



Gresham House
Specialist investment

The Growth Plan

Ben Guest (Managing Director, Energy Transition)

Optimising capital allocation to maximise ROE

Updated Plan minimises equity capital requires to deliver similar EBITDA growth, maximising ROE

Significantly reduced equity required to fund growth, as follows:

Augmentations scaled back

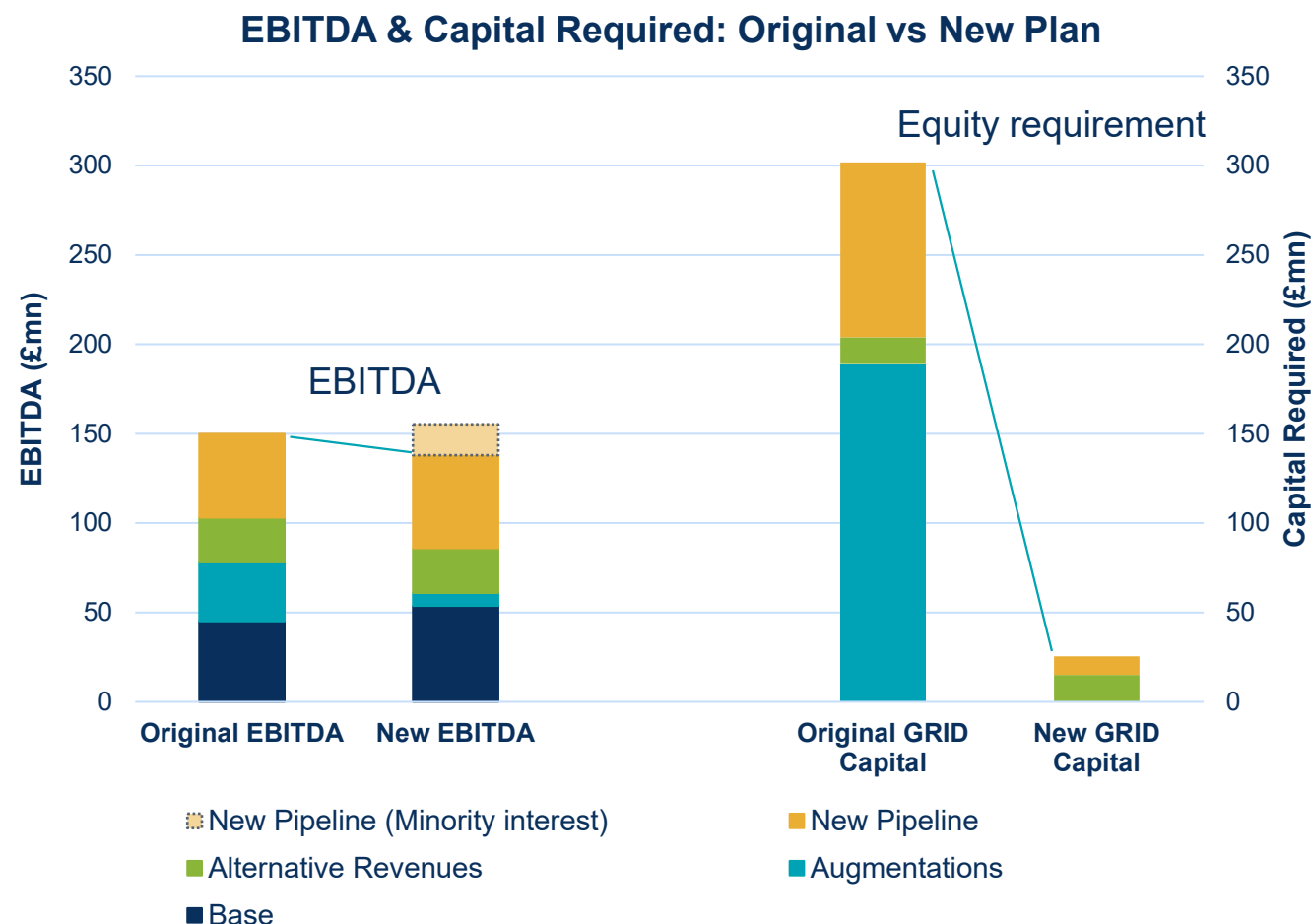
- Funded via upsized senior debt in 2025. No additional equity required

New Projects

- Funding formula which unlocks growth
 - **Senior** debt at project-level
 - **Junior** facility which is export credit agency-backed
 - **Equity** via strategic funding partnership

Alternative Revenues

- Only regulatory and working capital required. No significant investment as this unlocks additional revenue on existing investments.



