainable success.

Significant interests: Isabel is a director of Schroder Oriental Income Fund Limited and Utilico Emerging Markets Trust plc.



Duncan Neale

Audit Committee Chair and Independent Non-Executive Director

Duncan is a CFO and FD with c.30 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. Duncan was appointed to the Board on 24 August 2018.

The Board considers that Duncan’s financial expertise, including his experience working as an FD and CFO in the energy sector, as well as his work as Chair of the Audit Committee, enable him to contribute effectively to Board discussions covering valuation, the performance of the fund and risk, which together aid the long-term success of the Company.

Significant interests: Duncan is a director of DJN Consultancy Limited, and a non-executive director and Audit Committee Chair of AFC Energy plc.

Board of Directors



Cathy Pitt

Chair of the Nomination Committee and Independent Non-Executive Director

Cathy is a former corporate lawyer who specialised in the investment company and asset management sectors for over 20 years, specialising in governance, regulation and capital markets. Cathy was appointed to the Board on 1 March 2019.

The Board considers that Cathy's legal expertise, transaction experience and knowledge of the investment trust sector, as well as her work as Chair of the Nomination Committee, enable her to contribute effectively to Board discussions and governance enhancement, both of which are important to the Company's long-term sustainable success.

Significant interests: Cathy is a non-executive director of Baillie Gifford UK Growth Trust plc and the Association of Investment Companies and a member of the Advisory Council of Sex Matters, a not-for-profit company limited by guarantee.



David Stevenson

Chair of the Remuneration Committee and Senior Independent Non-Executive Director

David is a financial journalist and commentator for a number of leading publications, including The Financial Times (the Adventurous Investor), Citywire and MoneyWeek. He is also the founder of www.etfstream.com, the leading source of ETF analysis in Europe. David was appointed to the Board on 24 August 2018.

The Board considers that David's knowledge of the investment industry and experience of communicating with the end investor through various marketing and communications channels, as well as his work as Chair of the Remuneration Committee – and his work with other boards – enable him to contribute effectively to Board discussions and to the Company's long-term sustainable success.

Significant interests: David is a director of Castelnau Group Limited, the Secured Income Fund plc, Aurora Investment Trust plc and Workspace plc.



Andy Koss

Independent Non-Executive Director

Andy is a Chartered Accountant and Corporate Treasurer with 20 years' operational and financial leadership in the energy sector, having served as CEO Generation at Drax Group plc, a FTSE 250 company, and CEO, UK and Middle East, for Sembcorp Industries, which is listed on the Singapore Exchange. Andy was appointed to the Board on 25 September 2025.

He brings end-to-end expertise in battery storage, connectivity and government engagement, underpinned by deep sector relationships with NESO, Ofgem and the UK Government.

The Board considers that Andy's extensive leadership experience in the energy sector, expertise in battery storage and connectivity, and strong relationships with key regulatory and government bodies enable him to contribute effectively to Board discussions and to the Company's long-term sustainable success.

Andy is a director of Encyclis and is also Chair of the Board of Trustees of a children's charity, PANS PANDAS UK.

The Manager's team

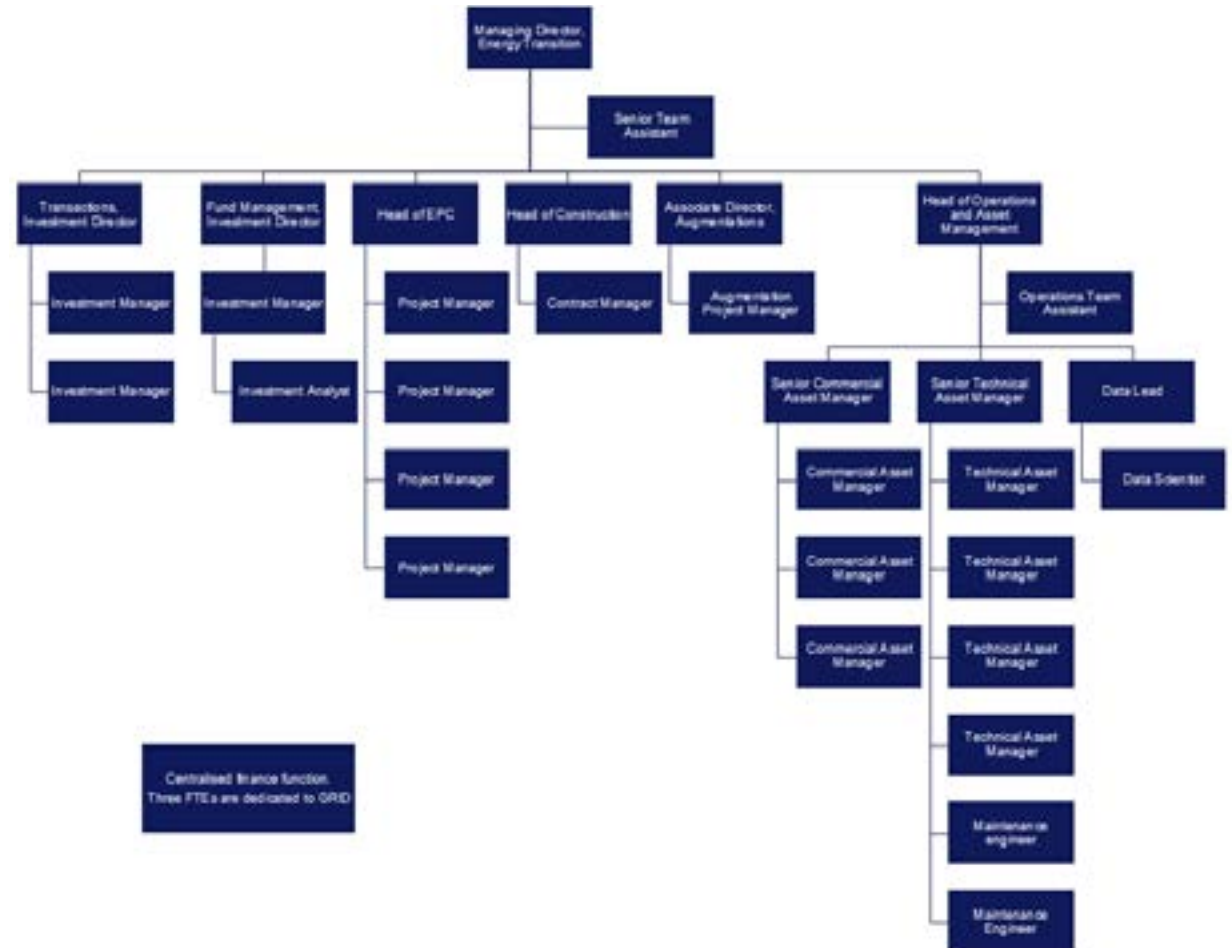
The Manager's team consists of a Lead Fund Manager, Assistant Fund Managers and three other teams who manage the BESS projects throughout their lifecycle. These teams are Investments & Project Development; Construction; and Operations.

The Investments & Project Development team continues to provide us with a substantial project pipeline on very competitive terms.

The Construction team includes a Head of Construction, an EPC Director and supporting Project Managers. This team focuses on all aspects of constructing new sites and augmenting existing projects and contains significant engineering and electrical connections expertise.

The Operations team is led by the Head of Operations, with the team split between commercial and technical operations, with experienced Asset Managers in each. The commercial operations team works to maximise revenues and reduce operating costs across the portfolio. This includes looking for new revenue sources and monitoring markets for opportunities to enhance performance. The technical asset managers focus on availability or uptime, ensuring our assets are delivering their full potential. The Head of Operations also oversees the data science team, who ensures the Manager has accurate live data readings across all assets and runs predictive modelling and real-world simulations to identify new ways to earn money with our assets.

The Manager's centralised finance function oversees the Company's accounting and the production of underlying portfolio SPV accounts, as well as monitoring regulatory requirements.



The Manager's team



Ben Guest

Managing Director, Energy Transition

Ben is Managing Director of Gresham House's Energy Transition division and the Lead Fund Manager of the Company. He is responsible for the origination and execution of investment opportunities and for the overall strategy and ongoing portfolio management of the Company.

Ben was the founder and managing partner of Hazel Capital, which was acquired by Gresham House in 2017. He has over 30 years of investment experience. Ben's expertise spans the investment spectrum, across infrastructure, listed equities and venture capital.

Ben started his fund management career in equities at Lazard Asset Management in 1994 before going on to co-found Cantillon Capital and later founded Hazel Capital in 2007, a renewable energy-focused fund management business. Ben currently serves as a director of all the Company's project companies.



James Bustin

Associate Director, Energy Transition

James has 12 years of experience across investments, finance and accounting and joined the team in 2019 having previously worked on public equities and venture capital in the Gresham House Ventures team. As Assistant Fund Manager for the Company, he covers all elements across fund management including strategy, funding, modelling and new investments.

James joined Gresham House in 2018 as part of the acquisition of Livingbridge VC where he had been working as an analyst since 2016. Prior to Livingbridge, James worked in TMT audit at EY for three years, qualifying as a Chartered Accountant.



Harry Hutchinson

Investment Manager, Energy Transition

Harry is an Investment Manager within the fund management team for GRID plc. He joined the team in 2023 and focuses on modelling, funding, and transaction execution for battery storage assets. He also engages with market and policy developments, helping shape the firm's response to relevant industry developments and public consultations.

Prior to joining Gresham House, Harry spent three years at Grant Thornton specialising in TMT audit, qualifying as a Chartered Accountant. He holds a First-Class degree in Chemistry from New College, Oxford, and the CFA UK Investment Management Certificate (IMC).



Charlie von Schmeider

Director of UK and Irish Project Development, Energy Transition

Charlie has over 10 years of experience having started his career as a solicitor before moving to investment management for the past ten years.

Charlie has extensive experience in the development, funding and asset management of distributed energy infrastructure projects and has worked on a wide range of technologies including solar PV, hydroelectric, anaerobic digestion, thermal heat networks, gas peaking and battery energy storage.

Charlie's current role began in February 2021. He is responsible for executing investments in BESS projects, whether acquired before construction or when already operational.

The Manager's team



Fernando Casa Garcia

Head of Operations and Asset Management, Energy Transition

Fernando has 16 years of experience in the renewable energy sector, mostly in solar PV. Since joining the team in May 2021, Fernando has been focused on the design, development and deployment of processes and procedures that allow the growth in MWs under management and improvement in operational performance.

Prior to Gresham House, Fernando was Global Head of Technical for a 2.2GW solar PV portfolio at WiseEnergy, focused on the operation of their solar PV assets and increasing overall revenues.



Ana Segizbayeva

Head of Construction, Energy Transition

Ana joined Gresham House in September 2022 and is responsible for implementing the EPCm (Engineering, Procurement and Construction Management) structure and delivering the Energy Transition team's project pipeline.

Ana is a multi-skilled professional with 13 years of experience delivering innovative, award-winning renewable energy projects in the UK.

Previously, Ana helped to establish quality management, project delivery, and commercial project functions at GRIDSERVE Sustainable Energy. She also successfully delivered the UK's first electric forecourt and subsidy-free solar and battery storage hybrid projects with bifacial panels and tracking technology. Prior to that, Ana was part of the BELECTRIC projects team building, utility-scale solar farms.



Paul Carse

EPC Director, Energy Transition

In February 2024, Paul became part of Gresham House, taking on the role of EPC (Engineering, Procurement and Construction) Director in the Energy Transition division.

With 15 years of experience in the HV / renewable sector, Paul has held key positions such as Head of Project Delivery at a developer and Head of Major Projects at a prominent ICP (Independent Connection Provider). His journey began at National Grid, where he completed an extensive training programme.

Throughout his career, Paul has been involved in various renewable energy projects, spanning BESS, solar, wind and anaerobic digestion. Additionally, he holds a degree in Power System Engineering.



Stephen Beck

Finance Director, Real Assets

Stephen joined FIM Services Limited in 2013 and joined Gresham House when FIM Services Limited was acquired in 2018. He has 31 years of industry experience and is a law graduate and Barrister called to the Bar in 1996. He is also a Fellow of the Institute of Chartered Accountants of England and Wales and qualified with PricewaterhouseCoopers in 1999.

Stephen leads an in-house finance team managing a variety of funds and mandates within the Energy Transition, Renewables and Forestry sectors.

Prior to this, Stephen worked at E.ON from 2000, where he held a variety of financial and commercial roles, ranging from leading large finance teams, developing power station projects, M&A transactions and working with HM Government delivering low-carbon solutions.

The Manager's team



Nick Vest

Finance Director, Energy Transition

Nick joined Gresham House in January 2021. He has 30 years of accounting and finance experience and is a Chartered Accountant and Chartered Tax Adviser.

Prior to Gresham House, Nick worked as Finance Director for an internationally focused property investment group and before that Nick was Associate Director of Tax at Temenos Group SA in Switzerland.



Rupert Robinson

Managing Director, Gresham House Asset Management Limited

Rupert has been the Managing Director of Gresham House Asset Management Limited since September 2015. Before joining Gresham House, Rupert was CEO and CIO of Schroders (UK) Private Bank for 11 years and prior to that spent 17 years at Rothschild where he was latterly Head of Private Clients at Rothschild Asset Management.

Rupert has a proven track record of delivering significant value to shareholders.

He has over 30 years of experience in asset management and wealth management, focused on product innovation, investment management, business development, banking and wealth structuring. He is a member of the Gresham House Group Management and Investment Committees.

Corporate Governance report

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2025.

Robust and effective corporate governance is fundamental to GRID's operations and to the generation of consistent, long-term value for our shareholders. This report summarises our corporate governance framework and explains how we, as a Board, have taken decisions.

Board composition

The Board consists solely of Non-Executive Directors, all of whom the Board considers to be independent of the Investment Manager.

I am Chair of the Board. Duncan Neale is Chair of the Audit Committee. David Stevenson chairs the Remuneration Committee and is the Senior Independent Director, Cathy Pitt leads the Nomination Committee and Isabel Liu chairs the Management Engagement Committee.

We welcomed a sixth Director, Andy Koss, on 25 September 2025. Further information about Andy and his appointment are set out under "Board of Directors" on page 44 and in the Nomination Committee report on page 56.

The Chair of the Nomination Committee has considered the composition of the Board in her succession plan, more details of which can be found in the Nomination Committee report on page 56.

Diversity

The Board recognises the importance of diversity for maintaining its effectiveness. The Company is admitted to trading on the Specialist Fund Segment, but it is not listed and is therefore not subject to the UK Listing Rules; however, it has stated that it will seek to comply with the Listing Rules where possible. The Listing Rules set out certain targets relating to board diversity.

Between 1 January and 24 September 2025, the Board also met the board diversity target set out in the UK Listing Rules, which require that at least 40% of the Board members are women. During this period, the Board comprised two female and three male Non-Executive Directors. However, following the appointment of Andy Koss on 25 September 2025, the Board does not meet this target. Following an independent external recruitment process, we selected Andy Koss as the best candidate for the role

with 20 years' operational and financial leadership in the energy sector. The Nomination Committee will continue to prioritise diversity in future appointments, whilst ensuring any appointee is also the best candidate and is a strong fit with the rest of the Board and the Investment Manager.

Although the Board considers the chairing of the Board's committees as a senior position on the Board, and both the Nomination Committee and Management Engagement Committee are chaired by female Directors, the Chair of the Board and Senior Independent Director are both male and the Company does not have a chief executive or chief financial officer. The Company therefore does not meet the Listing Rule target for at least one senior position to be held by a woman. The Board considers this principally to be a function of the relatively small size of the Board compared to most listed companies and the fact that all Directors are non-executive.

The Board has one member from a minority ethnic background, as defined in the UK Listing Rules, and therefore meets the applicable Listing Rule target.



Effective governance is central to the Board's commitment to ensuring that the Company consistently fulfils its investment objectives and policies, as expected by shareholders."

Corporate Governance report

Diversity policy

In reviewing Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, differences in knowledge and understanding of relevant diverse geographies, peoples and their backgrounds, including race or ethnic origin, sexual orientation, sex, age, disability, religion and national origin. Diversity also includes differences in backgrounds, experiences, physical abilities, socioeconomic backgrounds, perspectives, thoughts, interests and ideas.

Sex and ethnic background reporting as of 31 December 2025

Sex	Number of Board members	Percentage of GRID Board	Number of committee chair positions
Women	2	33%	2
Men	4	67%	2
Ethnic background			
White British or other white (including minority-white groups)	5	83%	3
Mixed / multiple ethnic groups	0	0%	0
Asian / Asian British	1	17%	1
Black / African / Caribbean / Black British	0	0%	0
Other ethnic group, including Arab	0	0%	0

The role and operation of the Board

Our role, as the Board, is to lead the Company in promoting its long-term success and generating value for shareholders.

The Board, supported by its Company Secretary, operates under a robust corporate governance framework and ensures that high standards of corporate governance are applied across all of its processes and decision making.

At the Company's quarterly Board meetings, we typically consider the following business:

- Updates from the Investment Manager, including:
 - Investment portfolio commentary
 - Trading data and investment performance by month
 - Analysis of the Company's financial model, including any updates to key assumptions
 - Risk management and risk mitigation, including climate change and ESG risks
 - Review of any recommendations made by the Investment Manager
- Update from the Company's Broker(s), including:
 - Market commentary
 - Share price performance against the Company's peers
 - Sales and trading commentary
- Report from the Company's Depositary
- Report from the Administrator and Company Secretary, including:
 - Compliance monitoring
 - Regulatory and governance updates

In addition to our normal quarterly Board meetings, we held 36 ad hoc Board meetings throughout the year to discuss topics such as capital allocation, floor contracts, dividends and dividend policy, debt refinancing and the Three-year Plan. We have focused on effective communication with the Investment Manager and encouraged constructive engagement on key issues throughout the year.

The full Board attended all quarterly Board meetings to discharge their duties effectively.

The Board periodically reflects on the Company's purpose, values and strategy. Through our committees, we also assess and monitor the Board and key advisers' culture and behaviours, to ensure that these support and align to the Company's purpose, values and strategy.

Corporate Governance report

Purpose

The Board sees the Company's purpose as delivering performance for investors through investment in BESS. The Board seeks to do this by providing support, constructive challenge and governance in its working relationship with the Investment Manager.

Values

The Board values integrity, transparency, diligence, challenge and collective efforts from a variety of talents in the best interests of the Company.

Strategy

The Company invests in a diversified portfolio of utility-scale BESS with the aim of maximising risk-adjusted total returns for investors through income and growth.

Culture

The Board promotes a culture of openness, active engagement, and constructive challenge. We believe that maintaining transparent communication, encouraging diverse perspectives, and fostering robust debate ensures effective governance and supports the long-term interests of our shareholders. The Board works collaboratively with the Investment Manager, setting clear expectations and regularly reviewing progress to uphold high standards of integrity and accountability throughout the Company.

Statement of compliance with the AIC Code

The Board has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code, as well as setting out additional Provisions on issues that are of specific relevance to GRID. We consider that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk) and includes an explanation of how it adapts the Principles and Provisions of the UK Corporate Governance Code to make them relevant for investment companies.

How the Board operates

The Board meets regularly throughout the year, with set responsibilities for the Chair, the Senior Independent Director and the Non-Executive Directors.

Responsibilities of the Chair

- To lead the Board and ensure its overall effectiveness in directing the Company.
- To lead the Board in overseeing the Company's purpose, values, and culture.
- To lead the Board in setting its agenda, approving strategy, monitoring financial and operational performance, and establishing its risk appetite.
- To organise the business of the Board, ensuring the Company's effectiveness, and the maintenance of an effective system of internal controls.

Role of the Senior Independent Director

- To provide a sounding board for the Chair and serve as an intermediary for the other Directors and shareholders.
- To lead the appraisal of the Chair's performance with the other Non-Executive Directors.

Role of the Non-Executive Directors

- To provide constructive challenge, strategic guidance and hold the Investment Manager to account.
- To scrutinise the performance of the Investment Manager.
- To seek assurance on the integrity of the financial information and that financial and non-financial controls and systems of risk management are robust and defensible.
- To allocate sufficient time to meet Board responsibilities.

Corporate Governance report

Matters reserved for the Board and the role of the Investment Manager

We have a formal schedule of matters specifically reserved for our decisions, which includes, but is not limited to, considering proposals from the Investment Manager, making decisions concerning the acquisition or disposal of investments, reviewing the terms of engagement of all third-party advisers (including the Investment Manager), and the appointment and removal of the Company Secretary.

There is a clear division of responsibilities between the Board and the Investment Manager. Under the AIFM Agreement, the Investment Manager acts as the discretionary investment manager and AIFM to the Company, within the strategic guidelines set out in the Investment Policy and subject to our overall supervision.

The Investment Manager's asset management role encompasses overseeing all project construction, operational and financial management, placing and managing all operational contracts, managing all health and safety operational risks, advising us on the monthly and quarterly asset / portfolio performance, managing power price / market exposure, and progressing the asset pipeline. The Investment Manager also reports to us and identifies any circumstances requiring our approval before undertaking transactions.

The Company has a business relationship with Gresham House Devco Limited (Devco), a related party of the Investment Manager, which:

- sources, performs due diligence on, and acquires pipeline projects on a speculative basis exclusively for the Company to ensure our ability to grow in a burgeoning market with few operational projects.
- develops projects to the ready-to-build stage, eligible for acquisition by the Fund, in line with its Investment Policy. This typically entails obtaining planning permission, land use rights (through lease or land acquisition), and a grid connection offer.
- as well as ready-to-build, Devco typically brings projects to the ready-to-finance stage by the time they are presented for GRID to consider. This includes conducting competitive tenders for construction contractors, undertaking early design work, advance payments to system operators for their capital expenditure, procuring long-lead capital equipment, positioning the project to bid for Capacity Market contracts, and reporting to prospective lenders in the lead-up to project debt financing.

During 2025, the Board agreed to pay Devco consideration for project rights based on a fixed amount per MW for five projects identified in the Three-year Plan. In agreeing this amount, the Board took into account a number of factors, including a report on market transactions from Jones Lang LaSalle Limited; a valuation report from Grant Thornton UK Advisory & Tax LLP; each project's development period and milestones; and the attractive IRRs at the acquisition cost. In addition, the Company has agreed with Devco favourable deferred payment terms for the project rights.

As mentioned above, the Manager's role includes oversight of construction. This includes augmentations of existing projects as well as the construction of new ones. During 2025, the Board agreed to enter into EPCm contracts with the Manager for eight augmentations and five new-build projects in the Three-year Plan. In agreeing these contracts, the Board took into account a number of factors, including a report from Everoze Partners Ltd on prevailing pricing on comparable contracts; GHAM's familiarity with the projects having worked on them in the development, construction and operation stages; and the cost compared to earlier contracts with the Manager.

The Management Engagement Committee reviews the Investment Manager's performance annually, along with its adherence to the terms of the AIFM Agreement and any material conflicts of interest. Further details are contained in the Management Engagement Committee report on page 61.