GRID's updated Growth Plan

Summary

- £141mn run-rate EBITDA by 2029 and assumes 75% of each new pipeline project.

Augmentation to 2-hour duration optimizes the ROIC

- Capacity increase: 350MWh vs 1,500MWh
- EBITDA upside £7mn**, down from £33mn
- Capex drops by c.£180mn, from c.£235mn
- Next step likely to 8-hour duration

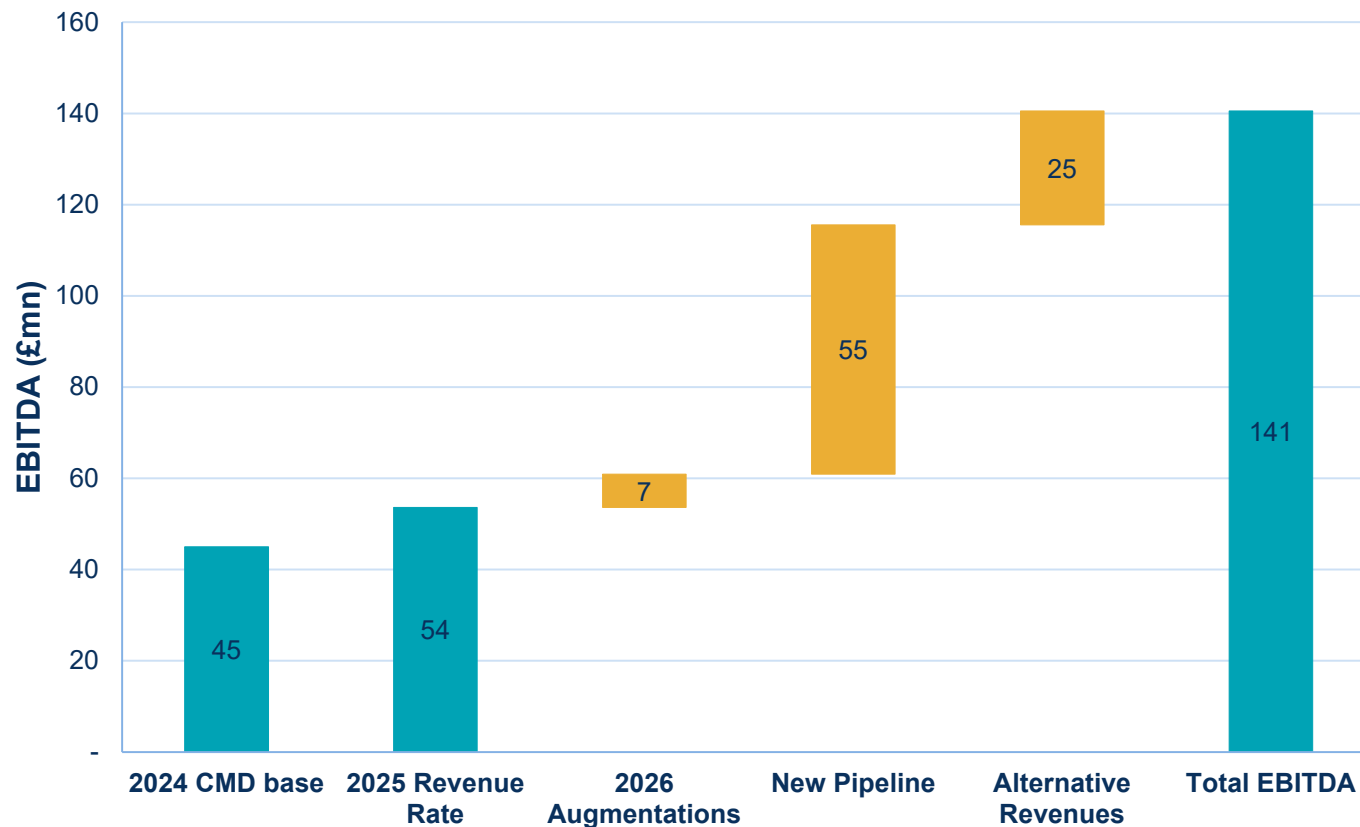
Pipeline increased – new 480MW projects

- Pipeline increased to 1174MW; 75% ownership
- EBITDA uplift now £55mn** vs £47mn

Alternative Revenue plans unchanged

- EBITDA target unchanged at £25mn**
- Successful trials

Updated Growth Plan - EBITDA bridge



Past performance is not necessarily a guide to future performance. Target returns are not guaranteed. Capital at risk.

Bridge assumptions: 2025 Run-rate 1,072 MW operational, 1.6h blended duration, c.£70k/MW/yr revenue | Augmentation +350 MWh across 9 sites, 1.9h duration target;

£7k/MW/yr uplift based on Q4 2025 revenue curves

New Pipeline 1,174 MW (incl. Rayleigh) @ 2h c.£79k/MW/yr, 75% ownership | Alternative Revenues £25m run-rate target (unchanged from original 3YP)

Summary of updated Growth Plan

2025: Construction completion and tolling underway

Base case EBITDA
£45mn → £54mn as backdrop improves

2025-2026: Augmentation of existing portfolio

1.5GWh scaled back to 350MWh for now

2026-2029: New investment pipeline

680MW → 1174MW
remaining 777MW aiming for 2029

2025-2027: Alternative Revenue

Agreement signed -
staged scale up underway

2030: Post Growth Plan Completion - EBITDA

Target EBITDA
£141mn

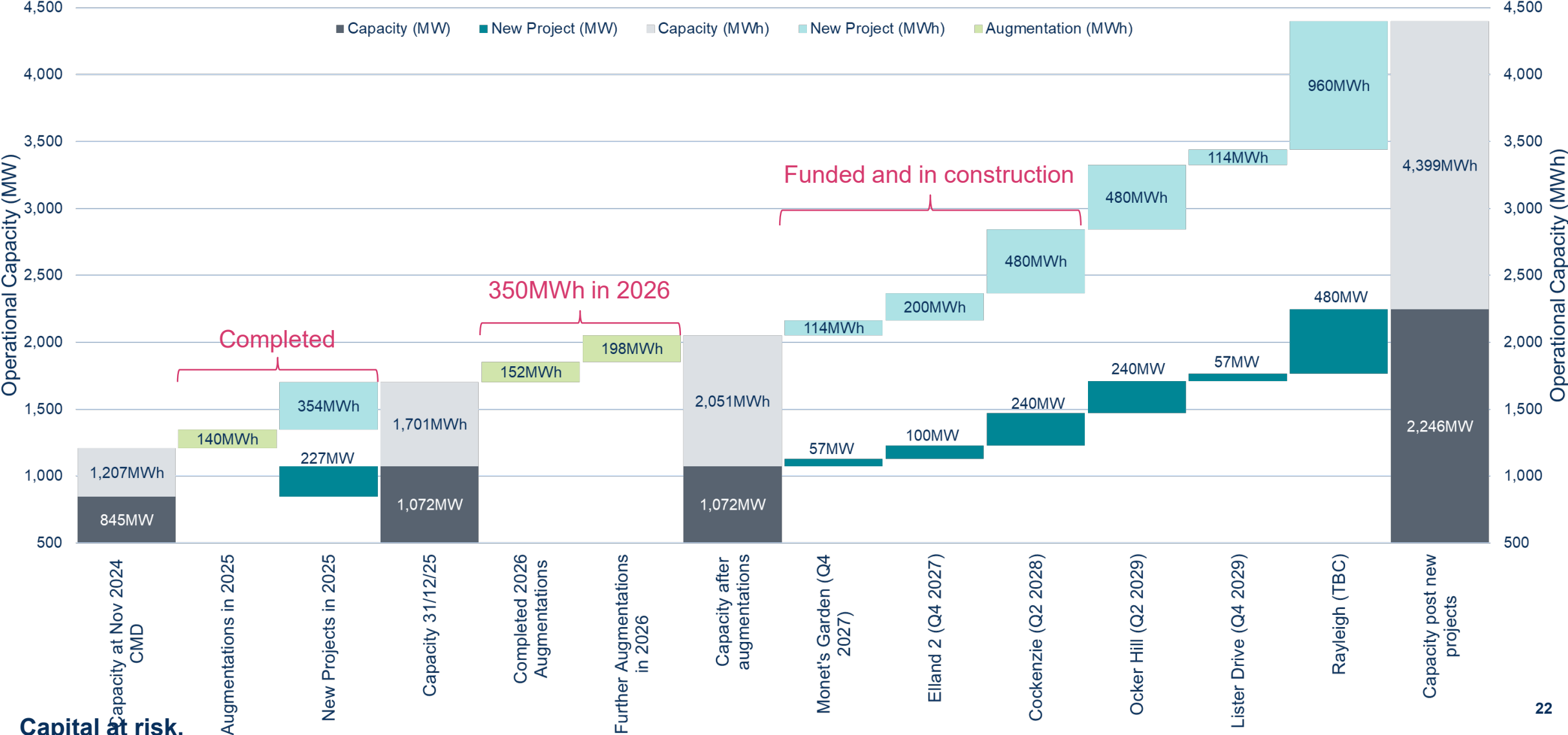
2030: Post Growth Plan Completion – Funding & Gearing