Support and advice for the Directors

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides us with all relevant information requested by the Chair in advance of each Board meeting, advises us on governance matters, and ensures we continue to adhere to our Director duties.

We have established procedures whereby any Director, in furtherance of their duties, may take independent professional advice at the Company's expense.

Corporate Governance report

Board committees

Audit Committee

Chaired by **Duncan Neale**

Membership
Full Board

Management Engagement Committee

Chaired by **Isabel Liu**

Membership
Full Board

Nomination Committee

Chaired by **Cathy Pitt**

Membership
Full Board

Remuneration Committee

Chaired by **David Stevenson**

Membership
Full Board

	Quarterly Board meetings	Audit Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
	(4 held)	(3 held)	(1 held)	(2 held)	(1 held)
John Leggate	4	3	1	2	1
Duncan Neale	4	3	1	1	1
Cathy Pitt	4	3	1	2	1
David Stevenson	4	3	1	2	1
Isabel Liu	4	3	1	2	1
Andy Koss*	1	1	N / A	0	0

*Andy Koss was appointed on 25 September 2025

Corporate Governance report

Additional ad hoc meetings

In addition to the above quarterly meetings, there are also additional ad hoc meetings as required, including to approve specific announcements on portfolio activity and other general corporate matters and frequently involve a quorate subcommittee of the Board, appointed as necessary. Representatives of JTC (UK) Limited attend all scheduled meetings as Secretary to the Board. Representatives of the Investment Manager, the Independent Auditor and other advisers are invited to attend as required.

Remuneration

The Board is committed to implementing remuneration policies and practices that support our strategy and promote long-term sustainable success. Details of this policy can be found in the Directors' remuneration report on pages 63 to 66.

Shareholder engagement

Shareholders are welcome to meet the Board and representatives of the Investment Manager at the Company's Annual General Meeting (AGM). At the 2025 AGM, the Board and Investment Manager engaged with several institutional and retail shareholders in constructive discussions regarding the Company's strategy. We greatly valued this feedback and look forward to further engagement at the 2026 AGM.

For shareholders unable to attend the AGM in person, there will be an opportunity to submit questions in advance, with responses published on the Company's website. The Board also remains available to answer written queries at any time and is happy to meet with major shareholders upon request.

Beyond the AGM, the Board - particularly the Chair - maintained regular one-to-one dialogue with shareholders throughout the year and was pleased to receive their endorsement and support for the Company's Three-year Plan.

In addition, the Investment Manager operates a comprehensive investor relations programme, ensuring regular communication with shareholders and providing feedback to the Board. Further details can be found in the section 172 statement on pages 38 to 41.

Timeline of shareholder engagement

- 23 April 2025 – Announcement of annual results and presentation webcast
- 24 June 2025 – Annual General Meeting
- 24 September 2025 – Interim results and capital allocation policy announcement and presentation webcast

Board activities and stakeholder considerations

The Board is conscious of its duty to seek out and consider a broad spectrum of stakeholders' views in decision-making, in addition to shareholders. We believe that maintaining the long-term future of the Company is dependent on strong stakeholder relationships, and we are committed to nurturing these connections.

More information can be found in the section 172 report on pages 38 to 41.



Corporate Governance report

Substantial interests

As at 31 December 2025, and the date of this report, the Company has been notified of the following beneficial interests exceeding 3% of the issued share capital, being 573,444,694 Ordinary Shares.

Shareholder	Number of Ordinary Shares as at 31 December 2025	Percentage of issued share capital as at 31 December 2025
Schroder Investment Mgt (London)	51,675,087	9.08
BlackRock Investment Mgt – Index (London)	45,438,623	7.98
Gresham House (London)	42,756,110	7.51
PrimeStone Capital (London)	39,100,000	6.87
Hargreaves Lansdown Asset Mgt (Bristol)	21,482,219	3.78
Sarasin & Partners (London)	24,823,884	4.36
BlackRock Investment Mgt (London)	20,972,296	3.69
West Yorkshire Pension Fund (Bradford)	20,717,405	3.64
Privium Fund Mgt (London)	20,522,094	3.61
Waverton Investment Mgt (London)	19,882,652	3.49

Shareholder	Number of Ordinary Shares as at 20 April 2026	Percentage of issued share capital as at 20 April 2026
Schroder Investment Mgt (London)	53,319,000	9.72
BlackRock Investment Mgt – Index (London)	45,438,623	7.98
Gresham House (London)	42,756,110	7.51
PrimeStone Capital (London)	39,100,000	6.87
BlackRock Investment Mgt (London)	20,972,296	3.69
Hargreaves Lansdown Asset Mgt (Bristol)	20,735,814	3.64
West Yorkshire Pension Fund (Bradford)	20,717,405	3.64
Privium Fund Mgt (London)	20,522,094	3.61
Waverton Investment Mgt (London)	19,882,652	3.49
City of London Investment Mgt Co (London)	18,968,185	3.33

The Directors' interests in the Ordinary Share capital of the Company are disclosed in the Directors' remuneration report on page 63. This Corporate Governance Report is approved on behalf of the Board by:

John Leggate, CBE, FREng

Chair of the Board

20 April 2026

Nomination Committee report

As Chair of the Nomination Committee, I am pleased to present my report for the year ended 31 December 2025.

The Committee met twice during the year and operates within terms of reference aligned with the AIC Code. Meeting attendance by each member can be found on page 53.

Role and purpose of the Committee

The Committee's principal roles are to:

- lead the appointment process for new Directors;
- ensure an orderly succession plan is in place for the Board;
- seek to ensure that a diverse range of skills, viewpoints and characteristics is represented on the Board; and
- assist the Chair of the Board with implementing an annual evaluation process to assess the overall performance and effectiveness of the Board, its committees and its individual members.

Directors' independence

I can confirm that each Director is independent from the Investment Manager as defined in the AIC Code, and we have not identified any circumstances that are likely to impair, or could appear to impair, a Non-Executive Director's independence. Furthermore, we have reviewed all Directors' significant interests, and no conflicts of interest have been identified. The Committee considers that the Directors' other current interests do not have any significant impact on their ability to discharge their duties to the Company.

Directors' re-election

In accordance with the AIC Code, John Leggate, Duncan Neale, David Stevenson, Cathy Pitt and Isabel Liu are required to retire at the forthcoming AGM, and, being eligible, offer themselves for re-election. Andy Koss will stand for election to the Board. The Committee considers the skills, experience, and knowledge of the Directors each year. Each Director's biographical details on pages 43 to 44 set out the specific reasons why the Board considers that their contribution is, and continues to be, important to the Company's long-term sustainable success.

Succession

The Committee, with the Chair of the Board, reviews the Board's succession planning, taking into consideration the Board's size and composition, the skills of each Director, the commitment involved in serving on the Board, and the tenure of each Director.

With three members of the Board appointed on 24 August 2018, the Committee has begun work to ensure an orderly succession process that minimises disruption to Board performance. It is likely that the size of the Board will fluctuate during the transition period and / or that one or more Directors may remain in office for a term in excess of nine years in order to ensure a smooth succession.

The Committee has reviewed and mapped the skills of each Director alongside the Company's Three-year Plan and has begun to implement a succession plan that seeks to replace the skills and expertise of Directors who are due to retire, while also harnessing the growing pool of Board candidates with BESS expertise.



Nomination Committee report

Recruitment of a new Director

Andy Koss was appointed as a Non-Executive Director on 25 September 2025.

The Nomination Committee engaged in an extensive recruitment campaign to find and appoint a new Non-Executive Director. This involved:

- establishing a detailed specification for the role;
- meetings and discussions with the recruitment consultant appointed for the search, Longwater Partners Ltd;
- reviewing a long list of potential candidates and reducing it to a shortlist of interviewees; and
- interviewing candidates.

Longwater Partners Ltd has no other connection with the Company or any of its Directors.

During this process, we examined in detail the specific skills and experience required for an energy investment company. The Committee evaluated the balance of skills, knowledge and experience offered by candidates, and considered all candidates on merit, against objective criteria, and with due regard to the benefits of diversity on the Board. Following the interview stage, the Committee unanimously agreed to recommend Andy Koss to the Board.

Andy Koss is a Chartered Accountant and Corporate Treasurer, with 20 years' operational and financial leadership in the energy sector. He brings end-to-end expertise in battery storage, connectivity and government engagement, underpinned by deep sector relationships with NESO, Ofgem and the UK Government.

Board evaluation

In accordance with the AIC Code, the Board undertook a comprehensive internal review of the effectiveness of the Board, individual Directors, the Chair, and each of the Board's committees. The process involved the Directors completing questionnaires prepared by the Company Secretary.

The evaluation concluded that under the Chair's leadership, the Board and Committees performed well and worked effectively together to achieve objectives in the best interests of the Company and its shareholders. Each Director made a positive contribution, and the Board was considered well balanced with no weaknesses in its capabilities being identified. Particular strengths included the balance of skills and experience on the Board

and the level of engagement and commitment shown by all members.

The evaluation detected consistent themes across the Board and Committees relating to the amount of time available to the Non-Executive Directors to consider information and the timeliness of information and material circulated to the Board. The evaluation also recommended continuing to improve shareholder engagement.

The Board undertakes an external board evaluation every three years, which is considered appropriate and reasonable in light of feedback from recent evaluations carried out, confirming the effectiveness and balance of the Board.

Evaluation of the Chair

The evaluation of the Chair was led by the Chair of the Nomination Committee, with contributions from the Directors. The Directors' feedback showed that the Chair effectively promoted a culture of openness and debate, facilitated constructive Board relations, and ensured all Board members contributed effectively.

Diversity and inclusion

The Committee, along with the Company as a whole, recognises the benefits of having a diverse Board. This is reflected in our adoption of a formal Diversity Policy, which outlines the Company's approach and commitment to diversity. The Committee reviewed the policy during 2025. The Committee will consider appointments to the Board based on merit, in the context of complementing and expanding the skills, knowledge and experience of the Board as a whole (in accordance with the Equality Act 2010). The current composition of the Board is set out on pages 43 to 44.

This Nomination Committee report is approved on behalf of the Board by:

Cathy Pitt,
Chair of the Nomination Committee

20 April 2026

Audit Committee report

As Chair of the Audit Committee, I am pleased to present the Audit Committee report for the year ended 31 December 2025.

The Audit Committee comprises the full Board and is chaired by Duncan Neale. Due to the size of the Company and the independent non-executive nature of the Directors, the Board considers it appropriate for all the Directors to be members of the Committee. The Committee's terms of reference were reviewed during the year and are available on the Company's website.

The Board is satisfied that, in line with the recommendations of the AIC Code of Corporate Governance, at least one member of the Audit Committee has recent and relevant financial experience, and that the Committee as a whole has competence relevant to the sector in which the Company operates, bringing a broad range of skills and experience to bear.

The current Board has two qualified accountants, both with extensive senior financial leadership experience in the energy and investment sectors. The other members of the Board are accomplished corporate and investment professionals, each bringing valuable expertise in governance, reporting, risk, and listed company operations. This collective breadth of knowledge enables the Board to provide strong oversight and constructive challenge of the Company's financial, operational, and strategic matters. As the Chair of the Board was independent on appointment, it is deemed appropriate for him to serve as a member of the Audit Committee.

The Committee met three times during the year and operated within terms of reference aligned with the AIC Code. Attendance by each member can be found on page 53. The formal Audit Committee meetings were also attended by representatives of the Investment Manager, the Company Secretary, the Administrator and the Auditor, as appropriate, depending on the agenda for each meeting.

The Audit Committee Chair held a number of preparatory discussions with the Investment Manager, the Company Secretary, the Administrator and the Auditor to ensure they delivered in line with the scope of services and were well placed to hold a constructive discussion with the Audit Committee. The Committee also offered to meet with the Auditor without other parties present, and the Auditor is always able to raise any issues of concern directly with the Committee Chair.

Role and purpose of the Committee

The Committee's principal roles are to:

- monitor the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance;
- review the Company's internal financial controls and internal control and risk management systems;
- conduct the tender process and make recommendations to the Board about the appointment, reappointment and removal of the external Auditor;
- approve the remuneration and terms of engagement of the external Auditor;
- review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- review and monitor the Auditor's independence and objectivity; and
- develop and implement a policy on the engagement of the Auditor to supply non-audit services and consider relevant guidance regarding the provision of non-audit services by the Auditor.

Financial statements, key accounting judgements and estimates

The Committee is tasked with monitoring the integrity of the Company's financial statements. The Committee reviewed the significant financial reporting issues and the judgements made during the preparation of the Company's financial statements, and considered whether the adopted accounting policies were suitable, given the Company's specific circumstances.

The valuation of the Company's unquoted investments requires a high level of judgement, and these valuations were at the forefront of our discussions and analyses throughout the year. Our Investment Manager is responsible for preparing the draft valuations and setting out the underlying assumptions. The Committee, with the assistance of the Board consultant, has worked closely with the Investment Manager to gain a comprehensive understanding of the methodologies and processes used in calculating the valuations and provides robust challenge. This understanding has been thoroughly reported to the Board, ensuring full transparency and clarity.

Audit Committee report

To further validate our valuation approach, the Company appointed a new independent valuer during the period, Forvis Mazars, after a competitive process involving several leading valuation consultancy firms. Forvis Mazars were selected based on their strong sector experience and independent thinking. They succeed Grant Thornton as the independent valuer following the conclusion of Grant Thornton's tenure, in line with best practice regarding auditor and valuer rotation.

The role of the independent valuer is to provide independent, evidence-based valuations of portfolio assets in accordance with applicable valuation policies, regulatory requirements, and recognised market practice. Specifically, they review the key assumptions used in the Investment Manager's valuation, including forecast revenue levels, inflation rates, construction costs and timings as well as discount rates, and they perform sensitivity analysis to estimate the impact of changes to the key assumptions and provide a valuation report to the Board setting out their opinion on the value of the portfolio.

The assessment of the independent valuer concluded that the Investment Manager's valuation calculations are fair and reasonable on a fair value basis, providing us with additional confidence in our valuation processes.

After a detailed assessment of our investment valuations, the Committee and the Board are confident in concluding that the Company's investments are valued fairly and reasonably.

Fair, balanced and understandable assessment

On behalf of the Board, the Committee is responsible for ensuring that the Annual Report and financial statements meet the requirements set out in Provision 30 of the AIC Code.

Alongside the Committee, I conducted detailed reviews at various stages throughout the Annual Report production process, to ensure consistency and overall balance. As a result of the Committee's work, the Board has concluded that the Annual Report and financial statements for the year ended 31 December 2025, taken as a whole, are fair, balanced and understandable, and that they provide the necessary information for shareholders to properly assess the Company's position and performance, business model and strategy.

Internal controls and risk management

The Committee reviews the Company's internal financial controls on an annual basis, with the most recent review conducted in December 2025. We obtained evidence of the internal control frameworks from the Administrator to aid our review, and we also receive

quarterly reports from the Company Secretary on any potential internal control failures.

The Committee completed its assessment of the Company's emerging and principal risks, and the details of this assessment are set out in the emerging risks, principal risks and uncertainties assessment, and the going concern assessment. Additionally, we review the Company's risk matrix annually, with the Investment Manager providing quarterly risk reports to the Board.

Although the Board retains ultimate responsibility for safeguarding the Company's assets, it has delegated the day-to-day operation of the Company, including the financial reporting process, to the Investment Manager and the Administrator, through written agreements. After evaluating the internal controls and risk management processes, the Committee concluded that there was no current requirement for an internal audit, as these controls and processes were deemed adequate and effective.

In anticipation of the new Provision 34 of the AIC Code, the Board, led by the Audit Committee, is reviewing its approach to internal control effectiveness testing and disclosures, and will adopt the new requirements for the accounting period commencing on 1 January 2026.

External audit

The Audit Committee makes recommendations to the Board regarding the appointment of the external Auditor and considers the Auditor's independence. We review and comment on the audit strategy paper presented by the Auditor in advance of the audit, which outlines the key risk areas to be addressed during the audit and confirms its independence status.

After considering feedback from the Investment Manager and the Administrator regarding the effectiveness of the audit process, the Committee recommends to the Board either the reappointment or removal of the Auditor immediately before the conclusion of the annual audit.

Auditor independence, objectivity and effectiveness

The Committee and I can confirm that the Auditor has formally affirmed its independence as part of the annual reporting process. The Committee reviewed and agreed that BDO, the engagement team and other partners and directors involved in the audit, complied with relevant ethical requirements, including the FRC's Ethical Standard, and were deemed independent of the Company.

Audit Committee report

The Committee also discussed the effectiveness of BDO as our Auditor and agreed that it adhered to high professional and ethical standards. This conclusion was reached based on the Committee's interactions with BDO at Audit Committee meetings, feedback from the Investment Manager's personnel who worked directly with the Auditor, and the quality and timeliness of audit reporting and communication throughout the year. BDO demonstrated the appropriate skills and knowledge about our business, industry and environment, as well as the regulatory and legal frameworks in which the Company operates.

Peter Acloque has been BDO's lead audit partner for the Company since 2024. This is Mr. Acloque's second annual audit for the Company.

BDO has been the Company's Auditor since 2019. In line with best practice, the Company will conduct a tender process for the external audit every ten years and a mandatory audit firm rotation after twenty years.

Financial Reporting Council (FRC) review

The Committee was satisfied that the current audit partner has significant experience in the energy sector and is well informed about the findings arising from the FRC review. Peter Acloque and the Committee held a thorough discussion regarding the FRC's review of BDO's audit quality work. The Committee was satisfied with the experience and expertise in the GRID audit team and noted BDO's investment in improving its audit quality. Consequently, the Audit Committee concluded that it had no concerns regarding BDO's effectiveness. The Committee recommends that a resolution to reappoint BDO be proposed to shareholders at the next AGM.

Non-audit services

The Committee also reviewed the engagement of the external Auditor to supply non-audit services to ensure that the independence of the external Auditor is maintained, considering the relevant regulations and ethical guidance in this regard.

The Company has adopted a formal policy governing the engagement of the external auditor to supply non-audit services, which is reviewed regularly by the Audit Committee. The purpose of this policy is to ensure that the provision of such services does not compromise, or is not perceived to compromise, the Auditor's independence or objectivity, in accordance with best practice, relevant regulations and the FRC's Revised Ethical Standards published in 2019.

The Committee and I can confirm that the Company's Auditor did not provide any non-audit services during the year.

Going concern and viability

I oversaw our review of the going concern and viability statements set out on pages 70 to 71. After thorough evaluation, the Committee was satisfied that the Company remains a going concern. We are confident that the Company is well positioned to continue its operations and meet its liabilities, both in the short term and throughout the outlook period.

Whistleblowing

The Committee and I reviewed the arrangements allowing staff of the Investment Manager, the Administrator and other service providers to confidentially raise concerns about potential improprieties in financial reporting or other matters. We have confirmed that robust mechanisms are in place for independent and proportionate investigation of such concerns along with appropriate follow-up actions. These protocols are well integrated into the internal policies of both the Investment Manager and the Administrator.

I am pleased to report that there were no instances of whistleblowing during the period.

Financial reporting

I would like to draw your attention to the Directors' responsibilities statement for preparing the accounts, which is detailed in the statutory and corporate governance section on page 67. Additionally, the statement by the Auditor outlining its reporting responsibilities can be found in the Independent Auditor's report on pages 74 to 83.

This Audit Committee report is approved on behalf of the Board by:

Duncan Neale,
Chair of the Audit Committee

20 April 2026



Management Engagement Committee report

As Chair of the Management Engagement Committee, I am pleased to present my report for the year ended 31 December 2025.

During the year, the Committee met twice and operated within terms of reference aligned with the AIC Code. The attendance of each member can be found on page 53.

Role and purpose of the Committee

The Committee's principal roles are to:

- review the contractual relationship and performance of the Investment Manager; and
- evaluate key service providers, including the Company Secretary, Brokers, Legal Counsel, Depositary, Registrar, and public relations and other advisers.

Investment Manager

We fulfilled our principal responsibility by monitoring and reviewing the Investment Manager's performance. The Committee considered issues including the resources committed to the Company, to enable the successful implementation of the Three-year Plan. As described elsewhere, the Plan entails the acquisition and construction of new projects, completion of augmentations, raising corporate and project debt financing, and forming project equity partnerships. This entails a full complement of construction, operation, corporate finance, and commercial resources. We carefully reviewed the structure of the Investment Manager's team, key personnel policies and resources. We raised issues on improving communication, both with the Board and to external stakeholders.

The Committee aligned the annual management fee structure more closely with market conditions and investor sentiment, revising the AIFM Agreement with effect from 1 February 2025 to base the fee equally on market value and NAV.

As mentioned elsewhere, the Board has agreed commercial terms with the Manager or its affiliates on project rights and on EPCm work. These were not in effect during the Committee's review of the performance under the AIFM Agreement in 2025.

The Committee and I are satisfied that the continued engagement of the Investment Manager is in the best interest of the Company and would support the Company's long-term sustainable success.

Key service providers

The Committee undertook a comprehensive review of all key service providers to the Company, which led, among other decisions, to the appointment of Peel Hunt LLP as Joint Corporate Broker, as announced on 14 February 2025.

We also conducted a thorough discussion regarding the performance of JTC (UK) Limited, which the Company has appointed as both the Administrator and the Company Secretary. I am pleased to report that we concluded that their performance in both roles remains satisfactory. It is important to note that the Company retains the responsibility for appointing or removing the Company Secretary.

This Management Engagement Committee report is approved on behalf of the Board by:

Isabel Liu,
Chair of the Management Engagement Committee

20 April 2026



Remuneration Committee report

As Chair of the Remuneration Committee, I am pleased to present my report for the year ended 31 December 2025.

During the year, the Committee met once and operated within terms of reference aligned with the AIC Code. Attendance of each member can be found on page 53.

Role and purpose of the Committee

The Committee's principal roles are to:

- to set the Directors' remuneration, in conjunction with the Chair; and
- to consider the need to appoint external remuneration consultants.

Review of Directors' remuneration

Shareholders approved our Remuneration Policy at the General Meeting held on 23 June 2023. The Policy states that the Non-Executive Directors are entitled to an annual increase in remuneration, effective from the first date of each financial year, adjusted at the rate of the UK Consumer Price Index (CPI) as at December of the previous year.

I believe it is important that our compensation is fair and comparable to that of other non-executive directors of similar companies, given the level of work and the need for the Board to attract and retain talent. After due consideration, the Committee agreed that an increase in the Directors' remuneration of 3.4% was appropriate for 2026. The increase is in line with the Company's Remuneration Policy, to match the December 2025 CPI.