Debt within limits & equity funding minimised –
increasing ROE

Targets are not guaranteed. Capital at Risk.

We are growing!

Capacity Growth since 2024 Capital Markets Day



Growth Plan drives significant NAV upside

- Current NAV is 114p per share
- Company has modelled a 56p increase on 1,174MW pipeline¹ assuming £850k/MW valuation for 2-hour projects and a £487k/MW total project cost (see table below). Assumes 75% ownership of each project.
- Contribution to NAV growth expected from Q2 2026: Cockenzie, Monets & Elland 2 represent a third of pipeline
- NAV upside requires limited capital from GRID funded from operational cashflows
- No NAV upside modelled for Alternative Revenues or any longer duration New Pipeline projects

		Operational Asset Net Present Value (£/MW)					
		p/Share impact ²	750,000	800,000	850,000	900,000	950,000
Total cost to build (£/MW)	425,000	50.3	58.0	65.8	73.5	81.2	
	450,000	46.4	54.2	61.9	69.6	77.4	
	475,000	42.6	50.3	58.0	65.8	73.5	
	500,000	38.7	46.4	54.2	61.9	69.6	
	525,000	34.8	42.6	50.3	58.0	65.8	
	550,000	30.9	38.7	46.4	54.2	61.9	

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- This is not a target and is calculated as: (Operational NPV per MW – Total Cost per MW) x 1,174MW x 75% x 100p / 569,064,139 ordinary shares
- NAV per ordinary share may fluctuate based on a range of Operational NPV per MW and Costs per MW. Operational NPV per MW is sensitive to third party revenue curves





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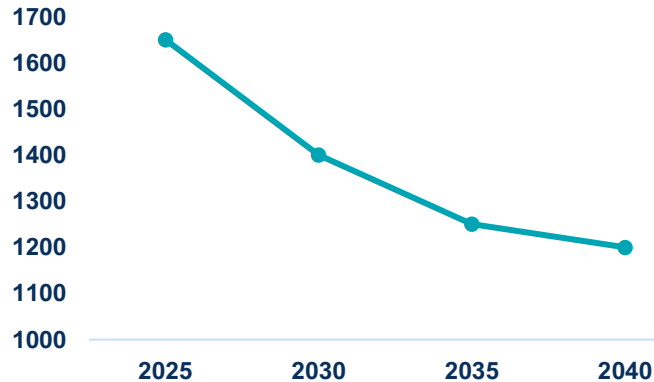
1. Augmentations – Design Strategy

Ben Guest (Managing Director, Energy Transition)

Supporting evidence for the value of BESS for LDES³ as costs fall

Capex costs falling fast¹

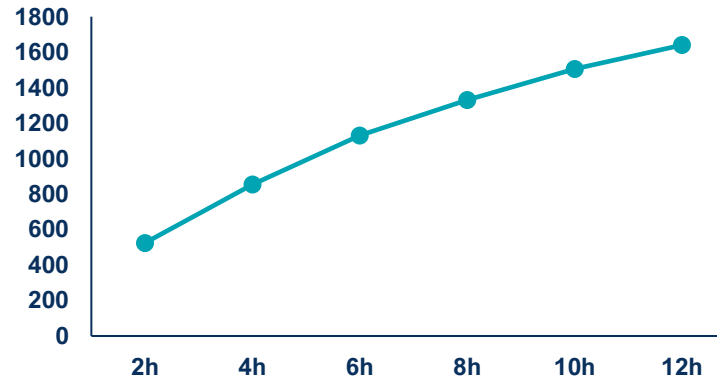
10h duration lithium-ion BESS project cost forecast (£/kW in 2024 prices)



- **-33%** BESS prices in 2024 alone (BNEF)
- Augmentation does not require new land, grid & some civils costs

System value rises with duration²

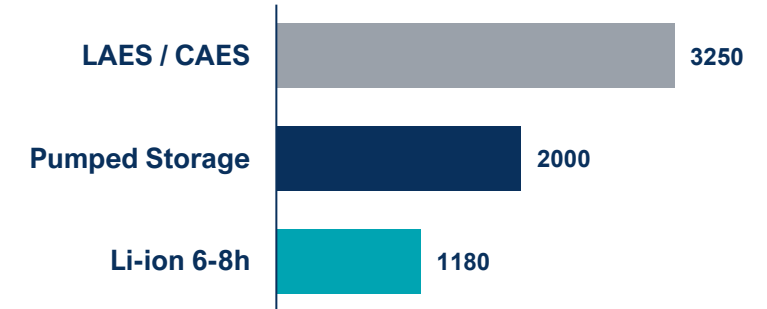
2030 system value by duration (£/kW) as a net present value of savings



- System value² rises from **~£550/kW at 2-hour durations** to **~£1,640/kW at 12-hour durations**

BESS is the lowest cost LDES solution ¹

2025 CapEx by tech (£real 2024 / kW)



- Li-ion benefits from a volume-driven learning curve
- Cost of (PSH) pumped storage hydro have risen with inflationary pressures

1. LCP Delta, Value of long-duration BESS to the GB power system, April 2025

2. System value: the system benefit, in terms of system cost reduction, per unit capacity on a lifetime NPV basis (discounted at the social discount rate of 3.5%).

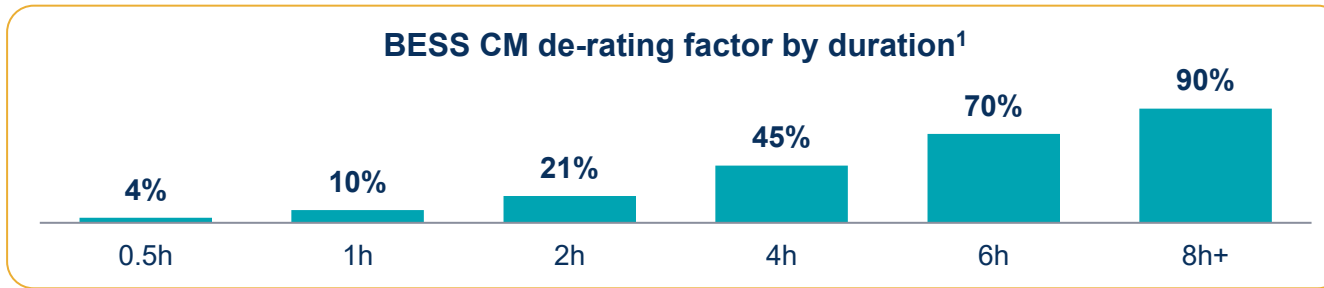
If the system value exceeds CapEx, then building additional BESS at this duration is beneficial to the system.

3. LDES = Long duration energy storage, which is any project of an 8-hour or longer duration. LAES = Liquefied Air Energy Storage. CAES = Compressed Air Energy Storage.