Director	2025 fee	2026 fee
John Leggate	£99,230.81	£102,605.66
Duncan Neale	£78,280.41	£80,941.94
David Stevenson	£55,817.34	£62,215.13
Cathy Pitt	£55,817.34	£57,715.13
Isabel Liu	£55,817.34	£57,715.13
Andy Koss*	£14,995.36	£57,715.13

*Appointed on 25 September 2025

As it is three years since the Remuneration Policy was last approved by shareholders, the Policy will be put to shareholders at the Company's AGM in 2026.

External remuneration consultant

The Committee considered the appointment of an external remuneration consultant and agreed that this was not required for 2026. We will review this requirement each year.

This Remuneration Committee report is approved on behalf of the Board by:

David Stevenson,
Chair of the Remuneration Committee

20 April 2026



Directors' remuneration report

I am pleased to present the Directors' remuneration report for the year ended 31 December 2025. The report has been produced in accordance with Section 420 of the Companies Act 2006. Under Section 497 of the Companies Act 2006, the Company's Auditor is required to audit certain disclosures contained in my report. I have indicated where disclosures have been audited. The Auditor's opinion is included in its report on pages 74 to 83.

I have summarised the decisions made on Directors' remuneration in the period in my report on page 62.

Remuneration Policy

The remuneration of Non-Executive Directors should be determined with due regard to the experience of the Board as a whole, the time commitment required, and to be fair and comparable to that of other non-executive directors of similar companies. The Company may also periodically choose to benchmark Directors' fees with an independent review, to ensure they remain competitive, fair and reasonable. The Non-Executive Directors are entitled to an annual increase in remuneration, effective from the first day of each financial year, at the rate of the UK Consumer Price Index as at December of the previous year.

This Remuneration Policy will be put to shareholders for approval at least every three years and will be tabled for approval at the Company's AGM in 2026.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which states that the Directors' remuneration for their services in the office of Director shall, in the aggregate, not exceed £550,000 per annum or such higher figure as the Company, by ordinary resolution, determines.

The Directors are entitled only to their annual fee and to be reimbursed for any expenses properly and reasonably incurred by them respectively in and about the business of the Company or in the discharge of his or her duties as a Director.

Any Director who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such reasonable additional remuneration to be determined by the Directors or any committee appointed by the Directors.

No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company.

The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor is any such contract proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation.

In order to avoid conflicts of interest, no Director is involved in the setting of their own remuneration, and remuneration is set by the Remuneration Committee, in line with the Remuneration Policy, and aggregate remuneration levels are limited under the Company's Articles of Association.

Directors' remuneration report

Director	Percentage increase from 31 December 2021 to 31 December 2022 on salary and annual fees	Percentage increase from 31 December 2022 to 31 December 2023 on salary and annual fees	Percentage increase from 31 December 2023 to 31 December 2024 on salary and annual fees	Percentage increase from 31 December 2024 to 31 December 2025 on salary and annual fees
John Leggate	5.1	10.5	4.2	2.5
Duncan Neale	5.1	10.5	4.2	2.5
Cathy Pitt	5.1	10.5	4.2	2.5
David Stevenson	5.1	10.5	4.2	2.5
Isabel Liu	5.1	10.5	4.2	2.5

No Director has received any variable remuneration within the last four reporting periods.

The Directors of the Company had the following beneficial interests in the issued Ordinary Shares as at 31 December 2025 and at the date of this report:

Director	As at the date of this report 20 April 2026	As at 31 December 2025
John Leggate	191,851	191,851
Duncan Neale	12,935	26,435
Cathy Pitt	40,036	40,036
David Stevenson	42,944	30,050
Isabel Liu*	168,759	168,759
Andy Koss	29,503	29,503

*Isabel Liu holds her shares through her Person Closely Associated.

The Company does not oblige the Directors to hold shares in the Company, but this is encouraged to ensure appropriate alignment of interests.

2026 remuneration

Subject to a further review, the remuneration levels for the forthcoming year for the Directors are expected to be at the annual fee level as shown in the table on page 62. In line with the Remuneration Policy described above, the Directors' remuneration increased at the rate of the UK Consumer Prices Index as at December 2025, which was set at 3.4%. The Board reviews Directors' remuneration at least annually to ensure that it is in line with market rates.

Consideration of shareholders' views

At the Company's 2026 AGM, we will put an ordinary resolution to our shareholders to approve the Company's Remuneration Policy. This will present an opportunity for shareholders to express their views and raise any queries in respect of the Remuneration Policy.

Directors' remuneration report

Statement of voting at the 2025 Annual General Meeting

The Directors' remuneration report was subject to an advisory vote at the 2025 AGM. The voting outcome is shown in the table below:

Resolution to approve Directors' remuneration report	Votes	%
Votes for*	358,530,945	99.71
Votes against	1,029,431	0.29
Total votes validly cast	359,560,376	
Total votes cast as % of issued share capital		63.18
Votes withheld**	389,824	

*Includes discretionary votes

**A vote withheld is not a vote in law and is not counted in the calculation of the votes for or against a resolution.

The Remuneration Policy was last approved by shareholders at the General Meeting held on 23 June 2023 and received 99.45% votes in favour and 0.54% votes against.

Relative importance of spend on pay

The difference in actual spend between 31 December 2024 and 31 December 2025 on Directors' remuneration in comparison to distributions (dividends and share buybacks) and other significant spending is set out in the table below:

	Payments made during the year ended 31 December 2025 (£)	Payments made during the year ended 31 December 2024 (£)	Payments made during the year ended 31 December 2023 (£)
Remuneration to Directors	359,959	335,812	322,276
Dividends paid to shareholders	625,971	-	29,955,837
Buyback of Ordinary Shares	-	1,999,590	-
Total	985,930	2,335,402	30,278,113

Payments to past Directors or for loss of office

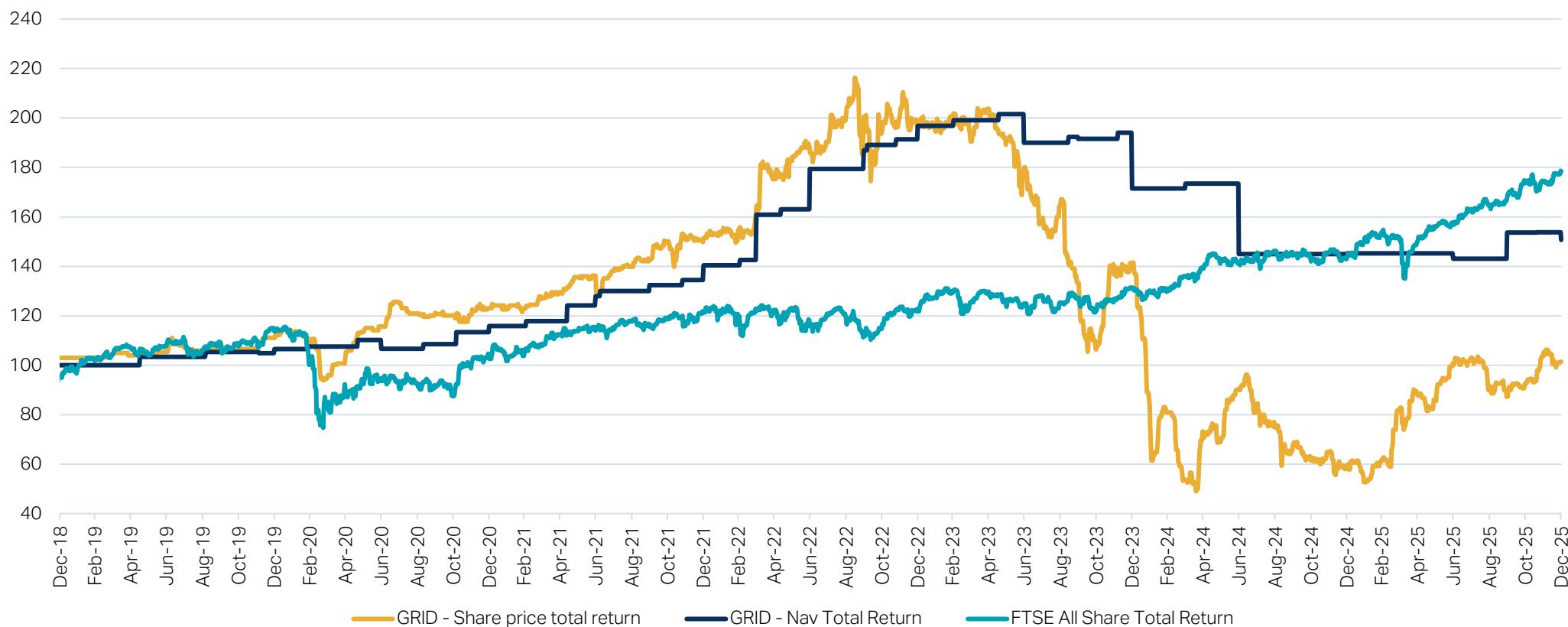
There are no payments to disclose. Under the terms of the Directors' Remuneration Policy, there would be no compensation for loss of office.



Directors' remuneration report

Performance graph

GRID vs FTSE All Share Total Return



This Directors' remuneration report is approved on behalf of the Board by:

David Stevenson,
 Chair of the Remuneration Committee
 20 April 2026



Additional statutory and corporate governance information

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the Company financial statements in accordance with UK-adopted international accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with UK-adopted international accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

Insurance cover

Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors.

Additional statutory and corporate governance information

Company performance

The Directors have reviewed the performance of the Company throughout the period. Details of the performance of the portfolio owned by the Company are included in the Investment Manager's report on pages 16 to 18 and the Chair's statement on pages 8 to 10.

A dividend of 0.11p per Ordinary Share was declared on 7 November 2025 and paid on 5 December 2025 in respect of the year ended 31 December 2024. No other dividends were declared or paid during 2024 or 2025.

Financial risk management

Details in relation to the Company's use of financial instruments, financial risk management objectives and policies, including policies for hedging each major type of forecasted transaction for which hedge accounting is used, and the Company's exposure to price, credit, liquidity or cash flow risk can be found in Note 18 on pages 109 to 112.

Investment policy

The Company invests in a diversified portfolio of utility-scale energy storage systems, which utilise batteries. The BESS Projects comprising the Portfolio will be located in diverse locations across Great Britain and the Overseas Jurisdictions.

Individual BESS Projects will be held within special purpose vehicles into which the Company invests through equity and / or debt instruments. It is intended that each BESS Project Company will hold one BESS Project, but an BESS Project Company may own more than one BESS Project. The Company will typically seek legal and operational control through direct or indirect stakes of up to 100%. In such BESS 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. 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.

Asset type and diversification

The Company invests primarily in BESS 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 its projects, so long as they meet investment objectives and policy. It may invest in projects with alternative battery technologies such as those derived from sodium or zinc, or other forms of energy storage technology, such as flow batteries / machines and compressed air.

The Company intends to invest with a view to holding assets until the end of their useful life. BESS 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.

BESS 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 BESS Projects in which the Company invests across Great Britain and the Overseas Jurisdictions, provided that no more than 30% of Gross Asset Value (calculated at the time of investment) may be invested in the Overseas Jurisdictions.

Second, it is the Company's intention that at the point at which 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% 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% of Gross Asset Value (calculated at the time of acquisition). The Company will also 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 across the Portfolio by investing in BESS Projects which can benefit from a number of different income streams with different contract lengths and return profiles. The Company intends that the BESS Projects in which it invests will primarily generate revenue from in-front-of-meter services but may also provide behind-the-meter services. The Company may invest in changes to its equipment, technical configurations and technology in order to access revenue streams as they become available, noting that revenue streams and revenue stacking continues to evolve, not only in Great Britain but also in the Overseas Jurisdictions, as the energy storage market matures.

Additional statutory and corporate governance information

BESS 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 BESS Project, or providing availability-based services to restore electric power stations or part of electric grids to operation. The Company may also invest in BESS Projects with Co-Location Arrangements in the Overseas Jurisdictions and may purchase solar panels for use at such co-located BESS Projects in the Overseas Jurisdictions, provided that the proportion of an investment spent on purchases of solar panels does not exceed 6% of Gross Asset Value (calculated at the time of such purchase).

Fourth, the Company aims to achieve diversification across the Portfolio through the use of a range of third-party providers, such as developers, EPC contractors, battery manufacturers and landlords.

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

Other investment restrictions

The Company will generally acquire BESS Projects where construction is substantially complete and where BESS Projects are capable of commercial operations ("Operational Projects"). Operational Projects will need to have in place sufficient land rights, either in the form of a freehold interest or substantially similar interest in the Overseas Jurisdictions or a completed lease on satisfactory terms in relation to the land where that BESS Project is situated, a grid connection agreement or grid sharing or such other rights to import or export from the relevant network as are market standard and completion of relevant commissioning tests confirming commissioning completion.

The Company may also acquire BESS Projects or rights to acquire BESS Projects which are considered "shovel ready" that as a minimum have in place sufficient land rights either in the form of a freehold interest or substantially similar interest in the Overseas Jurisdictions, or a completed lease, lease option, or agreement for lease, on satisfactory terms in relation to the land where that BESS Project is situated, full planning permission enabling the construction of a suitable BESS Project on that land, and a grid connection offer or grid sharing or such other rights to import or export from the relevant network as are market standard, prior to connection works being completed (Ready to Build Projects).

The Company may invest in Ready to Build Projects provided that no more than 10% of Gross Asset Value (calculated at the time consideration is paid for such acquisition) may be exposed in aggregate to such Ready to Build Projects. If the Company wishes to acquire other Ready to Build Projects in excess of the 10% of Gross Asset Value restriction, it may acquire such Ready to Build Projects for a nominal upfront consideration provided that: (i) any remaining consideration is paid by the Company only where construction is substantially complete and where such BESS Projects are capable of commercial operations; and (ii) the Company has a put option to transfer back the Ready to Build Project to the seller in certain circumstances.

The Company may provide loan finance to BESS Project Companies before they hold Operational Projects so that the BESS Project Companies can acquire equipment or make payments in connection with the BESS Projects' construction or delivery, provided that no more than 25% 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 loans.

Once an Operational Project is acquired, or after a Ready to Build Project becomes an Operational Project, the Company may invest in upgrades by loans or otherwise and enter into new lease arrangements to increase the size of the site, new planning permissions enabling construction of an increased capacity BESS Project on that land, a new and / or amended grid connection which provides for increased capacity or altered technical parameters, and / or an EPC contract, EPCm contract suite or other construction contracts to undertake construction of the relevant upgrades.

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% of its total assets in listed closed-ended investment funds or in any other investment fund.

Additional statutory and corporate governance information

Investment in developers

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

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 European Union; and
- any UK "Government and public securities" as defined for the purposes of the FCA Rules.

Leverage and derivatives

The Company may raise debt and introduce leverage (at the Company level and / or the level of one or more of its subsidiaries, such leverage to be introduced directly or through one or more subsidiaries) to the extent that 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 Group 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 Group's assets. The Directors will restrict borrowing to an amount not exceeding 50% of the Company's Net Asset Value at the time of drawdown. There will be no cross-collateralisation between the BESS 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.

Efficient portfolio management

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

Amendment to and compliance with investment policy

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

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.

Going concern and viability

The Strategic report describes the Company's business activities, together with factors likely to affect its future performance and development and an assessment of the principal risks and uncertainties facing the Company.

The key risks facing the Company include, but are not limited to, the risks mentioned on pages 36 to 37. The Board notes that it is difficult to foresee the viability of any business over the long term given the inherent uncertainty involved and that the risks associated with investments within the infrastructure sector could result in a material adverse effect on the Company's performance.

Going concern

As at 31 December 2025, the Company had net current assets of £2.7mn including cash balances of £4.2mn (excluding cash balances of £40.2mn within investee companies) and no debt.

During 2025, the Group's external debt held by the MidCo was refinanced and replaced with a debt facility in GRID Holdco 1 Limited ("Holdco 1"), a newly incorporated holding company owned 100% by the MidCo. The total facility size is £240mn, of which £210mn was drawn during the year and £204mn was outstanding as at 31 December 2025. £164mn was used to repay the MidCo's external debt and interest charges. Remaining proceeds are used in the augmentation of certain sites within the portfolio and in respect of portfolio project costs. The debt facility entered into by Holdco 1 has a seven-year term and a fourteen-year amortisation profile, providing security over the medium term. The Company is not a guarantor to the loan facility, but the shares of portfolio companies are held as security to the loan.

Additional statutory and corporate governance information

Financial models have been prepared for the going concern period which consider liquidity at the start of the period and key financial assumptions at the Company level as well as at the operational project level. These financial assumptions include expected cash generated by the portfolio companies available to be distributed to the Company. Financial assumptions also include inflows and outflows in relation to the external debt and interest payments expected within Holdco 1, committed expenditure for construction projects, and the ongoing administrative costs of the Company.

As described in the Chair's statement on pages 8 to 10 and in the Investment Manager's report on pages 16 to 18, during 2025 many of the portfolio companies have entered into floor agreements with third parties, which become effective in periods from 2025 to 2027. These floor agreements, along with Capacity Market contracts, provide the portfolio with a minimum level of income and reduce merchant exposure.

The Directors have applied two scenarios to their going concern assessment:

- a base case assessment, based on the blended central case forecasts provided by third-party consultants; and
- a severe but plausible downside case scenario, which assumes a reduction in underlying portfolio revenues of 20% to the base case.

Both the base case and the downside case show the Company is expected to have sufficient cash available to meet current obligations and commitments as they fall due and that the debt covenants of Holdco 1's debt facility, which include debt service cover ratios and loan life cover ratios, are expected to be met. The underlying investments have valuable assets which could be sold to generate cash if required.

The Directors confirm they have a reasonable expectation that the Company has adequate resources to continue its operations for at least 12 months from the date of signing these financial statements. As such, the Directors have adopted the going concern basis in preparing the Annual Report and financial statements.

Viability statement

The Directors have assessed the prospects of the Company for the period to June 2028. Although the Company maintains cash flow models which extend beyond this period for valuation purposes there is less certainty over the later cash flows as the profitability of the underlying investment portfolio is driven by future pricing volatility in the electricity market. The next continuation vote is to be held by June 2028 and the three recent project acquisitions are expected to be constructed by this date. We therefore limit the review to two and a half years to reflect the date of the next continuation vote.

As with the going concern period, financial models have been prepared for the viability period, which consider liquidity at the start of the period and key financial assumptions at the Company level as well as at the operational project level. These financial assumptions include expected cash generated and distributed by the portfolio companies; this includes inflows and outflows in relation to the external debt and interest payments expected within the portfolio, committed expenditure for investments and expected dividends, as well as the ongoing administrative costs of the Company. Sensitivities in line with those undertaken in the going concern assessment have been applied to the viability period.

The 2025 refinancing of the debt facility previously held by the MidCo provided additional funds which are being used in the augmentation of certain sites within the portfolio and in respect of portfolio project costs. The term of the debt continues until August 2032, providing stability during the viability period. Alongside this, the Company has been putting in place floor arrangements to reduce the cash flow risk associated with the projects and debt servicing.

Based on the assessment of the Company's financial position, after assessing the risks and significant assumptions, together with cash available to the portfolio and the forecasts of the Company's future performance under the various scenarios, the Board has a reasonable expectation that the Company remains viable and can meet its liabilities as they fall due over the period to June 2028.

Additional statutory and corporate governance information

Post balance sheet events

Post balance sheet events are disclosed in Note 24 of the accounts on page 117.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Capital structure and voting rights

At the year end, the Company had in issue 573,444,694 Ordinary Shares. There are no other share classes in issue. The Company repurchased 4,380,555 Ordinary Shares in previous periods.

All shares have voting rights; each Ordinary Share has one vote. 4,380,555 shares were held in treasury as at 31 December 2025 (2024: 4,380,555).

Further information about the Company's capital structure and voting rights is set out in Note 20 of the financial statements on pages 113 to 115.

The Directors were granted the authority at the 2025 AGM to issue new Ordinary Shares, on a non-pre-emptive basis, of up to an aggregate nominal value of £573,444.69, representing approximately 10% of the issued Ordinary Share capital as at June 2025.

Further, the Directors were also granted the authority to make market purchases from time to time of up to 85,302,714 of the Company's Ordinary Shares, or, if less, 14.99% of the Company's issued Ordinary Share capital. No new issues or market purchases of the Company's Ordinary Shares were conducted under these authorities.



Directors' report

For the purposes of the UK Companies Act 2006, the Directors' report for Gresham House Energy Storage Fund plc comprises pages 43 to 72.

Approved on behalf of the Board by:

John Leggate, CBE, FREng

Chair

20 April 2026

Accounts



Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2025 and its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Gresham House Energy Storage Fund plc (the 'Company') for the year ended 31 December 2025 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard at standard were not provided to the Company and we remain independent of the Company in conducting our audit.



Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained the Directors' Going Concern paper and associated cash flow forecasts in respect of their going concern assessment and challenged the key underlying judgements and assumptions. In doing so we compared the forecast merchant revenue to third-party prepared price curves, and compared forecast operating expenditure and forecast capital expenditure to contractual obligations and recent performance trends to assess if their reasonableness.
 - We assessed the forecast projected management fees to assess if the charge is in line with the current assets under management levels and the reasonableness of projected changes in management fees for the forecast period were reasonable.
 - We verified the opening cash position of the fund and underlying portfolio (as of 31 March 2026) used in the cash flow forecast by agreeing it to bank account balances.
 - We performed checks on the arithmetical accuracy of the cash flow forecasts approved by the Directors.
 - We formed our own assessment of risks and uncertainties that could impact the Company based on evidence obtained in other audited areas as applicable and our knowledge of the industry.
 - We assessed the ability of the Directors' to forecast accurately by comparing the prior year forecasted cashflows to the actual cashflows in 2025 and obtained explanations for variances.
 - We obtained the Directors' severe but plausible downside scenario and reviewed if this scenario, which included 20% reduction in underlying portfolio revenues compared to the base case, was reasonable.
- We reviewed the terms and conditions of all financing agreements entered into by the HoldCos, paying specific attention to repayment terms for capital and interest and covenants in place.
 - We reviewed the Directors' calculations of forecast covenant compliance and assessed the ability of the HoldCo to meet these covenants even under the severe but plausible downside case scenario.
 - We obtained and reviewed current year covenant compliance certificates to assess if the Company had complied with its covenants.

We reviewed the financial statement disclosures regarding going concern to satisfy ourselves that the disclosures are appropriate and consistent with the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Overview

Key audit matters	Valuation of unquoted investments	2025 ✓	2024 ✓
Materiality	Company financial statements as a whole £12.8mn (2024: £9.3mn) based on 2% (2024: 1.5%) of Net Assets		

Company's commitment, as set out in Task Force on Climate-related Financial Disclosures of the Annual Report, may affect the financial statements and our audit.