Project design: 8-hour duration, the obvious next step

Market rationale & Route-to-Market

- Long duration BESS capture power price spreads for longer
- Capacity Market contracts & Floors/Tolls or LDES contracts provide routes to market



Technical rationale: 8-hour BESS are much cheaper

- Similar BESS used in 2- and 4-hour designs
- 8-hour BESS are much simpler
 - Liquid-cooling removed = lower cost & better density
 - Lower charge-discharge rates = better round trip efficiency & cycle life
 - Less auxiliary load = lower cost & better round trip efficiency
 - More suited to system's needs

1. NESO Electricity Capacity Report 2024 (scaled EFC methodology, T-4 2028/29 delivery year).



How 8-hour BESS design impacts our plans

1. 2026 Augmentation programme limited to c.2-hour augmentations

Site	Connection capacity (MW)	Initial BESS capacity (MWh)	Augmented BESS Capacity (MWh)	Target completion date
Glassenbury	50	38	110	Completed April '26
Stairfoot	40	40	120	Completed April '26
Roundponds	20	26	50	Q3 2026
Red Scar	50	74	110	Q3 2026
Tynemouth	25	17	60	Q3 2026
Rufford	7	9	20	Q3 2026
York	50	76	125	Q4 2026
Thurcroft	50	75	110	Q4 2026
	292	355	705	

Further potential augmentations within portfolio not currently included in revised plans

Capital at risk

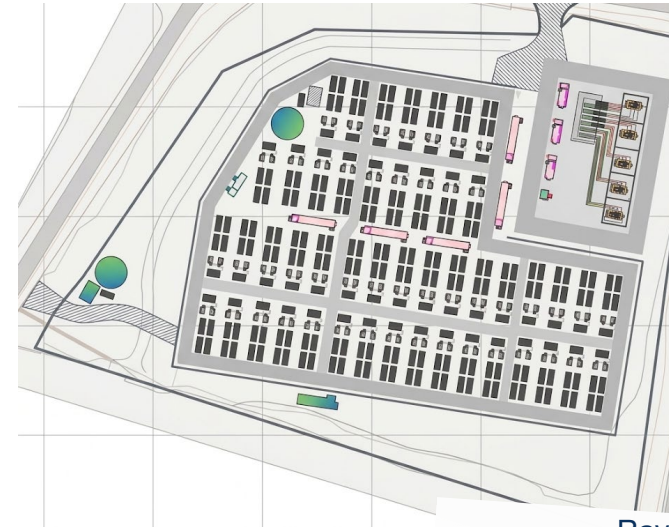


How 8-hour BESS design impacts our plans

2. New Pipeline could now be built to an 8-hour duration

- Ocker Hill (240MW) and Rayleigh (480MW) represent 61% of 1174MW pipeline
- Currently assumed to be built to a 2-hour duration
- They may be built to an 8-hour duration, subject to review:
 - Large land parcels
 - LDES scheme or a Floor-plus-Capacity Market contract provide viable routes to market
 - Later commissioning allows time for 8-hour equipment to ramp up manufacturing
 - Anticipate capital to be available
 - Longer duration projects are more future-proofed, reflecting what the UK market needs incrementally
- Resulting portfolio duration would reach c.3.9 hours

Rayleigh 2-hour design



Rayleigh 8-hour design





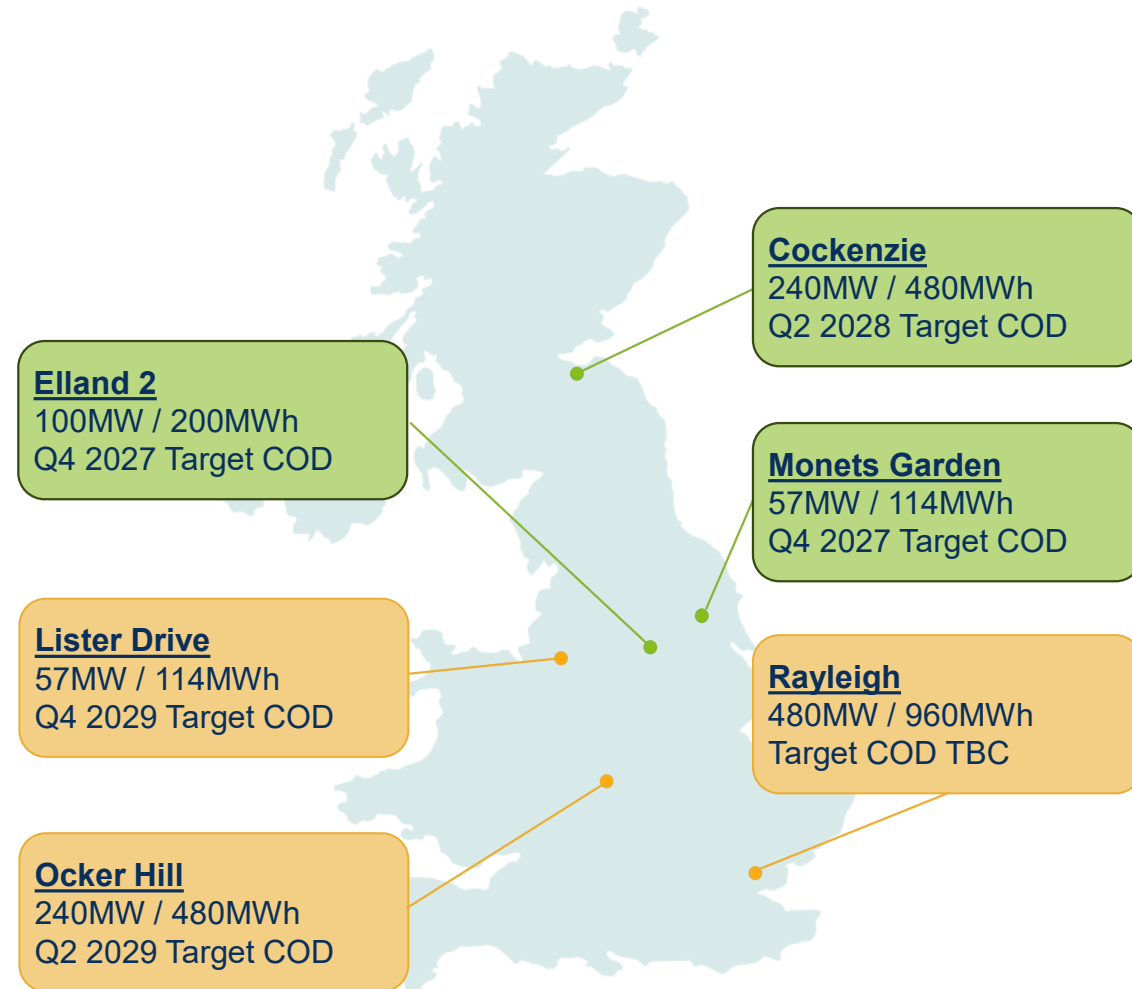
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2. Pipeline Update and Funding Strategy

James Bustin (Associate Director, Energy Transition)

How is the New Pipeline changing?

- Rayleigh (480MW) added to pipeline
- New Pipeline increased to **1,174MW / 2,348 MWh**
- 397MW targeting connection in 2027
- 777MW targeting connection by y/e 2030
- Pipeline doubles installed capacity & adds **£55mn¹ to EBITDA**