We challenged the extent to which these opportunities and risks, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

The management disclosures on page 130 form part of the "Other Information," rather than the audited financial statements. Our responsibilities in relation to the "Other Information" are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

How Climate change affected the scope of our audit

The Company has determined that the most significant future impact from climate change on its operations will include opportunities from arising from the decarbonisation of energy usage and the increased penetration of renewable energy and corresponding increase in energy storage requirements, coupled with physical risks caused by extreme weather events. Our work on the assessment of potential impacts of climate-related risks on the Company's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify the potential impacts on the financial statements of climate-related opportunities and risks, and assessing if they had been adequately disclosed within the annual report; and
- Reviewing the minutes of the Board and Audit Committee, and other papers related to climate change, and performing a risk assessment as to how the impact of the

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Key audit matter		How the scope of our audit responded to the risk
<p>Valuation of unquoted investments</p> <p>Refer to Note 11 on page 97 and Note 17 on page 103 of the financial statements.</p>	<p>As detailed in Note 11, the Company owns an investment portfolio of unquoted equity and loan investments, which as described in the summary of accounting policies are held at fair value in the Company Financial Statements.</p> <p>The valuations of the investments are a subjective accounting estimate where there is an inherent risk of management override arising from investment valuations being prepared by the Investment Manager, whose remuneration is impacted by the Net Assets Value (NAV) of the Company.</p> <p>The Company has engaged an independent expert valuer to help mitigate the risk.</p> <p>The fair value was determined through the use of a discounted cash flow model. The valuation involved significant judgements and estimates from management including, but not limited to discount rates and changes in revenue forecasts. Changes to the estimates and / or judgements can result, either on an individual or aggregate basis, in a material change to the valuation of unquoted investments and therefore we considered this to be a key audit matter.</p>	<p>Our procedures in relation to management's valuation of the unquoted investments include:</p> <ul style="list-style-type: none"> ▪ We assessed the design and implementation of controls around the valuations of investments; ▪ We evaluated the reliability of historical forecasts and underlying assumptions by performing a detailed budget-versus-actual analysis. This involved comparing prior-period forecast outcomes with actual performance, assessing the nature and drivers of variances, and considering whether these variances indicate bias or weaknesses in the estimation process. We used the results of this analysis to assess whether the assumptions and projected cash flows used in the current-year valuation were reasonable and to inform our challenge of management's forward-looking assumptions; ▪ We have conducted research on the battery storage market and challenged the relevant assumptions accordingly; ▪ We have assessed the integrity of the financial model used to calculate the fair value with the assistance of our Financial Model Assurance Services team; ▪ We assessed the competency, qualification, independence and objectivity of the external valuer engaged by the Company and reviewed the terms of their engagement for any unusual arrangements or limitation on the scope of their work. ▪ With the assistance of our internal valuation experts, we challenged the appropriateness of the discount rate and inflation rate assumption by benchmarking to available industry data and previous period actual results;

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Key audit matter	How the scope of our audit responded to the risk
	<ul style="list-style-type: none"> ▪ We have critically assessed how management have considered the implications and impact of climate change in the valuation; ▪ We have agreed the Merchant Revenue profit forecast to separate independent third-party net revenue reports. We held discussions with them to understand the model assumptions and how the models are produced; ▪ For floor contracts, we critically reviewed the key contractual terms and assessed whether the related revenue inputs were appropriately reflected in the valuation model in accordance with the floor pricing agreements; ▪ For tolling revenue, we reviewed key terms of the contracts and ensured the revenue inputs were reflected appropriately in the valuation model in line with the tolling agreements; ▪ We have agreed period end working capital adjustments in determining the fair value of the portfolio companies to the working capital recognised in the management accounts of the portfolio companies as well as bank statements, invoices and VAT returns; ▪ We have agreed the movements in loans provided to the portfolio companies, including verifying interest rates to underlying loan agreements, vouching cash movements to bank statements and re-performing the calculation of interest; ▪ For forecasted maintenance capital expenditure ('capex'), we have critically challenged management's assessment by benchmarking the assumptions used to market research data and underlying data; and ▪ For capacity upgrade capex, we have agreed the total capex to EPC contracts or other relevant documentation. <p>Key observations:</p> <p><i>Based on the audit procedures performed, we found the estimates and judgements made by the management in relation to the valuation to be within a reasonable range.</i></p>

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025 £	2024 £
Materiality	£12,800,000	£9,300,000
Basis for determining materiality	2% of Net Assets	1.5% of Net Assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements. Materiality has been increased to 2% of net assets (from 1.5%) following a reassessment of GRID's risk profile, ownership structure, and users' reliance on the financial statements.	
Performance materiality	£9,600,000	£6,510,000
Basis for determining performance materiality	75% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	



Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £640,000 (2024: £186,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 70;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 71; and
- The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 71.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 59;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 36;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 59; and
- The section describing the work of the audit committee set out on page 58.

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<p>Strategic report and Directors' report</p>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> ▪ the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and ▪ the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.</p>
<p>Directors' remuneration</p>	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
<p>Matters on which we are required to report by exception</p>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> ▪ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or ▪ the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or ▪ certain disclosures of Directors' remuneration specified by law are not made; or ▪ we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.

Independent Auditor's Report to the members of Gresham House Energy Storage Fund plc

- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the areas most susceptible to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Reviewed and assessed the design and implementation of controls over journal entries, including supporting evidence requirements and preparer / reviewer sign off processes. Critically reviewing estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Obtaining independent confirmation of bank balances;
- Reviewing unadjusted audit differences for indications of bias or deliberate misstatement;
- Testing journals posted between the first and final drafts of the management accounts (P13 journals), as well as a random sample of expenses, by agreeing these entries to the supporting documentation;
- Undertaking discussions with Management, as well as reviewed operational reports, to further assess fraud risk and the potential for its occurrence.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk / auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Board in December 2019 to audit the financial statements for the period ended 31 December 2019 and subsequent financial periods.

Our total uninterrupted period of engagement is 7 years, covering the periods ended 31 December 2019 to 31 December 2025.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Peter Acloque (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
20 April 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

For the year ended 31 December 2025

For the year ended 31 December 2025	Note	Revenue (£)	Capital (£)	Total (£)
Net return on investments at fair value through profit and loss	7	118,815	29,997,831	30,116,646
Interest income		1,242	-	1,242
Other income		712,293	-	712,293
Total income		832,350	29,997,831	30,830,181
Administrative and other expenses:				
Legal and professional fees		(764,231)	-	(764,231)
Other administrative expenses	8	(6,594,045)	(121,950)	(6,715,995)
Total administrative and other expenses		(7,358,276)	(121,950)	(7,480,226)
(Loss) / profit before tax		(6,525,926)	29,875,881	23,349,955
Taxation	9	-	-	-
(Loss) / profit and total comprehensive (loss) / income for the year		(6,525,926)	29,875,881	23,349,955
(Loss) / earnings per share (basic and diluted) – pence	10	(1.15)	5.25	4.10

For the year ended 31 December 2024

For the year ended 31 December 2024	Note	Revenue (£)	Capital (£)	Total (£)
Net return on investments at fair value through profit and loss	7	9,927,827	(117,960,534)	(108,032,707)
Other income		886,814	-	886,814
Total income		10,814,641	(117,960,534)	(107,145,893)
Administrative and other expenses:				
Legal and professional fees		(671,195)	(99,986)	(771,181)
Other administrative expenses	8	(7,938,537)	(36,000)	(7,974,537)
Total administrative and other expenses		(8,609,732)	(135,986)	(8,745,718)
Profit / (loss) before tax		2,204,909	(118,096,520)	(115,891,611)
Taxation	9	-	-	-
Profit / (loss) and total comprehensive income / (loss) for the year		2,204,909	(118,096,520)	(115,891,611)
Earnings / (loss) per share (basic and diluted) – pence	10	0.39	(20.71)	(20.32)

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with UK-adopted International Accounting Standards (UKIAS). The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

All results are derived from continuing operations.

The notes starting on page 89 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2025

Company number: 11535957

	Note	31 December 2025 (£)	31 December 2024 (£)
Non-current assets			
Investments in subsidiaries at fair value through profit or loss	11	642,195,935	618,037,144
Current assets			
Cash and cash equivalents	13	4,233,138	4,044,450
Trade and other receivables	14	798,692	777,173
Total current assets		5,031,830	4,821,623
Total assets		647,227,765	622,858,767
Current liabilities			
Trade and other payables	15	(2,260,445)	(615,431)
Total net assets		644,967,320	622,243,336
Shareholders' equity			
Share capital	20	5,734,447	5,734,447
Treasury shares	20	(2,012,553)	(2,012,553)
Capital reduction reserve	20	561,106,626	561,106,626
Capital reserves	20	32,132,458	2,256,577
Revenue reserves	20	48,006,342	55,158,239
Total shareholders' equity		644,967,320	622,243,336
Net Asset Value per Ordinary Share (pence)	19	113.34	109.35



The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

John Leggate, CBE, FREng

Chair

20 April 2026

The notes starting on page 89 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2025

	Note	Share capital (£)	Treasury shares (£)	Share premium (£)	Manager relief reserve (£)	Capital reduction reserve (£)	Capital reserves (£)	Revenue reserves (£)	Total shareholders' equity (£)
Shareholders' equity at 1 January 2025		5,734,447	(2,012,553)	-	-	561,106,626	2,256,577	55,158,239	622,243,336
Profit / (loss) for the year		-	-	-	-	-	29,875,881	(6,525,926)	23,349,955
Transactions with owners:									
Dividends paid		-	-	-	-	-	-	(625,971)	(625,971)
Shareholders' equity at 31 December 2025	20	5,734,447	(2,012,553)	-	-	561,106,626	32,132,458	48,006,342	644,967,320



Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share capital (£)	Treasury shares (£)	Share premium (£)	Manager relief reserve (£)	Capital reduction reserve (£)	Capital reserves (£)	Revenue reserves (£)	Total shareholders' equity (£)
Shareholders' equity at 1 January 2024		5,734,447	-	543,915,072	13,299,017	3,892,537	120,353,097	52,953,330	740,147,500
(Loss) / profit for the year		-	-	-	-	-	(118,096,520)	2,204,909	(115,891,611)
Transactions with owners:									
Cancellation of share premium reserve	20	-	-	(543,915,072)	-	-	-	-	(543,915,072)
Cancellation of merger relief reserve	20	-	-	-	(13,299,017)	-	-	-	(13,299,017)
Transfer to capital reduction reserve	20	-	-	-	-	557,214,089	-	-	557,214,089
Issue of class B shares	20	13,299,017	-	-	-	-	-	-	13,299,017
Cancellation of class B shares	20	(13,299,017)	-	-	-	-	-	-	(13,299,017)
Share buyback	20	-	(2,012,553)	-	-	-	-	-	(2,012,553)
Shareholders' equity at 31 December 2024		5,734,447	(2,012,553)	-	-	561,106,626	2,256,577	55,158,239	622,243,336

The total distributable reserves available at 31 December 2025 were £609,112,968 (2024: £616,264,865). Distributable reserves consist of the capital reduction reserve and revenue reserves.

The notes starting on page 89 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2025

	Note	31 December 2025 (£)	31 December 2024 (£)
Cash flows from operating activities			
Profit / (loss) for the year		23,349,955	(115,891,611)
Net (gain) / loss on investments at fair value through profit and loss	7	(29,997,831)	117,960,534
Interest income		(120,057)	(10,295,053)
Interest received		1,242	-
Increase in trade and other receivables		(21,519)	(251,861)
Increase / (decrease) in trade and other payables		1,645,014	(1,817,587)
Net cash from operating activities		(5,143,196)	(10,295,578)
Cash flows from investing activities			
Loans made to subsidiaries	11	(614,946)	(4,200,000)
Loans repaid by subsidiaries	11	6,572,801	6,111,842
Interest received		-	367,226
Net cash received from investing activities		5,957,855	2,279,068
Cash flows from financing activities			
Dividends paid	20	(625,971)	-
Share buyback	20	-	(2,012,553)
Net cash outflow from financing activities		(625,971)	(2,012,553)
Net increase / (decrease) in cash and cash equivalents for the year		188,688	(10,029,063)
Cash and cash equivalents at the beginning of the year		4,044,450	14,073,513
Cash and cash equivalents at the end of the year		4,233,138	4,044,450



The notes starting on page 89 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2025

1. General information

Gresham House Energy Storage Fund plc (the "Company") is a company limited by shares and the shares are admitted to trading on the Specialist Fund Segment of the London Stock Exchange. The Company was incorporated in England and Wales on 24 August 2018 with Company number 11535957 as a closed-ended investment company. The Company's business is as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The registered office of the Company is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF. Its share capital is denominated in Pounds Sterling (GBP or £) and currently consists of Ordinary Shares. Through its subsidiaries, the Company's principal activity is to invest in SPVs which operate a diversified portfolio of operating utility-scale battery energy storage systems (BESS), which utilise batteries and may also utilise generators. The BESS projects comprising the investment portfolio are located in diverse locations across Great Britain.

These annual financial statements cover the year ended 31 December 2025 with comparatives for the year ended 31 December 2024 and comprise only the results of the Company as all its subsidiaries are measured at fair value.

2. Basis of preparation

Statement of compliance

The Annual Report and financial statements have been prepared in accordance with UK-adopted International Accounting Standards UK (IFRS UK). The accounts have been prepared on a historical cost basis except for financial assets at fair value through profit or loss. All accounting policies have been applied consistently in these financial statements.

Where presentational guidance set out in the Statement of Recommended Practice (the "SORP"), "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued by the Association of Investment Companies (AIC) is consistent with the requirements of IFRS UK, the Directors have prepared the annual financial statements on a basis compliant with the recommendations of the SORP. The supplementary information which analyses the Statement of Comprehensive Income between items of revenue and a capital nature is presented in accordance with the SORP.

Functional and presentation currency

The currency of the primary economic environment in which the Company operates (the functional currency) is Pound Sterling (GBP or £) which is also the presentation currency.

Going concern

As at 31 December 2025, the Company had net current assets of £2.7mn including cash balances of £4.2mn (excluding cash balances within investee companies) and no debt.

During 2025, the Group's external debt held by the MidCo was refinanced and replaced with a debt facility in GRID Holdco 1 Limited, a newly incorporated holding company owned 100% by the MidCo. The total facility size is £240mn, of which £210mn was drawn during the year and £204mn was outstanding as at 31 December 2025. £164mn was used to repay the MidCo's external debt and interest charges. Remaining proceeds are used in the augmentation of certain sites within the portfolio and in respect of portfolio project costs. The Company is not a guarantor to the loan facility, but the shares of portfolio companies are held as security to the loan.

Financial models have been prepared for the going concern period, which consider liquidity at the start of the period and key financial assumptions at the Company level as well as at the operational project level. These financial assumptions include expected cash generated by the portfolio companies available to be distributed to the Company. Financial assumptions also include inflows and outflows in relation to the external debt and interest payments expected within the MidCo and Holdco 1, committed expenditure for construction projects, and the ongoing administrative costs of the Company.

As described in the Chair's statement on pages 8 to 10 and in the Investment Manager's report on pages 16 to 18, during 2025 many of the portfolio companies have entered into floor agreements with third parties, which become effective in periods from 2025 to 2027. These floor agreements, along with Capacity Market contracts, provide the portfolio with a minimum level of income and reduce merchant exposure.

The Directors have applied two scenarios to their going concern assessment:

- a base case assessment, based on the blended central case forecasts provided by third-party consultants; and
- a severe but plausible downside case scenario, which assumes a reduction in underlying portfolio revenues of 20% to the base case.

Both the base case and the downside case show the Company is expected to have sufficient cash available to meet current obligations and commitments as they fall due and that the debt covenants of Holdco 1's debt facility, which include debt service cover ratios and loan life cover ratios, are expected to be met. The underlying investments have valuable assets which could be sold to generate cash flow if required.

Notes to the financial statements

For the year ended 31 December 2025

The Directors confirm they have a reasonable expectation that the Company has adequate resources to continue its operations for at least 12 months from the date of signing these financial statements. As such, the Directors have adopted the going concern basis in preparing the Annual Report and financial statements.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the year, the Directors considered the following significant judgements:



Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate their subsidiaries unless their subsidiaries provide investment management services to the Company and the subsidiaries are not themselves investment entities. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

- a) the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- b) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) the Company measures and evaluates the performance of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of battery energy storage investments;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure-related investment opportunities that they might not have had access to individually; and
- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Company also meets the typical characteristics of an investment entity as it (via the MidCo) holds more than one investment, has more than one investor, has investors that are not related parties of the Company, and has ownership interests in the form of equity or similar interest. Based on the above factors, the Directors are of the opinion that the Company meets the characteristics of an investment entity and meets the definition in the standard. The Directors will reassess this conclusion on an annual basis.

Notes to the financial statements

For the year ended 31 December 2025

Assessment of the MidCo and the Holdcos as investment entities

The MidCo and the Holdcos (see Note 11) are also considered to be investment entities and thus are not consolidated by the Company. The Boards of the MidCo and the Holdcos have considered the requirements of IFRS 10 as per above and consider the MidCo and the Holdcos to meet these criteria. If the MidCo and the Holdcos were not considered to meet the definition of an investment entity, then the Company would be required to consolidate them. The net assets of the MidCo and the Holdcos have been set out in Note 11. The impact of consolidating the MidCo and the Holdcos would be to increase the investment value to £819,316,340 (2024: £757,992,640) and recognise a reduction in net working capital of £174,732,568 (2024: £139,955,496).

Note 11 includes an overview of the balances within the MidCo and the Holdcos and what would be included in the accounts of the Company if the Company were required to consolidate them.

Investment Manager not a related party

The AIFM is not disclosed as key management personnel in the financial statements. To meet the key management personnel definition, the AIFM would need to have authority and responsibility for planning, directing, and controlling the activities of the entity. The Directors are of the opinion that the AIFM does not meet these criteria as the Board has to approve key decisions. The AIFM is restricted to the delivery of the investment policy.

During the year, the Directors considered the following significant estimates:

Valuation of investments in subsidiaries

Significant estimates in the Company's financial statements include the amounts recorded for the fair value of the investments. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant. See Note 17 for further details.

4. New standards, amendments and interpretations published

New and revised IFRSs in issue that came into effect during the year:

The following standards and interpretations have been issued and are effective for annual reporting periods beginning on or after 1 January 2025 and are not deemed to have had a material impact on the Company's financial statements:

- Amendments to add requirements for an entity to determine whether a currency is exchangeable into another currency and the exchange rate to use when it is not – IAS 21 – effective from 1 January 2025
- Amendments regarding the definition of accounting estimates – IAS 8 – effective from 1 January 2025
- Amendments regarding significant changes in accounting for insurance contracts – IFRS 17 – effective from 1 January 2025
- Amendments regarding deferred tax on lease and decommissioning obligations – IAS 12 – effective from 1 January 2025

New and revised IFRSs in issue but not yet effective:

Certain new accounting standards and amendments to accounting standards and interpretations have been published that are not mandatory for reporting periods ending 31 December 2025 and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions hence they have not been presented in detail in these financial statements.

Notes to the financial statements

For the year ended 31 December 2025

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are listed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Annual improvements to IFRS Accounting Standards – IFRS standards volume 11 – effective from 1 January 2026
- Amendments to classification and measurement to contracts referencing nature – dependent electricity – IFRS 9 and IFRS 7 – effective from 1 January 2026
- Presentation and Disclosure in Financial Statements – IFRS 18 – effective from 1 January 2027
- Subsidiaries without Public Accountability: Disclosure – IFRS 19 – effective from 1 January 2027
- Translation into Hyperinflationary Presentation Currency – IAS 21 – effective from 1 January 2027

5. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Segmental information

The Board is of the opinion that the Company is engaged in a single-segment business, being the investment in the United Kingdom in battery energy storage assets.

Income and expenses (excluding investments)

Income and expenses are accounted for on an accruals basis. The Company's income and expenses are charged to the Statement of Comprehensive Income. Costs directly relating to the issue of Ordinary Shares are charged to share premium.

In the Statement of Cash Flows, accruals for interest income and dividend income are removed from operating activities in order to be shown separately, in line with IAS 7. Interest income and dividend income received in cash are added under investing activities if they have been capitalised to the underlying interest or are dividend-earning instruments.

Net gain or loss on investments at fair value through profit and loss

The Company recognises movements in the fair value of investments in subsidiaries through profit and loss. In the Statement of Cash Flows, such non-cash unrealised gains or losses are adjusted for within operating activities.

Taxation

The Company is approved as an Investment Trust Company (ITC) under Sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011 / 2999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporation Tax Act 2010 and the Statutory Instrument 2011 / 2999. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

From 1 April 2015, there was a single corporation tax rate of 19%. This rate has increased to 25% since 1 April 2023. Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period. The Company may use taxable losses from within the Group to relieve taxable profits in the Company and may also income stream part of the dividends paid as interest payments to achieve tax efficiency for the Company. The increase in the headline rate of corporation tax does impact on the valuation of the Company's investments.

Investment in subsidiaries

Investments in subsidiaries are held at fair value through profit and loss.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exemption under IFRS 10 Consolidated Financial Statements, the Company is an investment entity and only consolidates subsidiaries that provide investment management services and which are not themselves investment entities. As a result, the Company does not consolidate any of its subsidiaries.

Notes to the financial statements

For the year ended 31 December 2025

Investments in subsidiaries comprise of equity interests and loans but in respect of each subsidiary are treated as a single investment as investment decisions are made considering both instruments. Investments in subsidiaries are treated as financial assets measured at fair value through profit or loss (FVPL), as further explained below.

Financial instruments

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

Financial assets

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, which include cash and cash equivalents and trade and other receivables.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, including short-term payables.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

- c) it is classified as held for trading (derivative contracts in an asset position).

The Company's investment in subsidiaries (which comprises both debt and equity instruments) is held at fair value through profit or loss under IFRS 9 as the equity portion of the investment does not meet the SPPI test nor will the Company elect to designate the investments at fair value through other comprehensive income. The debt investment forms part of a group of assets that are managed, and the performance is evaluated on a fair value basis.

Recognition and derecognition

Financial assets are derecognised on the date on which the Company commits to sell an asset. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Equity

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Comprehensive Income.

Fair value measurement and hierarchy

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market. It is based on the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. A fair value measurement of a non-financial asset considers the best and highest value use for that asset.

Notes to the financial statements

For the year ended 31 December 2025

The fair value hierarchy to be applied under IFRS 13 is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are carried at fair value and which will be recorded in the financial information on a recurring basis, the Company will determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

Investments in subsidiaries are treated as Level 3 as the inputs used to determine their fair values are unobservable. Fair value is calculated on a levered discounted cash flow basis in accordance with IFRS 13. Measurement is discussed in further detail in Note 17.

6. Fees and expenses

Accounting, secretarial and Directors

JTC (UK) Limited has been appointed to act as Secretary and Administrator for the Company through the Administration and Company Secretarial Agreement. JTC (UK) Limited is entitled to a £65,547 annual fee for the provision of Company Secretarial services and a £60,084 annual fee for the provision of fund accounting and administration services, based on a Company Net Asset Value of up to £200mn. An ad valorem fee based on total assets of the Company which exceed £200mn will be applied as follows:

- 0.04% on the Net Asset Value of the Company in excess of £200mn

During the year, expenses incurred with JTC (UK) Limited for administrative and secretarial services amounted to £386,668 (2024: £364,149) with £72,762 (2024: £92,978) being outstanding and payable at the year end.

AIFM

The AIFM, Gresham House Asset Management Limited (the "Investment Manager"), is entitled to receive a fee from the Company in respect of its services provided under the AIFM Agreement. In 2025 the Company and the Manager agreed to a revised management fee arrangement to apply from 1 February 2025.

Prior to the change, the management fee was solely based on the published NAV:

- 1% on the first £250mn of the NAV of the Company;
- 0.9% on the NAV of the Company in excess of £250mn and up to and including £500mn; and
- 0.8% on the NAV of the Company in excess of £500mn.

Under the revised arrangements, the management fee will be based on an average of the closing daily market capitalisation during the period and the NAV at the beginning of each quarter:

- 1% on the first £250mn of the average of the market capitalisation and NAV of the Company;
- 0.9% on the average of the market capitalisation and NAV of the Company in excess of £250mn and up to and including £500mn; and
- 0.8% on the average of the market capitalisation and NAV of the Company in excess of £500mn.

During the year, Investment Manager fees amounted to £4,893,047 (2024: £6,199,823) with outstanding payables at the year end of £1,546,801 (2024: £nil).

Other fees payable to the Investment Manager and its affiliates are disclosed in Note 22.

Notes to the financial statements

For the year ended 31 December 2025

7. Net return on investments at fair value through the profit and loss

	31 December 2025 (£)	31 December 2024 (£)
Unrealised gain / (loss) on investments at fair value through the profit and loss	29,997,831	(117,960,534)
Interest on loans to subsidiaries	118,815	9,927,827
	30,116,646	(108,032,707)

8. Administrative and other expenses

	31 December 2025 (£)	31 December 2024 (£)
Administration and secretarial fees	386,668	364,149
Remuneration received by the Company's Auditor for the audit of these financial statements	316,657	393,633
Depositary fees	98,686	98,686
Directors' remuneration – salary	351,267	335,812
Directors' remuneration – social security contributions and similar taxes	48,055	37,724
Investment Manager's fee	4,893,047	6,199,823
Sundry expenses	621,615	544,710
	6,715,995	7,974,537

In addition to the fee received for the audit of these financial statements, BDO will receive a fee of £21,822 in relation to the audit of the MidCo for FY2025 and £30,322 for the audit of Holdco 1.

Notes to the financial statements

For the year ended 31 December 2025

9. Taxation

The Company is recognised as an Investment Trust Company (ITC) for the accounting period and is taxed at the main rate of 25% (2024: 25%).

For the year ended 31 December 2025, the Company may utilise group relief or make interest distributions to reduce taxable profits to £nil. There is no corporation tax charge for the year (2024: £nil).

	31 December 2025 (£)	31 December 2024 (£)
(a) Tax charge in profit or loss UK corporation tax		
(b) Reconciliation of the tax charge for the year		
Profit / (loss) before tax	23,349,955	(115,891,611)
Tax at UK main rate of 25% (2024: 25%)	5,837,489	(28,972,903)
Tax effect of:		
Net (gain) / loss on investments at fair value through the profit and loss	(7,499,458)	29,490,134
Non-taxable income	(14,852)	(1,291,689)
Non-deductible expenses	30,488	33,996
Subject to group relief / designated as interest distributions	1,646,333	740,462
Tax charge for the year	-	-

10. Earnings per Ordinary Share

Earnings per Ordinary Share (EPS) amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	Revenue	Capital	31 December 2025 Total
Net (loss) / profit attributable to ordinary shareholders (£)	(6,525,926)	29,875,881	23,349,955
Weighted average number of Ordinary Shares for the year	569,064,139	569,064,139	569,064,139
(Loss) / profit per share (basic and diluted) – pence	(1.15)	5.25	4.10

	Revenue	Capital	31 December 2024 Total
Net profit / (loss) attributable to ordinary shareholders (£)	2,204,909	(118,096,520)	(115,891,611)
Weighted average number of Ordinary Shares for the year	570,332,032	570,332,032	570,332,032
Profit / (loss) per share (basic and diluted) – pence	0.39	(20.71)	(20.32)

Notes to the financial statements

For the year ended 31 December 2025

11. Investments in subsidiaries at fair value through profit or loss

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries but, rather, recognises them as investments at fair value through profit or loss. The Company is not contractually obligated to provide financial support to the subsidiaries and there are no restrictions in place in passing monies up the structure.

	Immediate parent	Place of business and registered office	Percentage ownership
Gresham House Energy Storage Holdings Limited (the MidCo)	The Company	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	100%

Refer to Note 17 for valuation disclosures relating to the investments in subsidiaries.

The Directors evaluate the performance of the portfolio of energy storage investments through its subsidiary companies on a fair value basis. The income approach is used to value investments as it indicates value based on the sum of the economic income that a project, or group of projects, is anticipated to earn in the future.

The Company engaged with Forvis Mazars as independent and qualified valuers to assess the fair value of the Company's investments and have provided their opinion on the reasonableness of the valuation of the Company's investment portfolio.

Therefore, the investments in subsidiaries are measured at FVTPL under IFRS 9, as these financial assets are managed and their performance evaluated on a fair value basis.

	31 December 2025 (£)	31 December 2024 (£)
Equity	640,018,805	610,020,974
Loans – interest bearing	-	3,816,170
Loans – interest free	2,177,130	4,200,000
Total equity and loans	642,195,935	618,037,144

Reconciliation	31 December 2025 (£)	31 December 2024 (£)
Opening balance	618,037,144	727,981,694
Add: loans advanced	614,946	4,200,000
Less: repayment of loan through the issuance of shares (Note 12)	-	(613,781,000)
Less: loan repayments	(6,572,801)	(6,111,843)
Add: accrued interest on loans	118,815	9,927,827
Add: purchase of equity interest (Note 12)	-	613,781,000
Total fair value movement through the profit or loss	29,997,831	(117,960,534)
Closing balance	642,195,935	618,037,144

The interest-bearing loan attracts an interest rate of 8% per annum from the date of advance. Interest compounds on 31 December of each year and the loan is unsecured.

Unless otherwise agreed, the loan principal and any interest accrued on the loans shall be repayable on the earlier of: (i) written demand from the Company; or (ii) 31 December 2030.

Notes to the financial statements

For the year ended 31 December 2025

Further analysis

The Company owns 100% of the Ordinary Shares in Gresham House Energy Storage Holdings Limited (the "MidCo"). The MidCo holds a number of project company subsidiaries directly and other project company subsidiaries are held indirectly via GRID Holdco 1 Limited (Holdco 1), GRID Holdco 2 Limited (Holdco 2), GRID Holdco 3 Limited (Holdco 3), GRID Holdco 4 Limited (Holdco 4), GRID Holdco 5 Limited (Holdco 5), GRID Holdco 6 Limited (Holdco 6) and GRID Holdco 7 Limited (Holdco 7), together "the Holdcos". During the year, the MidCo transferred many of its investments into Holdco 1 as part of the refinancing of MidCo's external debt into a new debt facility in Holdco 1. The investment in the MidCo of £642,195,935 (2024: £618,037,144) comprises underlying investments as follows:

Held by the MidCo:	31 December 2025	31 December 2024	31 December 2025 (£)	31 December 2024 (£)
Noriker Staunch Limited	100%	100%	7,270,296	9,991,463
Gresham House Energy Storage Solutions Limited	100%	100%	2,265,952	2,075,295
Roc Noir Limited	100%	100%	5,965,120	5,717,192
GRID Holdco 4 Limited	100%	-	1	-
GRID Holdco 5 Limited* ²	100%	-	1,272,800	-
GRID Holdco 6 Limited	100%	-	1	-
GRID Holdco 7 Limited* ²	100%	-	2,189,119	-



Notes to the financial statements

For the year ended 31 December 2025

Held by Holdco 1:	31 December 2025	31 December 2024	31 December 2025 (£)	31 December 2024 (£)
HC ESS2 Limited	100%	100%	11,170,956	13,494,479
HC ESS3 Limited	100%	100%	15,829,988	15,206,290
West Midlands Grid Storage Limited	100%	100%	1,009,331	1,467,353
Cleator Battery Storage Limited	100%	100%	4,487,167	5,169,624
Glassenbury Battery Storage Limited	65%	100%	26,214,040	29,208,602
HC ESS4 Limited	100%	100%	31,869,038	34,982,667
Bloxwich Energy Storage Limited	100%	100%	18,900,119	17,273,600
HC ESS6 Limited	100%	100%	29,161,981	33,041,897
HC ESS7 Limited	100%	100%	33,313,750	36,400,480
Tynemouth Energy Storage Limited	100%	100%	9,391,980	6,467,591
Gridreserve Limited	100%	100%	13,191,644	14,044,116
Nevendon Energy Storage Limited	100%	100%	11,248,566	10,731,805
South Shields Energy Storage Limited	100%	100%	13,191,232	13,540,097
Enderby Storage Limited	100%	100%	44,717,014	44,161,760
West Didsbury Storage Limited	100%	100%	46,161,641	47,779,392
Penwortham Storage Limited	100%	100%	44,923,622	41,161,144
Grendon Storage Limited	100%	100%	46,171,533	47,174,003
Melksham East Storage Limited and Melksham West Storage Limited	100%	100%	89,203,202	85,496,352
UK Battery Storage Limited	100%	100%	164,347,742	123,458,132
Stairfoot Generation Limited	100%	100%	37,560,505	23,976,915
Greengridpower1 Limited	100%	100%	37,606,006	33,647,727
Arbroath Limited	100%	100%	27,046,931	29,367,937
Coupar Limited	100%	100%	35,393,530	32,956,727

Notes to the financial statements

For the year ended 31 December 2025

Held by Holdco 2:	31 December 2025	31 December 2024	31 December 2025 (£)	31 December 2024 (£)
247 Power Ltd ^{*1}			5,935,540	-
Held by Holdco 3:	31 December 2025	31 December 2024	31 December 2025 (£)	31 December 2024 (£)
Monets Garden Battery Limited ^{*1}			2,305,995	-
Total investments in subsidiaries			819,316,342	757,992,640
Working capital in MidCo ^{*3}			31,533,890	(139,955,496)
Working capital in Holdco 1 ^{*4}			(201,421,969)	-
Working capital in Holdco 2 ^{*5}			(4,926,334)	-
Working capital in Holdco 3 ^{*6}			(2,305,994)	-
Total investment in MidCo			642,195,935	618,037,144

*1 Held at cost

*2 Assets held represent loans made to pipeline projects not yet owned by the Company

The Company, the Midco and Holdco 1's place of business is The Scalpel, 18th Floor, Lime Street, London, England EC3M 7AF. The place of business for all the other investments is 5 New Street Square, London, England, EC4A 3TW.

A summary of impact on the Company's Statement of Financial Position, if the MidCo and the Holdcos were consolidated, is included in Note 3.

Notes to the financial statements

For the year ended 31 December 2025

*3 Working capital in MidCo	31 December 2025 (£)	31 December 2024 (£)
Cash at bank	31,814,586	22,448,024
Trade and other receivables	782,674	123,139
Loan arrangement fees	-	2,907,959
Trade and other payables	(1,063,370)	(14,582,564)
Facility loan	-	(150,000,000)
Interest payable on facility loan	-	(2,487,083)
Derivative asset	-	1,635,029
	31,533,890	(139,955,496)

*4 Working capital in Holdco 1	31 December 2025 (£)	31 December 2024 (£)
Cash at bank	211,421	-
Trade and other receivables	43,976	-
Loan arrangement fees	5,393,204	-
Trade and other payables	(941,583)	-
Facility loan	(203,656,878)	-
Interest payable on facility loan	(68,976)	-
Derivative liability	(2,403,133)	-
	(201,421,969)	-

*5 Working capital in Holdco 2	31 December 2025 (£)	31 December 2024 (£)
Cash at bank	1,000,000	-
Trade and other payables	(5,926,334)	-
	(4,926,334)	-

*6 Working capital in Holdco 3	31 December 2025 (£)	31 December 2024 (£)
Trade and other payables	(2,305,994)	-
	(2,305,994)	-

12. Loans receivable

In the prior year, £613,781,000 of the principal balance of the loan to the MidCo was repaid through the issuance of new shares. Subsequently, the Company made a £4,200,000 interest-free loan to the MidCo – see Note 11. There were no such movements during 2025.



Notes to the financial statements

For the year ended 31 December 2025

13. Cash and cash equivalents

	31 December 2025 (£)	31 December 2024 (£)
Cash at bank	109,290	94,550
Investment in liquidity funds*	4,123,848	3,949,900
	4,233,138	4,044,450

*The liquidity fund is a liquid, short-term instrument which can easily be converted into cash.

14. Trade and other receivables

	31 December 2025 (£)	31 December 2024 (£)
Prepayments	68,079	61,241
Accrued income	362,257	329,640
VAT receivable	368,356	386,292
	798,692	777,173

15. Trade and other payables

	31 December 2025 (£)	31 December 2024 (£)
Administration and secretarial fees	86,138	72,762
Audit fee accrual	212,363	240,740
Management fee accrual	1,546,801	-
Other accruals	415,143	301,929
	2,260,445	615,431

16. Categories of financial instruments

	31 December 2025 (£)	31 December 2024 (£)
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	4,233,138	4,044,450
Trade and other receivables*	362,257	329,640
Fair value through profit or loss:		
Investment in subsidiaries	642,195,935	618,037,144
Total financial assets	646,791,330	622,411,234
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	(2,260,445)	(615,431)
Net financial assets	644,530,885	621,795,803

*Excludes prepayments and VAT

During the year, the Company's charge with Santander UK plc in respect of its position as guarantor to the Midco's debt facility was released following the repayment of the debt facility.

At the balance sheet date, all financial assets and liabilities were measured at amortised cost, except for the investment in subsidiaries which are measured at fair value.

Notes to the financial statements

For the year ended 31 December 2025

17. Fair value measurement

Valuation approach and methodology

The Company, via the MidCo and the Holdcos, used the income approach to value its underlying investments. The income approach indicates value based on the sum of the economic income that an asset, or group of assets, is anticipated to produce in the future. Therefore, the income approach is typically applied to an asset that is expected to generate future economic income, such as a business that is considered a going concern. Free cash flow to total invested capital is typically the appropriate measure of economic income. The income approach is the DCF approach and the method discounts free cash flows using an estimated discount rate.

Valuation process

The Company, via the MidCo and the Holdcos, held a portfolio of energy storage investments with a capacity of 1,072 megawatts (MW) (the "investments") and 694MW of longer-term pipeline. The wholly owned portfolio comprises 31 projects held in 29 special project vehicles plus 8 holding companies.

All of the investments are based in the UK. The Directors review and approve the valuations of these assets following appropriate challenge and examination. The current portfolio consists of non-market-traded investments, and valuations are analysed using forecasted cash flows of the assets and use the discounted cash flow approach for valuation purposes. The Investment Manager prepares financial models utilising revenue forecasts from external parties, adjusted for contracted revenues from Capacity Market and tolling contracts, to determine the fair value of the Company's investments and the Company engages external, independent, and qualified valuers to verify the valuations. For the year ended 31 December 2025, the revenue forecasts utilised are blended forecasts from two providers. As at 31 December 2025, the fair value of the portfolio of investments has been determined by the Investment Manager and reviewed by Forvis Mazars LLP.

The valuations have been determined using discounted cash flow methodology, whereby the estimated future cash flows relating to the Company's equity investment in each project have been discounted to 31 December 2025, using discount rates reflecting the risks associated with each investment project and the time value of money. The valuations are based on the expected future cash flows, using reasonable assumptions and forecasts for revenues, operating costs, macro-level factors and an appropriate discount rate.

When acquiring new investments, the Company's valuation approach is based on the status of the projects. If projects are under construction, and once certain key milestones

which reduce risk are met, the project will be fair valued with a construction premium of 1% added to the discount rate. When the project completion is within nine months of expected energisation, the construction premium is reduced to 0.75% and when the investment reaches Provisional Acceptance (PAC), the construction premium is reduced to 0.5% for 60 days during the proving period. After 60 days, the project will be fair valued without a construction premium. Conditional acquisitions, where the price of an acquisition has been agreed but shares have not been transferred, result in the recognition of a derivative at fair value. No value is attributed to pipeline which is not under construction.

The determination of the discount rate applicable to each individual investment project considers 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 project operates.

The Investment Manager exercises its judgement in assessing the expected future cash flows from each investment. The Investment Manager produces detailed financial models for each underlying project. The Investment Manager makes 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) applicable for other comparable infrastructure asset classes and regulated energy sectors;
- b. changes in power market forecasts from leading market forecasters and the current revenue environment;
- 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 and / or tolling agreements;
- 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 (which may include an assessment of future cost trends, as appropriate) including inflation, utilisation, operating and capital expenditure assumptions and asset life.

Notes to the financial statements

For the year ended 31 December 2025

Valuation assumptions include consideration of climate-related matters such as expected levels of renewable energy entering the grid system, demand patterns and current regulatory policy. These are factored into the pricing assumptions which are prepared by independent consultants.

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 Investment Manager and advice from the external valuer.

Key valuation input	31 December 2025		31 December 2024	
	Range	Weighted average	Range	Weighted average
WACC / WADR	9.7% - 11.4%	10.3%	9.8% - 11.4%	10.7%
RPI	2.5%	2.5%	2.5%	2.5%

Another key assumption in the valuation models is the volatility of power prices. Due to the Asset Optimisation strategy, the investments are able to benefit from a range of revenue streams, including arbitrage on power price volatility or Firm Frequency Response (FFR) and other similar income streams. Due to the nature of the assets owned by the investments, should one revenue stream be impacted, the asset is able to switch to alternative sources of revenue to seek to maintain total revenue targets, as mentioned in the Investment Manager's report.

Sensitivity analysis

The following table reflects the range of sensitivities in respect of the fair value movements of the Company's investments, via the MidCo.

The sensitivity analysis does not include an assessment of the fall in the power price as underlying power information is provided on a net revenue basis, as the investment portfolio generates value through maximising on the volatility in the market; therefore, adjusting revenue as a total is a more relevant measure. We have therefore provided a sensitivity based on percentage changes in revenue overall.

Investment	Project	Valuation technique	Significant inputs description	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
Noriker Staunch Limited	Staunch	DCF	Discount rate	+1%	(447,592)	(677,509)
				-1%	496,065	756,892
			Revenue	+10%	154,727	127,095
				-10%	(154,767)	(127,112)
HC ESS2 Limited	Rufford, Lockleaze, Littlebrook	DCF	Discount rate	+1%	(810,429)	(976,327)
				-1%	903,137	1,096,488
			Revenue	+10%	2,201,903	2,040,784
				-10%	(2,263,411)	(2,249,778)
HC ESS3 Limited	Roundponds	DCF	Discount rate	+1%	(1,360,654)	(1,161,663)
				-1%	1,555,514	1,333,815
			Revenue	+10%	1,617,016	1,419,403
				-10%	(1,649,720)	(1,441,585)

Notes to the financial statements

For the year ended 31 December 2025

Investment	Project	Valuation technique	Significant inputs description	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
West Midlands Grid Storage Two Limited	Wolves	DCF	Discount rate	+1%	(84,998)	(146,524)
				-1%	94,732	166,150
			Revenue	+10%	386,878	399,540
				-10%	(387,267)	(399,923)
Cleator Battery Storage Limited	Cleator	DCF	Discount rate	+1%	(240,297)	(312,116)
				-1%	265,648	347,978
			Revenue	+10%	347,481	436,278
				-10%	(341,311)	(437,204)
Glassenbury Battery Storage Limited	Glassenbury A and B	DCF	Discount rate	+1%	(2,317,255)	(1,689,869)
				-1%	2,599,912	1,890,633
			Revenue	+10%	3,050,962	2,319,967
				-10%	(3,050,342)	(2,325,747)
HC ESS4 Limited	Red Scar	DCF	Discount rate	+1%	(2,991,529)	(3,049,230)
				-1%	3,457,905	3,555,687
			Revenue	+10%	3,943,274	3,972,613
				-10%	(4,038,092)	(3,988,759)
Bloxwich Energy Storage Limited	Bloxwich	DCF	Discount rate	+1%	(1,640,099)	(1,396,081)
				-1%	1,903,740	1,580,041
			Revenue	+10%	2,171,126	2,105,026
				-10%	(2,258,374)	(2,494,163)
HC ESS7 Limited	Thurcroft	DCF	Discount rate	+1%	(3,296,265)	(3,241,479)
				-1%	3,827,768	3,778,607
			Revenue	+10%	3,943,115	3,627,409
				-10%	(4,013,058)	(3,633,332)

Notes to the financial statements

For the year ended 31 December 2025

Investment	Project	Valuation technique	Significant inputs description	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
HC ESS6 Limited	Wickham	DCF	Discount rate	+1%	(1,979,849)	(2,489,175)
				-1%	2,230,275	2,828,238
			Revenue	+10%	3,230,866	3,768,464
				-10%	(3,276,826)	(3,799,937)
Tynemouth Battery Storage Limited	Tynemouth	DCF	Discount rate	+1%	(1,257,518)	(562,580)
				-1%	1,465,421	655,857
			Revenue	+10%	1,980,197	1,205,364
				-10%	(1,994,275)	(1,223,872)
Gridreserve Limited	Byers Brae	DCF	Discount rate	+1%	(1,027,457)	(1,082,788)
				-1%	1,169,405	1,221,510
			Revenue	+10%	1,532,071	1,548,968
				-10%	(1,554,790)	(1,557,910)
Nevendon Energy Storage Limited	Nevendon	DCF	Discount rate	+1%	(683,054)	(696,618)
				-1%	754,662	772,403
			Revenue	+10%	1,263,230	1,013,581
				-10%	(1,268,754)	(1,125,214)
South Shields Energy Storage Limited	South Shields	DCF	Discount rate	+1%	(571,776)	(536,482)
				-1%	622,708	575,951
			Revenue	+10%	1,135,721	1,126,946
				-10%	(1,135,949)	(1,128,843)
Enderby Storage Limited	Enderby	DCF	Discount rate	+1%	(3,556,532)	(3,640,641)
				-1%	4,097,874	4,171,825
			Revenue	+10%	4,218,480	4,581,705
				-10%	(4,244,909)	(4,629,888)

Notes to the financial statements

For the year ended 31 December 2025

Investment	Project	Valuation technique	Significant inputs description	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
West Didsbury Storage Limited	West Didsbury	DCF	Discount rate	+1%	(3,660,806)	(3,623,541)
				-1%	4,214,966	4,154,441
			Revenue	+10%	4,155,702	3,948,311
				-10%	(4,268,131)	(3,948,020)
Penwortham Storage Limited	Penwortham	DCF	Discount rate	+1%	(3,643,416)	(3,209,097)
				-1%	4,193,439	3,630,138
			Revenue	+10%	3,739,583	3,485,973
				-10%	(3,823,951)	(3,420,556)
Melksham East Storage Limited and Melksham West Storage Limited	Melksham	DCF	Discount rate	+1%	(6,719,812)	(6,779,377)
				-1%	7,660,043	7,754,367
			Revenue	+10%	8,434,491	8,585,144
				-10%	(8,534,001)	(8,683,823)
Arbroath Limited	Arbroath	DCF	Discount rate	+1%	(2,158,778)	(2,537,155)
				-1%	2,493,363	2,943,971
			Revenue	+10%	2,339,587	2,593,530
				-10%	(2,366,037)	(2,603,341)
Grendon Storage Limited	Grendon	DCF	Discount rate	+1%	(3,557,758)	(3,779,055)
				-1%	4,101,975	4,344,298
			Revenue	+10%	4,132,867	4,621,904
				-10%	(4,169,200)	(4,629,766)
UK Battery Storage Limited	Elland	DCF	Discount rate	+1%	(3,558,966)	(3,026,521)
				-1%	4,110,985	3,418,522
			Revenue	+10%	3,781,613	3,547,625
				-10%	(3,751,948)	(3,571,134)

Notes to the financial statements

For the year ended 31 December 2025

Investment	Project	Valuation technique	Significant inputs description	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
UK Battery Storage Limited	York	DCF	Discount rate	+1%	(3,440,804)	(2,662,618)
				-1%	3,979,539	3,011,685
			Revenue	+10%	3,905,143	3,768,148
				-10%	(3,895,815)	(3,797,850)
UK Battery Storage Limited	West Bradford	DCF	Discount rate	+1%	(6,256,606)	(4,853,276)
				-1%	7,223,150	5,478,942
			Revenue	+10%	7,051,604	5,843,580
				-10%	(7,141,708)	(5,879,326)
Stairfoot Generation Limited	Stairfoot	DCF	Discount rate	+1%	(2,788,659)	(2,021,854)
				-1%	3,215,619	2,322,627
			Revenue	+10%	3,089,470	2,296,992
				-10%	(3,119,365)	(2,324,247)
Greengridpower1 Limited	Shilton Lane	DCF	Discount rate	+1%	(3,012,888)	(2,782,011)
				-1%	3,468,624	3,194,033
			Revenue	+10%	3,096,897	2,913,181
				-10%	(3,138,222)	(2,926,420)
Coupar Limited	Coupar Angus	DCF	Discount rate	+1%	(2,346,909)	(2,557,068)
				-1%	2,625,216	2,879,950
			Revenue	+10%	2,850,488	2,932,432
				-10%	(2,895,782)	(2,951,651)

All other projects are held at cost.

Notes to the financial statements

For the year ended 31 December 2025

Portfolio sensitivity of RPI	Sensitivity	Estimated effect on fair value 31 December 2025 (£)	Estimated effect on fair value 31 December 2024 (£)
Inflation	+0.25%	19,645,909	20,336,539
	-0.25%	(19,006,109)	(19,677,170)

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, significance of the inputs is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a Level 3 measurement.

The fair value hierarchy of financial instruments measured at fair value is provided below.

31 December 2025	Level 1 (£)	Level 2 (£)	Level 3 (£)
Investment in subsidiaries	-	-	642,195,935
	-	-	642,195,935

31 December 2024	Level 1 (£)	Level 2 (£)	Level 3 (£)
Investment in subsidiaries	-	-	618,037,144
	-	-	618,037,144

Valuation of financial instruments

The investment at fair value through profit or loss is a Level 3 in the fair value hierarchy and the reconciliation in the movement of this Level 3 investment is presented in Note 11. No transfers between levels took place during the period.

18. Financial risk management

The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

Counterparty risk

The Company is exposed to third-party credit risk in several instances and the possibility that counterparties with which the Company and its subsidiaries, together the Group, contracts may default by failing to pay for services received from the Company or its subsidiaries or fail to perform their obligations in the manner anticipated by the Group. 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 Company's plants, 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, demand aggregators, insurance companies who may provide coverage against various risks applicable to the Company's assets (including the risk of terrorism or natural disasters affecting the assets) and other third parties who may owe sums to the Company. In the event that such credit risk crystallises, in one or more instances, and the Company is, for example, unable to recover sums owed to it, make claims in relation to any contractual agreements or performance of obligations (e.g. warranty claims) or unable to identify alternative counterparties, this may materially adversely impact the investment returns. Management has completed a high-level analysis which considers both historical and forward-looking qualitative and quantitative information, to assess the credit risk of these exposures and has determined that the credit risk as at 31 December 2025 is low due to the financial position of these counterparties.

The projects in which the Company may invest 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.

The Investment Manager regularly assesses the creditworthiness of its counterparties and enters into counterparty arrangements which are financially sound and ensures, where necessary, the sourcing of alternative arrangements in the event of changes in the creditworthiness of its present counterparties.

Notes to the financial statements

For the year ended 31 December 2025

Concentration risk

The Company's investment policy is limited to investments (via intermediary holding companies) in battery energy storage infrastructure, which will principally operate in the UK. This means that the Company has a significant concentration risk relating to the UK battery 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.

The Fund's BESS projects generate revenues primarily from FFR, Asset Optimisation, Capacity Market (CM) and other grid connection-related revenues, including TRIADs and Dynamic Containment. Revenues from the portfolio's BESS projects were historically skewed to FFR revenues, FFR being the provision to the National Grid of a dynamic response service to maintain the grid's electrical frequency at 50Hz. Since the end of 2022, operations were increasingly targeted towards Asset Optimisation, as this becomes the more profitable business activity. There are several additional revenue opportunities emerging for the portfolio as a series of regulatory changes are implemented.

The Investment Manager is of the view that the UK's exposure to renewable energy generation has increased significantly over the last few years, and the pace has not lessened despite the removal of legacy subsidies to onshore wind and solar. This is largely because the development of offshore wind installations has continued apace. NESO systems updates, required to fully utilise the benefit of renewable energy generation, are still in progress.

Credit risk

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the bank's own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money, subject to the rules of the FCA, and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

The Investment Manager regularly assesses its credit exposure and considers the creditworthiness of its customers and counterparties. Cash and bank deposits are held with Barclays Bank plc and HSBC Global Liquidity Funds plc, reputable financial institutions with Moody's credit ratings of A1 and Aaa-mf respectively. Cash and bank deposits in subsidiary companies are held with Barclays Bank plc, HSBC Bank plc, Santander UK plc

and National Westminster Bank plc, all having Moody's credit ratings of A1.

Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

For interest receivables on cash balances and loans receivable, the Company uses a 12-month expected loss allowance.

The Company has completed some high-level analysis and forward-looking qualitative and quantitative information to determine if the interest and receivables are low credit risk. Based on this analysis, the expected credit loss on interest and receivables is not material and therefore no impairment adjustments were accounted for.

Liquidity risk

The objective of liquidity management is to ensure that all commitments made by the Company, which are required to be funded, can be met out of readily available and secure sources of funding. As noted below, this includes debt funding.

BESS 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 BESS project.

In 2021, the Company assessed its ability to raise debt and the MidCo entered into a debt facility for £180mn, which was subsequently amended and restated in 2022 and 2024. This facility was repaid in 2025 and a new debt facility was entered into by Holdco 1, a subsidiary of the MidCo, for a total of £240mn, of which £210mn was drawn as at 31 December 2025. The Company is not a guarantor to the new debt facility. The Directors will restrict borrowing to an amount not exceeding 50% of the Company's NAV at the time of drawdown. Holdco 1 is required to provide semi-annual covenant compliance certificates to the bank. As at year end, Holdco 1 was in compliance with covenant requirements.

The Company's only financial liabilities are trade and other payables. The Company has sufficient cash reserves to cover these in the short to medium term. The Company's cash flow forecasts are monitored regularly to ensure the Company is able to meet its obligations when they fall due.

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For the year ended 31 December 2025

The following tables reflect the maturity analysis of financial assets and liabilities:

As at 31 December 2025	< 1 year (£)	1 to 2 years (£)	2 to 5 years (£)	< 5 years (£)	Total (£)
Financial assets					
Cash and cash equivalents (see Note 13)	4,233,238	-	-	-	4,233,238
Trade and other receivables (see Note 14)*	362,257	-	-	-	362,257
Fair value through profit or loss:					
Investment in subsidiaries	-	-	-	642,195,935	642,195,935
Total financial assets	4,595,495	-	-	642,195,935	646,791,430
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables (see Note 15)	2,260,445	-	-	-	2,260,445
Total financial liabilities	2,260,445	-	-	-	2,260,445

As at 31 December 2024	< 1 year (£)	1 to 2 years (£)	2 to 5 years (£)	< 5 years (£)	Total (£)
Financial assets					
Cash and cash equivalents (see Note 13)	4,044,450	-	-	-	4,044,450
Trade and other receivables (see Note 14)*	329,640	-	-	-	329,640
Fair value through profit or loss:					
Investment in subsidiaries	-	-	-	618,037,144	618,037,144
Total financial assets	4,374,090	-	-	618,037,144	622,411,234
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables (see Note 15)	615,431	-	-	-	615,431
Total financial liabilities	615,431	-	-	-	615,431

*Excludes prepayments and VAT

Notes to the financial statements

For the year ended 31 December 2025

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The objective is to minimise market risk through managing and controlling these risks to acceptable parameters, while optimising returns. The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks.

Price risk

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 31 December 2025, the valuation basis of the Company's investments was valued at market value. This investment is driven by market factors and is therefore sensitive to movements in the market. The Company relies on market knowledge of the Investment Manager, the valuation expertise of the third-party valuer and the use of third-party market forecast information to provide comfort with regard to fair market values of investments reflected in the financial statements. Refer to Note 17 for trading revenue sensitivities.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its cash balances held with counterparties, bank deposits, loans receivable, advances to counterparties and through loans to subsidiaries. Loans

to subsidiaries carry a fixed rate of interest until repayment at the earlier of written demand from the lender or 31 December 2030. The Company may be exposed to changes in variable market rates of interest and this could impact the discount rate and therefore the valuation of the projects. The borrowings entered into by the MidCo are subject to a floating interest rate dictated by the Sterling Overnight Interbank Interest rate (SONIA), but the majority of these borrowings are also subject to hedging instruments at a fixed rate.

Currency risk

All transactions and investments during the current year were denominated in Pounds Sterling, thus no foreign exchange differences arose. The Company does not hold any financial instruments at year end which are not denominated in Pounds Sterling and is therefore not exposed to any significant currency risk. Subsidiary entities may, from time to time, incur expenditure in currencies other than Pounds Sterling.

Capital risk management

The capital structure of the Company at year end consists of equity attributable to equity holders of the Company, comprising issued capital and reserves. The Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.



Notes to the financial statements

For the year ended 31 December 2025

19. Net Asset Value (NAV) per Ordinary Share

Basic NAV per Ordinary Share is calculated by dividing the Company's net assets, as shown in the Statement of Financial Position that are attributable to the ordinary equity holders of the Company by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per Ordinary Share are identical.

	31 December 2025	31 December 2024
Net assets per Statement of Financial Position (£)	644,967,320	622,243,336
Ordinary Shares in issue	569,064,139	569,064,139
NAV per Ordinary Share – basic and diluted (pence)	113.34	109.35

20. Shareholders' equity

	Ordinary Shares number	Treasury shares (£)	Share capital (£)	Share premium (£)	Merger relief reserve (£)	Capital reduction reserve (£)	Total (£)
As at 31 December 2024	569,064,139	(2,012,553)	5,734,447	-	-	561,106,626	564,828,520
As at 31 December 2025	569,064,139	(2,012,553)	5,734,447	-	-	561,106,626	564,828,520

Notes to the financial statements

For the year ended 31 December 2025

	Ordinary Shares number	Treasury shares (£)	Share capital (£)	Share premium (£)	Merger relief reserve (£)	Capital reduction reserve (£)	Total (£)
As at 31 December 2023	573,444,694	-	5,734,447	543,915,072	13,299,017	3,892,537	566,841,073
Issue of Ordinary Shares of £0.01	-	-	-	-	-	-	-
Cancellation of share premium reserve	-	-	-	(543,915,072)	-	-	(543,915,072)
Cancellation of merger relief reserve	-	-	-	-	(13,299,017)	-	(13,299,017)
Transfer to capital reduction reserve	-	-	-	-	-	557,214,089	557,214,089
Shares repurchased	(4,380,555)	(2,012,553)	-	-	-	-	(2,012,553)
As at 31 December 2024	569,064,139	(2,012,553)	5,734,447	-	-	561,106,626	564,828,520



Notes to the financial statements

For the year ended 31 December 2025

Share capital

The Company's capital is represented by the Ordinary Shares.

Treasury shares

Own equity instruments held by the Company classified as treasury shares are treated as a reduction of equity at its cost price and are disclosed as a separate component in the Statement of Changes in Equity. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase of the Company's own equity instruments. Amounts to be received when treasury shares are sold or reissued will be recognised directly in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

No dividends were received on treasury shares during the year.

Treasury shares are treated as a deduction from the weighted average number of shares in issue.

Share premium

The surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable.

During the year the Board approved a resolution to cancel the share premium reserve and transfer the amount into the capital reduction reserve.

Merger relief reserve

The merger relief reserve relates to shares issued for shares to acquire investments. This reserve is not distributable.

During the year, the Board approved a resolution to cancel the merger relief reserve and transfer the amount into the capital reduction reserve.

Capital reduction reserve

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies in 2018, the Company was permitted to perform a capital reduction with the effect of cancelling its share premium and merger reserve account. This was completed on 13 February 2019 by a transfer of the balance of £97,009,475 from the share premium account to the capital reduction reserve.

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies during 2024, the Company was permitted to cancel its share premium account and merger relief reserve. This was completed on 16 October 2024 by a transfer of the balance of £543,915,072 from the share premium account and £13,299,017 from the merger relief reserve to the capital reduction reserve.

The capital reduction reserve is classed as a distributable reserve and dividends to be paid by the Company may be offset against this reserve.

Share capital and share premium account and capital reduction reserve account

On incorporation, the Company issued 1 Ordinary Share of £0.01 which was fully paid up and 50,000 redeemable preference shares of £1 each which were paid to one quarter of the nominal value. These 50,000 redeemable preference shares were subsequently redeemed.

Revenue reserve

The revenue reserve represents a distributable reserve of cumulative net gains and losses recognised in the revenue account of the Statement of Comprehensive Income.

Capital reserve

The capital reserve represents a non-distributable reserve of cumulative net capital gains and losses recognised in the Statement of Comprehensive Income.

Dividends

For the years ended 31 December 2025 and 2024

A dividend of 0.11p per Ordinary Share was declared on 7 November and paid on 5 December 2025 in respect of the year ended 31 December 2024. No other dividends were declared or paid during 2024 or 2025.

Ordinary shareholders are entitled to all dividends declared by the Company and, in a winding-up, to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

Notes to the financial statements

For the year ended 31 December 2025

21. Cash and non-cash flow items

The non-cash movements for the year ended 31 December 2025 predominantly relate to movement in the valuation of investments.

22. Transactions with related parties and other significant contracts

The Company and the Directors are not aware of any person who, directly or indirectly, jointly, or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

The Investment Manager is a wholly owned subsidiary of Gresham House Limited, a significant shareholder in the Company, holding 7.47% (2024: 8.71%) of total issued Ordinary Shares. Ben Guest (a Director of the Investment Manager) holds 2.53% (2024: 2.53%) of total issued Ordinary Shares, including direct and indirect holdings.

Directors

	31 December 2025 (£)	31 December 2024 (£)
Directors' remuneration	359,959	335,812
Employers' NI	48,055	37,724
Total key management personnel	408,014	373,536

The remuneration arrangements of Directors are disclosed in the Directors' remuneration report on pages 63 to 65.

The aggregate fees of the Directors will not exceed £550,000 per annum (increased at the 2025 AGM from £500,000). 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.

Loans to related parties

Loans receivable represent amounts due to the Company from its subsidiary and are disclosed in Note 11.

	31 December 2025 (£)	31 December 2024 (£)
Principal paid	2,177,131	4,200,000
Interest accrued	-	3,816,170
Total loans	2,177,131	8,016,170



Notes to the financial statements

For the year ended 31 December 2025

AIFM

As set out in Note 6, management fees payable to the Investment Manager under the AIFM Agreement amounted to £4,893,047 (2024: £6,199,823).

The AIFM also provides accounting, VAT, banking and company administration services to the underlying project companies and is entitled to an annual fee of £9,000 per project. During the year, expenses incurred with the AIFM by the project companies for those services amounted to £270,000 (2024: £270,000) with £nil (2024: £67,500) being outstanding and payable at the year end.

The AIFM also provides Engineering, Procurement and Construction Management (EPCm) services to certain of the underlying project companies. EPCm contracts have been signed in 2025 with eight project companies in respect of the second phase augmentation projects for a total amount of £2,490,000. In addition, EPCm contracts for new-build projects have been signed in relation to the Elland 2 and Monets Garden projects for a total amount of £2,105,000. Payment of EPCm fees is dependent on achievement of project milestones. None of the EPCm fees were invoiced during the year (in 2024 fees of £690,000 were invoiced in relation to five augmentation projects and the Shilton Lane project).

In 2024 Gresham House O&M Services Limited, an affiliate of the Investment Manager, provided Operations and Maintenance (O&M) services to certain of the underlying project companies for total fees of £119,372. These services were discontinued in 2024

	31 December 2025 (£)	31 December 2024 (£)
Management fees	4,893,047	6,199,823
Accounting and administration services	270,000	270,000
EPCm services	-	690,000
O&M services	-	119,372
Total fees	5,163,047	7,279,195

During the year, the Company, via intermediary holding companies, has entered into share purchase agreements with Gresham House Devco Limited and Gresham House Holdings Limited, affiliates of the Investment Manager, to acquire the Elland 2, Cockenzie and Monets Garden projects for an estimated total cost of £23,755,538 to be paid over four years. The Elland 2 and Monets Garden share purchase agreements completed during the year and ownership of the companies transferred to the Fund, but the completion of the Cockenzie share purchase agreement is conditional upon future events. Payment of the share purchase consideration in each share purchase agreement is contingent on achievement of certain milestones. £23,755,538 was payable at the year end in respect of these projects (2024: £14,031,963 was payable at the year end in respect of the West Didsbury, Penwortham, Melksham, Grendon, West Bradford, Elland and Shilton Lane projects, which were acquired from Gresham House Devco Limited in 2021 and 2022).

23. Capital commitments

As at 31 December 2025, there are no significant binding or conditional future capital commitments (2024: none).

24. Post balance sheet events

There were no events after the reporting date which require disclosure.



Alternative performance measures

For the period from 1 January 2025 to 31 December 2025

1) Dividend per Ordinary Share

Dividend per Ordinary Share is a measure to show the distributions made to shareholders during the year.

Dividend periods: 12 months to 31 December 2025 and 31 December 2024

A dividend of 0.11p per Ordinary Share was declared on 7 November 2025 and paid on 5 December 2025 in respect of the financial year ended 31 December 2024.

No other dividends have been declared or paid for the years ended 31 December 2025 and 31 December 2024.

2) Ordinary Share price total return

Ordinary Share price total return is a measure of the return that could have been obtained by holding a share since initial public offering.

	31 December 2025 (pence)	31 December 2024 (pence)
Share price at end of the year	78.80	45.90
Dividends paid from inception to end of the year	31.13	31.02
Dividend reinvestment impact	(9.73)	(17.92)
Share price at initial public offering	(100.00)	(100.00)
Ordinary Share price total return since inception	0.20	(41.00)
Ordinary Share price total return since inception	0.20%	(41.0%)

3) Net Asset Value (NAV) per Ordinary Share

	31 December 2025	31 December 2024
NAV at end of the year	644,967,320	£622,243,336
Ordinary Shares in issue	569,064,139	569,064,139
NAV per share (pence) – basic and diluted	113.34	109.35

4) NAV per Ordinary Share total return for the period

NAV per Ordinary Share total return is a measure of the success of the Investment Manager's strategy to grow the NAV, showing how the NAV has changed over a period of time, considering both capital returns and dividends paid to shareholders.

	31 December 2025 (pence)	31 December 2024 (pence)
NAV per Ordinary Share at end of the year	113.34	109.35
Dividends paid from inception to end of the year	31.13	31.02
Dividend reinvestment impact	3.22	1.99
NAV per Ordinary Share at end of the year, including dividend reinvestment	147.69	142.36
NAV per Ordinary Share at beginning of the year, including dividend reinvestment	(142.36)	(168.02)
NAV total return for the year	5.33	(25.66)
NAV per Ordinary Share total return for the year	3.74%	(15.27%)

Dividend reinvestment impact recalculated to compound the dividend reinvestment as at the date of payment, consistent with the Ordinary Share price total return calculation.

Alternative performance measures

For the period from 1 January 2025 to 31 December 2025

5) Gross Asset Value (GAV)

GAV is a measure of the total value of the Company's assets.

	31 December 2025 (£'000)	31 December 2024 (£'000)
Total assets reported in the Company at end of period	647,228	622,859
Debt outstanding in intermediate holding company (A)	203,657	150,000
GAV (B)	850,885	772,859

6) Net debt

Net debt is a metric that measures the Company's total interest-bearing debt minus its cash and cash equivalents.

	31 December 2025 (£'000)	31 December 2024 (£'000)
External debt outstanding in intermediary holding company	203,657	150,000
Cash and cash equivalents held in Company and subsidiaries	44,428	39,887
Net debt	159,229	110,113
Net debt / NAV	24.7%	17.7%

7) Ongoing charges figure (OCF)

OCF measures the Company's recurring fund management costs incurred during the year expressed as a percentage of the average of the net assets at the end of each quarter during the year.

	31 December 2025 (£'000)	31 December 2024 (£'000)
Fees to Investment Manager	4,893	6,200
Legal and professional fees	764	771
Transaction fees	122	36
Administration fees	322	301
Directors' remuneration	399	374
Audit fees	317	394
Other expenses	663	670
Total expenses	7,480	8,746
Non-recurring expenses not in OCF calculation	(122)	(136)
Total ongoing expenses (A)	7,358	8,610
Average NAV for the year (B)	631,909	666,842
Ongoing charges for the year (A / B)	1.16%	1.29%

Alternative performance measures

For the period from 1 January 2025 to 31 December 2025

8) Operational dividend cover

Operational dividend cover is a measure to demonstrate the Company's ability to pay dividends from the earnings of its underlying investments after accounting for external interest costs, facility commitment fees and administrative costs of the Company but excluding historic transaction costs and historic debt arrangement fees.

	31 December 2025 (£'000)	31 December 2024 (£'000)
EBITDA of underlying group companies (unaudited)	38,783	29,179
Ongoing costs in the Company	(7,358)	(8,610)
Ongoing administrative costs in the MidCo and Holdcos	(211)	(108)
Net earnings before interest	31,214	20,461
Bank interest received in the Company and the MidCo	1,080	1,069
Facility commitment fees	(60)	(1,312)
External interest costs in the MidCo and Holdco 1	(12,216)	(8,349)
Net earnings for dividend cover calculation (A)	20,018	11,869
Dividends declared by the Company in respect of the period (B)*	-	625
Dividend cover (A / B)	n / a	19.0x

*The dividend declared and paid in Q4 2025 was paid in respect of the 2024 financial year.

9) Dividend yield

Dividend yield is a measure to show the dividend return received by shareholders.

	31 December 2025	31 December 2024
Dividend per share declared in the period in respect of the prior period (pence)	0.11	-
Share price at end of period (pence)	78.80	45.90
Dividend yield	0.14%	0.0%

10) Operational capacity of the portfolio

Operational capacity of the portfolio is a measure to show the revenue-generating capacity of the underlying investments.

	31 December 2025	31 December 2024
Operational capacity (MW)	1,072	845
Operational capacity (MWh)	1,701	1,207



Alternative performance measures

For the period from 1 January 2025 to 31 December 2025

11) Aggregated financial information

Aggregated financial information provides greater insight into the financial performance of the Company and its portfolio.

	31 December 2025 (£'000)	31 December 2024 (£'000)
Net operating revenue in SPVs (unaudited)	60,420	46,522
Operating SPV administrative and other costs (unaudited)	(21,637)	(17,343)
Portfolio operational earnings before interest, depreciation and amortisation	38,783	29,179
Ongoing administrative and other costs in the MidCo and Holdcos	(211)	(108)
Company administrative and other expenses	(7,358)	(8,610)
Bank interest income	1,180	1,069
Facility interest expense and commitment fees	(12,276)	(9,661)
Other interest	69	192
Non-recurring transaction, FX and similar costs	(337)	(767)
Floor contract premiums paid	(9,706)	-
Non-operational SPV administrative and other costs (unaudited)	(257)	(243)
Depreciation and amortisation (unaudited)	(62,417)	(40,062)
Net aggregated earnings	(52,530)	(29,011)



Alternative valuation metrics

As discussed in the Fund performance section, we believe the alternative valuation metrics below provide useful additional information for shareholders, showing valuations as a function of actual financial performance and aligns with typical valuation metrics used for companies. These are provided in addition to the Alternative Performance Measures set out on pages 118 to 121.

Valuations based on historical performance

The table below shows valuation metrics based on the operational portfolio's financial results from 2023 to 2025, first using the NAV prevailing at each year end and then using the current share price at the date of writing: 75.5p per share.

All figures are in £'mn unless otherwise stated.

Company valuation	FY2023	FY2024	FY2025
Shares in issue (no. shares) ¹¹	573	569	569
Market capitalisation at 75.5p share price ¹²	433	430	430
NAV per share at each year end (pence / share)	129	109	113
NAV prevailing at each year end	740	622	645

All figures are in £'mn unless otherwise stated.

Financial information	FY2023	FY2024	FY2025
Underlying portfolio revenue in each year ¹³	38.7	46.5	60.4
Underlying portfolio EBITDA in each year ¹⁴	25.8	29.1	38.8
Total portfolio external debt at each year end	110.0	150.0	203.7
Total cash ¹⁵ at each year end	43.7	39.5	44.4
Operational capacity at each year end (MW)	690	845	1,072

11. Shares outstanding net of shares held in treasury by the Company.

12. Share price assumed to be 75.5p, reflecting the closing price on 23 March 2026 (being the time of writing)

13. Unaudited

14. Unaudited

15. Total cash includes cash in the Company and in all the underlying operational portfolio, unaudited

Historic Valuation metrics	FY2023	FY2024	FY2025
Enterprise Value (EV)¹⁶ based on:			
Market capitalisation at 75.5p share price ¹⁷	499.3	540.1	588.9
Using NAV prevailing at each year end	806.4	732.8	804.3
EV per operational MW (£k / MW)¹⁸ based on:			
Market capitalisation at 75.5p share price	723.6	639.2	549.4
Using NAV prevailing at each year end	1168.8	867.2	750.3
EV to EBITDA¹⁹ based on:			
Market capitalisation at 75.5p share price	19.4	18.6	15.2
Using NAV prevailing at each year end	31.3	25.2	20.7
EV to sale²⁰ based on:			
Market capitalisation at 75.5p share price	12.9	11.6	9.8
Using NAV prevailing at each year end	20.8	15.8	13.3
Market capitalisation as % of NAV			
Using a 75.5p share price	58%	69%	67%

16. Market capitalisation or NAV minus cash plus total external debt

17. Share price assumed to be 75.5p, reflecting the closing price on 23 March 2026 (being the time of writing)

18. EV / total operational capacity in MWs

19. EV / total underlying portfolio EBITDA

20. EV / total underlying portfolio revenues

Alternative valuation metrics

Valuation metrics based on a range of revenue projections

We have provided a forward-looking valuation metrics based on potential near-term future earnings, under different merchant scenarios for uncontracted assets and contracted revenues for those assets under tolling arrangements. We have assumed up to £214mn of debt and used the closing share price as of 23 March 2026 (being the time of writing).

2026 Company valuation used for forward valuations on 1,072MW capacity

All figures are in £'mn unless otherwise stated.

Shares (millions)	569
Market capitalisation at 75.5p share price ²¹	430
NAV per share at 31 December 2025 (pence / share)	113
NAV as at 31 December 2025	645
Assumed future peak external debt	214
Assumed minimum future cash	10
Assumed operational capacity (MW)	1,072

Enterprise Value (EV)²²(£'mn) based on:

Market capitalisation at 75.5p share price	633.6
NAV as at 31 December 2025	849.0

EV per operational MW²³ (£k / MW) based on:

Market capitalisation at 75.5p share price	591.1
NAV as at 31 December 2025	792.0

21. Share price assumed to be 75.5p, reflecting the closing price on 23 March 2026 (being the time of writing)

22. Market cap or NAV minus cash plus total external debt

23. EV / total operational capacity in MWs



Alternative valuation metrics

Forward valuation metrics based on different merchant revenue assumptions on 1,072 MW capacity

All figures are in £'mn unless otherwise stated.

	Merchant net revenue assumptions (£k / MW / Yr)		
	55,000	70,000	85,000
Assumed merchant revenue on merchant portfolio	14.5	22.1	29.6
Expected contracted revenue during 2026	53.6	53.6	53.6
Assumed underlying portfolio revenue	68.1	75.7	83.2
Potential underlying portfolio EBITDA	46.7	54.2	61.8
	55,000	70,000	85,000
EV to EBITDA²⁴ based on:			
Market capitalisation at 75.5p share price	13.6	11.7	10.3
NAV at 31 December 2025	18.2	15.7	13.7
EV to sales²⁵ based on:			
Market capitalisation at 75.5p share price	9.3	8.4	7.6
NAV as at 31 December 2025	12.5	11.2	10.2

24. EV / total underlying portfolio EBITDA

25. EV / total underlying portfolio revenues

Company Information



Company information

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Isabel Liu
Duncan Neale
Catherine Pitt
David Stevenson
Andy Koss

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Ticker

GRID

Glossary

Asset Optimisation (Trading)

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” and includes trading in the wholesale market and offering the battery to National Grid via the BM.

AUM

Assets under management: the total net assets of the Company.

Balancing Mechanism (BM)

A tool used by the ESO to balance the electricity supply and demand close to real time. The BM is used to balance supply and demand in each half-hour trading period of every day. Where the ESO predicts that there will be a discrepancy between the amount of electricity produced and the level of demand during a certain period, they may accept a “bid” or “offer” to either increase or decrease generation (or even increase consumption in the case of storage assets). Sites must be registered in the BM to receive such actions, but once registered, they are able to set their own prices for being used.

Balancing services

National Grid procure services to balance demand and supply and to ensure the security and quality of electricity supply across Britain’s transmission system. These include:

- Demand side response
- Dynamic Containment (DC)
- Enhanced Frequency Response (EFR)
- Firm Frequency Response (FFR)
- Optional Downward Flexibility Management (ODFM)
- Short-Term Operating Reserve (STOR)

Capacity Market (CM)

The income received by generators to ensure generation capacity is available to meet shortfalls.

Curtailement

Large wind farms are connected to the UK’s high-voltage network and the National Grid balances electricity supply and demand. As demand rises and falls during the day, electricity supply mirrors these peaks and troughs.

National Grid accepts bids and offers from electricity generators to increase or decrease electricity generation as and when required. As such, it may mean that there are times when generators are paid to curtail their output (constraint payments).

Dividend yield

The annual dividends expressed as a percentage of the current share price.

EBITDA of underlying group companies

EBITDA includes earnings before interest, tax, depreciation and amortisation and includes liquidated damages earned by SPVs. Earnings are calculated on an accruals basis and therefore only SPVs which were owned in the accounting period have their earnings included here. Transactions completing after the period will have locked box income recognised once the transaction is completed.

This is important to measure the underlying performance of the investments and ensure cash earnings are available to payment of costs in the Company and dividends to shareholders.

Engineering, Procurement and Construction (EPC) contract

This relates to a “turnkey” construction project where the EPC contractor takes full responsibility for the delivery of a project.

Engineering, Procurement and Construction Management (EPCM) contract

This is a type of professional engineering services contract where the EPCm contractor is responsible only for the management of the construction project.

Glossary

Frequency Response (FR) services

A subset of Balancing Services which relates to services performed by batteries to manage the frequency on the electricity system. This includes the following services:

- Dynamic Containment (DC)
- Dynamic Moderation (DM)
- Dynamic Regulation (DR)
- Enhanced Frequency Response (EFR)
- Firm Frequency Response (FFR)
- Optional Downward Flexibility Management (ODFM)

Gross Asset Value (GAV)

Gross Asset Value is the total value of the investments and cash under the management of the Company including debt held by the Holdcos.

UK-adopted International Accounting Standards (IFRS UK)

UK-adopted International Accounting Standards are accounting standards issued by the International Accounting Standards Board (IASB) as adopted by the UK and have been applied by the Company in the preparation of the financial statements.

Liquidated damages (LD)

Liquidated damages are presented in certain legal contracts as an estimate of losses to one of the parties. It is a provision that allows for the payment of a specified sum should one of the parties be in breach of contract. Liquidated damages are meant as a fair representation of losses in situations where actual damages are difficult to ascertain.

Liquidated damages are often included in specific contract clauses to cover circumstances where a party faces a loss from an asset. The Company typically uses these in EPC arrangements to protect earnings from an asset in the result of delays to construction but are also common in other contracts such as for O&M arrangements.

Market capitalisation

Market capitalisation is the total value of the publicly traded outstanding shares, calculated by multiplying the current share price by the number of outstanding shares.

Net Asset Value (NAV) per Ordinary Share

The total net assets in the Company divided by the total number of Ordinary Shares in issue. This is an important measure to understand the capital return to shareholders.

National Energy System Operator (NESO)

Refers to National Energy System Operator Limited, which has taken over the electricity system operation from National Grid Electricity System Operator Limited. The NESO is responsible for ensuring Great Britain has the essential energy it needs so that supply meets demand on the electricity system every second of every day.

<https://www.neso.energy>

NAV Total Return

A measure showing how the NAV per share has performed over a period of time, considering both capital returns and dividends paid to shareholders.

NAV Total Return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV Total Return shows performance which is not affected by movements in discounts and premiums (share prices). It also considers the fact that different investment companies pay out different levels of dividends.

Ongoing charges figure (OCF)

The ongoing charges figure includes all charges and costs incurred by the Company which relate to the ongoing operation of the Company. This includes management fees, administration fees, audit fees, Directors' remuneration, depositary services costs and other similar costs. It excludes capital costs and costs of raising new capital. The ongoing charges are then divided by the weighted average NAV and annualised.

Operational dividend cover

Operational dividend cover for the purpose of this report refers to a calculation for the ratio between net earnings of the underlying investment portfolio in the review period and dividends paid in respect of the same review period.

Glossary

This measure aims to add clarity on the Company's ability to pay dividends from the earnings and cash generation of its underlying investments after deducting Company costs. This measure includes the EBITDA of underlying group companies less Company and holding company costs (excluding capital-related costs and debt arrangement fees but including external interest expense) and interest income on construction capital deployed to SPVs.

Ordinary Share

Share in the Company with a nominal value of 1p.

Ordinary Share price total return

A measure showing how the share price has performed over a period of time, considering both capital returns and dividends paid to shareholders.

Share price total return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex-dividend.

Share price total return shows performance which is affected by movements in discounts and premiums. It also considers the fact that different investment companies pay out different levels of dividends.

Proving period

A period of 30 days after a project has achieved PAC. During this time, the project is fair valued subject to a premium added to the base discount rates of 50 bps to capture risk during the commissioning of the project. After this period, the project is fair valued without any additional premium.

Seed assets

The assets acquired at IPO known as Staunch, Littlebrook, Lockleaze, Rufford and Roundponds.

Skip rates

In the BM, a skip is broadly defined as when an action is taken by the control room even though there is a cheaper alternative to achieving the same outcome - so the cheaper action is "skipped".

Site uptime

Calculation for the average level of availability in the portfolio or for an asset in Frequency Response services. This is calculated by taking the average MWs available in each period as a percentage of total capacity contracted.

Symmetrical

A symmetrical grid connection is where the import and export capacities are the same.

System inertia

Inertia works to keep the electricity system running at the right frequency by using the kinetic energy in spinning parts in power plant generator turbines. When needed, the spinning parts in generator turbines can rotate slightly faster or slower to help balance out supply and demand. The more turbines there are, the more energy there is in the system and the greater the system inertia, which helps to stabilise the frequency.

Tolling

A tolling agreement allows the toller to take operational control of the batteries and operate them, within the technical constraints of the BESS, in return for a fixed periodic fee per MW.

TRIADs

TRIADs are defined as the three half hours of highest demand on the Great Britain electricity transmission system between November and February each year; the TRIADs are part of a charge-setting process. This identifies peak electricity demand at three points during the winter in order to minimise energy consumption.

However, TRIADs must be at least ten days apart. This is to avoid all three potentially falling in consecutive hours on the same day, for example during a particularly cold spell of weather.

Task Force on Climate-related Financial Disclosures (TCFD)

The recommendations of the Task Force on Climate-related Financial Disclosures provide a reporting framework based on a set of consistent disclosure recommendations. This framework provides a level of comparability and transparency around climate-related risk exposures and approaches.

Whilst the Company is not required to comply with TCFD, the Company supports the disclosure recommendations and has therefore voluntarily provided TCFD disclosures. The Company began reporting against the TCFD recommendations in its 2021 Annual Report and has added to those disclosures in subsequent periods. In this 2025 Annual Report, the Company continues to provide climate-related financial disclosures, which aim to be consistent with the TCFD recommendations and recommended disclosures.

The Company's business is investing in BESS. BESS contributes to, and benefits from, the decarbonisation of energy systems. Renewable energy generation through wind and solar is inherently intermittent. The growing proportion of energy supply by wind and solar presents energy system operators (ESOs) with challenges in ensuring stable supply. By storing energy from the electricity grid during periods of high supply / low demand and releasing energy during periods of low supply / high demand, BESS plays a critical role in enabling the use of renewable energy. BESS also replaces fossil fuel sources that are otherwise used as a backup to intermittent sources, as in GB. Because sustainability is inherent in our business, in discussing sustainability, we look at the operations, opportunities and risks of our business, as well as the specifics of how we conduct our business.

Governance

1. Describe the Board's oversight of climate-related risks and opportunities.

The Board has overall responsibility for the Company's risks, opportunities and compliance. The Board considers the Company's approach to ESG considerations and risks, which include the potential impact of the physical consequences of climate change and changes to the business outlook for BESS as a result of governmental policy and the increased penetration of renewables.

Climate change risks are captured by the Company's risk management framework via the risk register which is maintained and updated by the Investment Manager and is the subject of consideration and debate at the Board's quarterly meetings.

Climate-related risks and opportunities are reflected in the Company's strategy, including the intention to continue to expand the portfolio to capture opportunities arising from the decarbonisation of energy use and the increased penetration of renewable energy in GB and overseas.

The Company follows the Gresham House Energy Transition Sustainable Investment Policy, which is available on the Gresham House website. Climate change and environmental pollution is a key topic within the Sustainable Investment Framework which is used to structure analysis, monitoring and reporting of ESG issues and opportunities within the lifecycle of our investments.

The Board reviews all aspects of the Investment Manager's performance annually, including adherence to the Company policies, and the Board's Audit Committee considers the Company's climate-related disclosures.

2. Describe management's role in assessing and managing climate-related risks and opportunities.

The day-to-day management of ESG and climate matters is delegated to the Investment Manager, which applies considerations outlined in the Gresham House Energy Transition Sustainable Investment Policy when making new investments and in the running of the Company's existing investments. The Manager also ensures that climate change-related risks are considered for individual investment projects.

The Investment Manager monitors climate-related risks through the risk register, utilising knowledge gained by its experience in operating the investment portfolio, from information gathered through due diligence processes and by engaging with third parties as appropriate.

The Investment Manager has also engaged with the Company's largest shareholders to better understand the investor community's perspective on sustainability-related issues, including climate-related strategy, disclosure and metrics.

The Investment Manager's Sustainable Investment team monitors the evolving climate-related Government policy and participates in industry forums and discussions to influence sustainable investment-related policy developments that may include climate change mitigation and adaptation. In June 2025, Gresham House released its fifth Sustainable Investment report, highlighting the Investment Manager's focus on investments that are well placed to provide long-term solutions to the issue of climate change.

Task Force on Climate-related Financial Disclosures (TCFD)

Strategy

3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

The Company is committed to investing in and developing BESS to contribute to, and benefit from, the decarbonisation of energy systems. Whilst the Company has ambitions to develop internationally, the portfolio is currently geographically limited to Great Britain and therefore the Company's climate-related risks and opportunities are currently focused on Great Britain.

The Company's investments in BESS are well positioned to benefit from climate-related opportunities over the short, medium and long term by participating in the opportunities arising from the decarbonisation of energy usage and the increased penetration of renewable energy and corresponding increase in energy storage requirements. These climate-related factors, which are applicable over the lifecycle of the Company's investments, are incorporated into third-party revenue curves which are used within the Company's financial modelling.

The Board and the Investment Manager also recognise that there are certain climate-related risks that could have an impact on the Company in relation to changes in the business environment and physical risks caused by extreme weather events. The Board and the Investment Manager have identified what they consider to be the principal risks facing the Company, including climate-related risks, and these are captured within the risk register.

The Company's investments are designed to operate over time horizons of 25 years or more. The table on the following page sets out the key climate-related risks and opportunities identified by the Board and the Investment Manager over the short term (<12 months), medium term (1-5 years) and long term (5-25 years) and include their potential impact on the financial performance of the Company.

4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Investment portfolio

Opportunities

The Company's operational BESS investments participate in the market opportunities

identified above and benefit from governmental and societal support for deployment of renewable technologies. BESS benefits from high levels of power price volatility driven by increased renewables penetration and a relative lack of BESS capacity.

The Company has also developed a significant future portfolio by investing in projects which have been constructing BESS assets. Large parts of this pipeline have recently been commissioned or are expected to be commissioned shortly.

Risks

The Company's portfolio is focused exclusively on BESS within GB, and as such, is exposed to the physical, technological and market risks identified above. However, the investment portfolio is geographically spread in GB, and, given the nature of BESS technology, is not generally adversely affected by weather patterns. Consideration is given to potential physical risks such as flooding during the planning phase and the geographic spread provides resilience against local issues.

Strategy

Opportunities

Increasing awareness and attention to climate change has spurred increased deployment of renewable energy worldwide, providing significant opportunities for BESS in the short, medium and long term. The Company is a leading provider of BESS in GB and has a significant future pipeline of investments in different stages of development.

Risks

Development of BESS capacity in GB has led to the saturation of the market for BESS ancillary services in GB and greater reliance on the wholesale trading market, resulting in greater volatility of returns

Financial planning

Opportunities

The medium and long-term outlook for BESS remains strong and this is anticipated to provide access to investor capital in the future.

The development of new, contracted revenue sources for BESS, such as tolling revenues, may also open up access to further sources of debt funding, further enabling the Company to grow its portfolio.

Task Force on Climate-related Financial Disclosures (TCFD)

Timeframe	Opportunity	Risks
Short term	<ul style="list-style-type: none"> ▪ The continuing rollout of renewable generation increases demand for BESS to balance the energy system and may increase the volatility in the prevailing and forecast power price, providing wholesale trading opportunities. 	<ul style="list-style-type: none"> ▪ Lower power prices due to over-deployment of renewables may affect ability to earn revenues from wholesale trading activities. ▪ Saturated market for ancillary services depresses pricing for those services. ▪ Lack of progress in the development of NESO systems and processes continues to restrict the ability of BESS to operate effectively in the BM or other services.
Medium term	<ul style="list-style-type: none"> ▪ Increased government and public support for decarbonisation increases the volume of sustainable and impact investing. ▪ Implementation of carbon pricing in new sectors may lead to increased investment in companies that enable renewable deployment. ▪ Reductions in battery prices and advances in battery technology provide opportunities to augment existing sites and increase the MWh of the portfolio at a lower cost of ownership and in a relatively short timescale. 	<ul style="list-style-type: none"> ▪ Increased competition for investment opportunities will increase project costs and lead to a reduction in financial returns. ▪ Increased focus on BESS as a key enabler of renewable deployment may lead to greater regulation and associated costs. ▪ Co-located batteries on renewable generation sites may reduce the need for standalone BESS.
Long term	<ul style="list-style-type: none"> ▪ As economies continue to move away from fossil fuels, demand for electricity will increase and could increase power prices and power price volatility. ▪ Advances in battery technology may lower cost of ownership and provide new opportunities to increase participation in energy markets. 	<ul style="list-style-type: none"> ▪ Physical risks arising from extreme weather events including flooding and storm damage. ▪ Extreme temperatures can affect the performance of battery technologies. ▪ Development of alternative energy storage systems to support the rollout of renewable power generation may lead to early obsolescence of BESS, causing asset write-downs.

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Volatility of wholesale power prices, driven by volatility in the availability of renewable energy generation, may provide significant opportunities for trading energy as renewables become an increasing proportion of the energy mix. As high energy prices are typically driven by fossil fuel generation and low prices are driven by high renewable generation, any increase in carbon pricing is likely to extend spreads with fossil fuel generation having to increase pricing to cover the cost of running. This means there is an opportunity for increased revenues resulting from increasing carbon prices.

The Company uses the services of third-party experts to estimate revenue opportunities for BESS over the short, medium and long term, taking into account the large number of potential variables, and the financial outputs generated by the third-party experts, which are used within the Company’s financial modelling.

Risks

As noted above, future cash flows of the portfolio investments are likely to be significantly affected by wholesale power prices which are outside of the control of the Company or its investments.

Increased input prices linked to carbon-related raw material costs may increase construction costs of pipeline assets and therefore reduce returns available to the Company.

The emergence of new energy storage technologies may require the Company to invest in research and development, thereby impacting on returns.

5. Describe the resilience of the organisation’s strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.

Physical risks

In the prior year, preliminary climate scenario analysis was conducted across the Company’s assets to build an understanding of exposure to changing climate conditions. The scenarios used for this analysis were:

- SSP1-2.6, which represents a low GHG emission scenario, resulting in a below 2°C end-of-century temperature rise
- SSP2-4.5, which represents a likely, middle-of-the-road climate scenario with an end-of-century temperature rise of around 2.7°C
- SSP3-7.0, which represents a high GHG scenario with an end-of-century temperature rise of 3.6°C
- SSP5-8.5, which represents a worst-case, fossil-fuelled development scenario with a 4.4°C temperature rise

The percentage of the portfolio’s assets expected to face increasing water stress, increased average daily precipitation and increased average daily temperatures by 2050 is displayed in the table below.

Hazard	Below 2°C	Business as usual	Worst case
Water stress ²⁶	16%	8%	10%
Precipitation ²⁷	0%	6%	0%
Daily maximum near-surface air temperature ²⁸	59%	94%	100%

26. Calculated using data from Aqueduct Water Risk Atlas. SSP1-2.6 is below 2°C scenario. 2SSP3-7.0 is considered business-as-usual scenario. SSP5-8.5 is considered pessimistic scenario. For the analysis, increased risk is moving into a higher category of water stress i.e. from low-medium (10-20%) to medium-high (20-40%).

27. Calculated using CMIP6 climate projections from Copernicus Climate Data Store. SSP1-2.6 is below 2°C scenario. SSP2-4.5 is considered business-as-usual scenario. SSP5-8.5 is considered worst-case scenario. For the analysis, increased risk is an increase of >5% in average daily precipitation.

28. Calculated using CMIP6 climate projections from Copernicus Climate Data Store. SSP1-2.6 is below 2°C scenario. SSP2-4.5 is considered business-as-usual scenario. SSP5-8.5 is considered worst-case scenario. For the analysis, increased risk is an increase of >0.5°C in daily average temperatures.

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This scenario analysis has been used to identify which assets are likely to experience a change in climate conditions as a first step in identifying and quantifying the Investment Manager's exposure to physical climate risks. Changing climate conditions do not mean the risk is material and given the geographic spread of the Company's investment portfolio within GB and the nature of BESS technologies, the Board and Investment Manager do not consider that there are likely to be significant physical risks to the current investment portfolio.

Currently, physical risks are considered as part of design specifications and increased infrastructure costs to cope with potential physical risks are not anticipated to be material. Flood defences are already considered in the investment portfolio with a number of projects having key equipment elevated above the ground to reduce risk of damage in the event of a flood. Increased infrastructure and insurance costs to cope with potential physical risks are not anticipated to be material.

Transition risks

It is likely that wholesale energy markets, which provide the majority of the investment portfolio's revenues, will be significantly impacted by a number of climate-related factors. Some of the most important factors include:

- Government policy (including carbon-cost regimes and mandated plant closure);
- penetration of renewables and the ability of NESO to develop appropriate systems to manage variable energy supply;
- development in future technologies designed to deal with and adapt to climate-related matters; and
- changing patterns of demand (including the impact of electric vehicles, heat pumps and increased use of air conditioning).

The Company uses the services of third-party experts to estimate the impact of those factors in energy prices over the short, medium and long term to create low, high and central case scenarios. These scenarios, which factor in Government commitments, a view on the likelihood of their implementation, and expected carbon prices, are then embedded within financial modelling. Although the scenarios are used within the Company's financial modelling, the precise effect on power price of any of the identified factors, and their timing, is highly uncertain.

The ability of BESS to participate flexibly within the wholesale market, or to provide ancillary services, provides revenue opportunities even in low case scenarios.

Risk management

6. Describe the organisation's processes for identifying and assessing climate-related risks.

Climate-related risks, which may affect the Company or its investment portfolio, are identified and assessed by the Investment Manager as part of the risk management process. Identified risks are included in the risk register and quantified with consideration given to likelihood and impact and ranked accordingly.

Potential risks may also be identified as part of the due diligence process that is carried out prior to acquiring new portfolio companies by the Investment Manager and independent experts. The Investment Manager has created a detailed ESG decision tool which is completed prior to making acquisitions of portfolio companies. This decision tool includes consideration of numerous ESG and climate factors, including environmental assessment, potential flooding / drainage and the suitability of construction contractors to adequately deal with environmental or climate-related mitigation actions. During investment appraisal, consideration is given to available climate mitigation and the costs of putting this in place are factored into the investment proposal.

Principal and emerging risks, which may include climate-related risks, are disclosed within the Company's Annual Report.

The Company will continue to refine its climate risk assessment approach in line with the evolving nature of climate factors and the emergence of climate-related tools and data.

7. Describe the organisation's processes for managing climate-related risks.

The Board and the Investment Manager are focused on the most significant risks facing the Company, as determined and quantified in the risk register.

Physical risks

Potential physical risk factors that are identified as part of the initial acquisition process, or identified subsequently via design reviews, site inspections or during routine maintenance, may be mitigated via design changes such as raising containers on plinths to reduce flood risks. Flood risk assessments are undertaken to determine a probabilistic analysis of flooding, including effects of climate change. BESS assets have temperature managements (such as air conditioning or liquid cooling), and further mitigations of physical risks are considered at the planning stage and are often required to be considered as part of planning approval.

Task Force on Climate-related Financial Disclosures (TCFD)

Transition risk

The anticipated growth of renewable energy generation, which is likely to lead to increased volatility of wholesale power prices, is considered to be an opportunity for the investment portfolio rather than a risk. However, shifts in power demand or supply, and their effect on power market pricing, impact the ability of the portfolio companies to generate revenue. The Investment Manager regularly updates the portfolio cash flow model to reflect future net revenue yield curves.

The Investment Manager keeps abreast of developments in battery and storage technologies which may affect the Company's market opportunities in the future. In 2024, the Manager engaged sustainability consultants Sancroft to produce a memorandum on the state of the BESS industry, current market issues, and recommendations to fix the market inequalities entitled "The Case for Urgent Action to Increase the Role of Battery Storage in the UK's Balancing Mechanism". Sancroft then engaged with Ofgem, DESNZ, NESO, politicians, universities and other key industry participants to promote BESS as key to net zero in the UK.

8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

As noted above, climate-related risks are integrated into the Company's risk management framework through the investment process and through the regular review of the Company's risks carried out by the Investment Manager and are included in the risk register, which is reviewed quarterly by the Board.

Metrics

9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities.

Renewable energy generation through wind and solar is inherently intermittent and the increased proportion of the energy generated by renewables therefore increases the challenges facing energy system operators to ensure a stable supply of energy. The Company's investments in BESS play an important role in facilitating the use of renewables by providing ancillary services that support the transmission network balancing system and by storing energy from the electricity grid during periods of high supply / low demand and releasing energy during periods of low supply / high demand.

To date, the rollout of BESS has lagged behind the deployment of renewable energy. The Company has been targeting growth in its investments in BESS to support renewable generating capacity and thereby reduce dependency on fossil fuels.

The Board and the Investment Manager consider that the most important climate-related metrics for the Company relate to the scale, availability and efficiency of the Company's BESS investments, measured as:

- Total operational BESS capacity at the year end (MW and MWh).
- Weighted average BESS capacity for the year (MW).
- Carbon emissions avoided (tCO₂e).

In addition, the Investment Manager will monitor carbon emissions and carbon intensity metrics in line with TCFD recommendations for the financial industry including:

- GHG emissions – Scope 1, 2 and 3 carbon emissions (tCO₂e).
- Weighted average carbon intensity (WACI) (Scope 1 and 2 emissions / £'mn revenue).

The methodology used to calculate the average carbon intensity and carbon emissions is documented in sections 10 and 11 of this report respectively.

10. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

The Company reports emissions using the Greenhouse Gas (GHG) Protocol, which is the most widely used framework for reporting on carbon emissions and this framework separates emissions into the following categories:

- **Scope 1:** Direct emissions from owned or controlled sources
- **Scope 2:** Indirect emissions from the generation of purchased energy
- **Scope 3:** Indirect emissions that occur in the value chain

The Company has calculated Scope 1, Scope 2 and Scope 3 (transmission and distribution losses and well-to-tank emissions) CO₂ emissions. The calculations were supported with input from third-party carbon consultants and apply the Partnership for Carbon Accounting Financials' (PCAF) "The Global GHG Accounting & Reporting Standard for the Financial Industry" (December 2022). UK Government conversion factors and EEIO emissions factors have been utilised to facilitate the calculations.

Emissions reported currently encompass only operational assets and do not account for assets under construction.

Task Force on Climate-related Financial Disclosures (TCFD)

Metric	31 December 2025	31 December 2024
Scope 1 emissions (tCO ₂ e)	346	2,598
Scope 2 emissions (tCO ₂ e)	2,662	1,607
Scope 3 emissions (tCO ₂ e)	1,931	1,752
WACI (tCO ₂ e / £'mn revenue in portfolio, Scope 1 and 2 emissions)	50	90

Carbon emissions methodology

All carbon emissions are calculated in line with PCAF guidance for project finance. Scope 1, 2 and 3 emissions are calculated using the following formula:

$$Financial\ Emissions = \sum \frac{Outstanding\ Amount_c}{Total\ Equity\ and\ Debt_c} \times Company\ Emissions_c$$

Emissions reported currently encompass only operational assets and do not yet account for assets under construction. The Company intends to expand reporting to cover construction assets in future periods.



More information on Scope 1, 2 and 3 emissions

Scope 1 emissions for the Company reflect diesel and gas fuel consumed by certain assets. Only one of the Company's portfolio companies uses significant amounts of gas or diesel, with the bulk of generation coming from gas at that site. Further, one other asset used a small amount of diesel for testing under its Capacity Market contract obligations and did not represent a material trading return.

Scope 2 emissions reflect greenhouse gas emissions released from indirect consumption of energy. For battery assets, the presumed energy consumption of an asset is calculated by deducting energy exported from energy imported (kWh) by the asset. Half-hourly UK electricity grid carbon emissions factors are then applied to estimate the carbon footprint associated with this energy consumption.

Scope 3 emissions in this report include Transmission & Distribution (T&D) losses. T&D losses reflect emissions associated with loss during transmission and distribution of energy consumed by the BESS assets. The Scope 3 emissions also include the estimated well-to-tank emissions associated with natural gas consumption. In future, the Investment Manager will look for ways to include Scope 3 emission calculations for construction activity, as well as identifying opportunities to engage with suppliers to take action to reduce such emissions.

Weighted average carbon intensity methodology and metric

The Company's weighted average carbon intensity reflects a portfolio's exposure to carbon-intensive assets, expressed in tCO₂e / £'mn revenue. It is calculated, as per TCFD guidance for Financial Institutions, using the following formula:

$$\sum_n^i \left(\frac{current\ value\ of\ investment_i}{current\ portfolio\ value} \times \frac{issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i}{issuer's\ \$M\ revenue_i} \right)$$

Note that "issuer" in the case of the Company refers to its battery assets.

Task Force on Climate-related Financial Disclosures (TCFD)

11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

BESS capacity

BESS capacity underpins multiples of renewable generation capacity and therefore incremental BESS deployment is a key measure. The Company has continued to grow its portfolio of operational BESS capacity despite industry-wide challenges. The operational capacity reported by the Company, measured in MW and MWh, has grown as follows:

	Operational capacity (MW)	Operational capacity (MWh)
31 December 2020	315MW	380MWh
31 December 2021	425MW	473MWh
31 December 2022	550MW	598MWh
31 December 2023	690MW	788MWh
31 December 2024	845MW	1,207MWh
31 December 2025	1,072MW	1,701MWh

GHG emissions avoided

As BESS generally store energy during periods of high renewable energy generation / low demand and release energy during periods of low renewable energy generation / high demand, there is an inherent carbon benefit to using BESS within the electricity grid (on the assumption that BESS exports would otherwise be met by fossil generation). However, BESS will also displace fossil fuel-based energy generation operating as a backup system (which is often kept “warm” in advance of use), and it therefore enables the avoidance of emissions greatly in excess of the differential between the carbon associated with the energy imports and exports.

The current BESS avoided emissions methodology utilised by the fund was developed in partnership with the Carbon Trust in 2022. More detail on the methodology applied for this is set out below. It should be noted that, at this stage, the carbon avoided methodology does not account for lifecycle carbon impact, i.e. carbon emissions associated with the supply chain and construction of the assets.

On this measure, the carbon avoided by the Company’s BESS investments is calculated as follows:

YE 31 December 2022	510,291 tCO ₂
YE 31 December 2023	677,775 tCO ₂
YE 31 December 2024	596,764 tCO ₂
YE 31 December 2025	336,268 tCO ₂



Task Force on Climate-related Financial Disclosures (TCFD)

Carbon emissions avoided methodology

Scope 2 emissions show the net carbon emissions impact of assets' operations through energy consumption. This methodology for BESS assets is such that the net metering, i.e. import and export of energy by each battery, is assumed to be consumed / avoided at the average intensity of the national grid for each half hour.

This calculation demonstrates the operational carbon emissions of the assets but does not reflect the important role of BESS assets when it comes to broader grid carbon emissions and their role in supporting increased penetration of renewables and decreased use of carbon-intensive energy generation. The Scope 2 methodology omits two key aspects of the broader role of BESS that should be factored into carbon avoidance methodologies:

1. no value is attributed to BESS services offered such as Frequency Response and the renewable generation this allows on the system; and
2. whilst trading, the battery exports would replace the next marginal asset that would otherwise be called upon, which would be a higher carbon intensity technology such as gas, than the average intensity on the grid. Therefore, the emissions avoided should reflect the marginal unit carbon cost and not the average intensity.

As shown in the chart on the previous page, imports are typically carried out during half-hourly periods when carbon intensity is lower, whilst exports are typically delivered during higher-carbon intensity periods on the grid.

Low prices are typically driven by high output from renewables, leading to lower grid carbon intensity, whilst high prices are typically driven by periods of lower renewables output when power is delivered by higher carbon-intensive and more expensive power technologies, such as gas.

The average carbon intensity of the grid is relatively stable due to a general high prevalence of gas and, therefore, the difference between high and low carbon intensity is often relatively small on any given day. BESS will typically result in net consumption of energy as a result of round-trip losses, i.e. it imports a greater volume of energy than exported with a resulting "carbon consumption". Unless consideration is given to the wider carbon emission benefits that BESS assets enable, i.e. Frequency Response enabling greater reliance on renewables, the carbon emissions impact of these assets will be misstated.

Therefore, we have worked with third-party data providers to factor in the benefit from assets providing Frequency Response services. The avoided emissions are calculated by comparing calculated emissions against a baseline emission should these BESS assets not be available to the electricity grid operators.

In the case of a BESS asset performing Frequency Response services, the baseline is assumed to be a plant at the operating margin. For the purposes of the estimation, it is assumed that a BESS asset would maintain a state of charge of 50% in order to provide headroom in the battery to deliver upwards and downwards actions and, therefore, when comparing against the baseline, it is assumed that only half of the nominal battery capacity is used. This is multiplied by the number of hours in which the BESS asset was operational in the service and then multiplied against the average operational margin grid carbon intensity. The baseline calculation is therefore summarised as:

Grid stability baseline emissions = 50% BESS capacity x no. hours in service x grid operational margin.

This baseline is then compared to the calculated emissions to estimate the emissions avoided. The approach taken is likely to result in a conservative estimation of the avoided emissions as it only factors in the emissions avoided during periods of Frequency Response services and not emissions avoided through trading. The calculation also uses average carbon intensity rather than marginal asset intensity.

Under the current methodology, the estimated carbon emissions avoided from our portfolio for 2025 was 336,268 tCO₂ (2024: 596,764 tCO₂).



Sustainable Finance Disclosure Regulation (SFDR)

Under the EU SFDR, the Company is required to provide periodic disclosure as referenced in Article 8 of Regulation (EU) 2019 / 2088. The following section provides required disclosures as per Annex IV.

Product name: Gresham House Energy Storage Fund plc

Legal entity identifier: 213800MSJXKH25C23D82

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020 / 852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and / or social characteristics promoted by this financial product met?

Environmental and / or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: __% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input type="checkbox"/> It promoted Environmental / Social (E / S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy with a social objective <input checked="" type="checkbox"/> It promoted E / S characteristics, but did not make any sustainable investments

The environmental characteristic promoted by the Gresham House Energy Storage Fund plc (the "Company") is its commitment to investing in and increasing battery energy storage system (BESS) capacity to support the decarbonisation and electrification of energy systems. BESS play an essential role in supporting the decarbonisation of energy systems and consequently the broader economy. In this way, the Company aims to contribute positively to climate change mitigation and net zero strategies.

The Company retains its commitment to invest in and increase BESS capacity to support the decarbonisation of energy systems. In the last reporting year, the Fund successfully completed the development of 227MW of new operational capacity.

The increased adoption of BESS contributes, through enabling increased penetration of renewables, to the decarbonisation of the UK energy system where the Company has historically focused its investment activity.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Sustainable Finance Disclosure Regulation (SFDR)

● How did the sustainability indicators perform?

The Manager uses the following sustainability indicators to assess the adherence of the Company to the environmental characteristics:

- Total operational battery energy storage capacity (megawatts (MW) and megawatt hours (MWh))
- Total battery energy storage capacity under construction (megawatts (MW) and megawatt hours (MWh))

As identified in pre-contractual and website SFDR disclosures, the Company intended to measure, monitor and report on carbon emissions avoided (tCO_{2e}) as a result of the operation of BESS and increase in BESS capacity. The Manager has determined an interim methodology to estimate the carbon emissions avoided through the increased adoption of BESS in energy systems. This is reported below for 2025.

The table below shows the performance of the Company against its sustainability indicators for 2025 and 2024. The indicators show an increase in the total operational battery energy storage capacity and an increase in capacity under construction. This demonstrates that the Company is continuing to contribute to supporting the decarbonisation of energy systems.

Indicator	2025	2024
Total operational BESS capacity (MW)	1,072	845
Total operational BESS capacity (MWh)	1,701	1,207
Total BESS capacity under construction (MW)	-	227
Total BESS capacity under construction (MWh)	-	454
Total carbon emissions avoided [from operations] (tCO ₂)	336,268	596,764

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Sustainable Finance Disclosure Regulation (SFDR)



What were the top investments of this financial product?

Largest investments	Sector	% of portfolio by value at 31 December 2025	Country
Melksham	BESS	10.9	United Kingdom
West Bradford*	BESS	8.9	United Kingdom
Elland*	BESS	5.7	United Kingdom
Grendon	BESS	5.6	United Kingdom
West Didsbury	BESS	5.6	United Kingdom
Penwortham	BESS	5.5	United Kingdom
Enderby	BESS	5.5	United Kingdom
York*	BESS	5.0	United Kingdom
Shilton Lane	BESS	4.6	United Kingdom
Stairfoot Generation	BESS	4.6	United Kingdom

*West Bradford, Elland and York are held under one SPV (UK Battery Storage Limited).

The list includes the investments **constituting the greatest proportion of investments** of the financial product during the reference period which is: **1 January to 31 December 2025**



What was the proportion of sustainability-related investments

What was the asset allocation?

All assets invested in by the Company were battery energy storage system assets.

c.98% of the Company's investments, based on connection capacity (MWs), are aligned with the environmental and / or social characteristics of the Company. The remaining 2% of the Company's investments qualified as "#2 Other" investments. The Company did not make any sustainable investments.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E / S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

All assets invested in by the Company (100%) were in the energy sector, more specifically, the investments in the year were into battery energy storage system assets.

Sustainable Finance Disclosure Regulation (SFDR)



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● **Did the financial product invest in fossil gas and / or nuclear energy-related activities complying with the EU Taxonomy¹?**

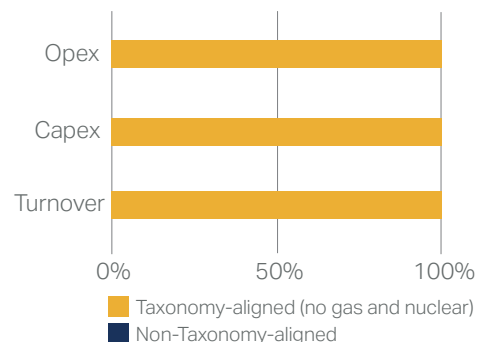
- Yes:
 - In fossil gas
 - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:

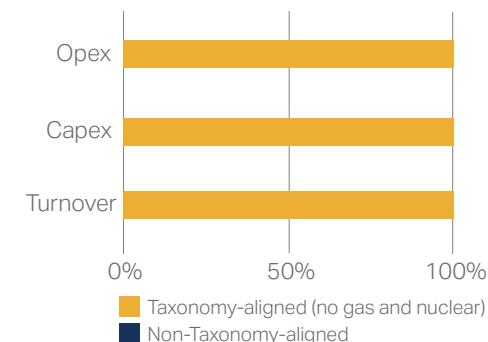
- **turnover**, which reflects the “greenness” of investee companies today;
- **capital expenditure (capex)**, which shows the green investments made by investee companies, relevant for a transition to a green economy; and
- **operational expenditure (opex)**, which reflects the green operational activities of investee companies.

The graphs show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



* For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Company did not make any taxonomy-aligned investments, including investments in transitional and enabling activities. The share was therefore 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

1. Fossil gas and / or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022 / 1214.

Sustainable Finance Disclosure Regulation (SFDR)



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Company did not make any sustainable investments, including sustainable investments with an environmental objective not aligned with the EU Taxonomy. The share was therefore 0%.

Are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020 / 852?



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“Other” category investments include a legacy asset that uses mostly gas engine technology to provide power to the grid although it does have a small amount of BESS (used as primary energy source before gas takes over). The Company no longer makes, and is not able to make under its investment policy, new investments in assets using fossil fuels.



What actions have been taken to meet the environmental and / or social characteristics during the reference period?

As discussed above, the Company continued to invest in and build out BESS capacity during the period. In addition, the Manager worked to improve carbon emissions data measurement and quality, and to develop a methodology to estimate carbon emissions avoided through the Company’s BESS assets.

The Manager continues to work to gather more carbon-related data at construction stage and across the lifecycle of BESS components to understand the lifecycle carbon emissions impact.

In addition, the Manager continues to engage with relevant government and industry stakeholders to drive forward initiatives to support the decarbonisation of energy systems and understanding of the mechanisms required to support greater renewables penetration in the future.





Gresham House
Specialist investment