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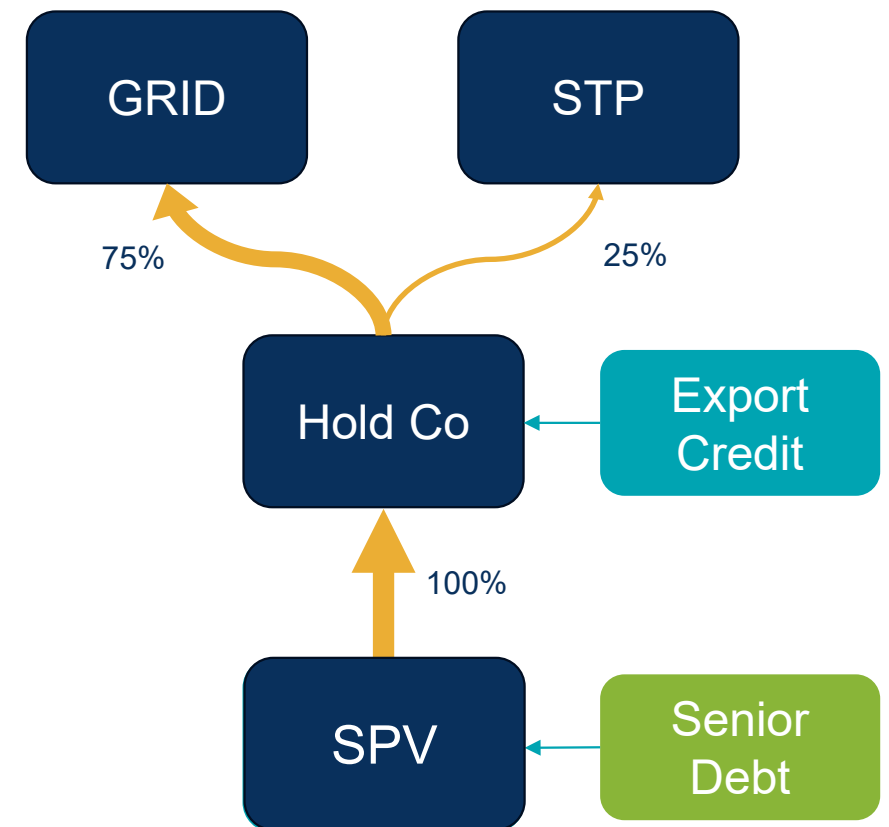
1. EBITDA assumptions for the new pipeline assets inline with the base case scenario for the revised plan

Funding unlocked for future growth

Seeking to deliver growth and attractive equity returns whilst limiting capital requirements

- **Funding secured for 3 projects (397MW):**
 - **Equity funding:** sold 25% stakes at premium pre-money valuation
 - **Senior debt:** project financing covers 70% of total cost
 - **Export credit agreements:** on 297MW covering 50% of BESS equipment cost
- **No cross collateralisation**
- **Template for future growth**
- **Outcome: Win-win for GRID and its partners:**
 - Attractive ROIC for GRID and our equity partners
 - GRID exchanges dilution for lower net equity commitment
 - Long term partnership established

Individual Project structures



Export Credit Agency (ECA) and Senior Debt facilities

Export Credit Agency backed facilities

- Secured Monets Garden and Cockenzie
- Landmark transaction - first of its kind for BESS
- Defers 50% of BESS payments over 10 years
- Fixed rate debt: priced at SONIA + 160bps
- Repeatable funding approach



Capital at risk

Senior Debt

- On up to 70% of the total project costs
- 15+ years amortisation profile
- Flat 250bps margin over SONIA for life of the facilities
- £141mn to invest across Cockenzie, Monets and Elland 2.
- Completes the funding for the first three pipeline projects
- Variable repayment structure allows further flexibility against downside revenue environments.
- Repeatable funding approach can be used on future pipeline

Summit Transition Partners (STP)

Strategic Joint Venture

- GRID has established a long-term partnership with STP, a joint venture between Sumitomo Corporation and TPK Holdings
- Establishes a key funding relationship while not eliminating other options

5

UK pipeline projects

~694 MW

total planned capacity

25%

STP stake in each project

- **Initial close:**
 - 25% stake sold in three projects.
 - Majority of consideration paid at completion
 - balance deferred to construction milestones.
- **Exclusivity:**
 - Agreements for similar transaction on Lister Drive and Ocker Hill, subject to other financing
- **Strategic value:**
 - Equity raised at a project level unlocks investment in pipeline.
 - Strategic partnership can unlock broader potential

Meet our partners

Sumitomo Corporation

US\$3.8bn

FY25 net income

83,000+

employees

508

group companies

63

Countries and regions

- **Global energy platform:** Offshore wind in UK, Belgium and France; onshore wind in US, Egypt, South Africa and China; LNG and thermal generation across the US, Asia and the Middle East
- **BESS heritage:** operating storage assets in Japan and optimising BESS via wholly-owned OPTECH Energy
- **UK commitment:** MoU signed with UK Office for Investment in July '25. This JV is the one of the major projects under that framework

TPK Holdings

US\$2.0bn

FY25 Revenue

13,000+

employees

3,360+

Technology patents

10

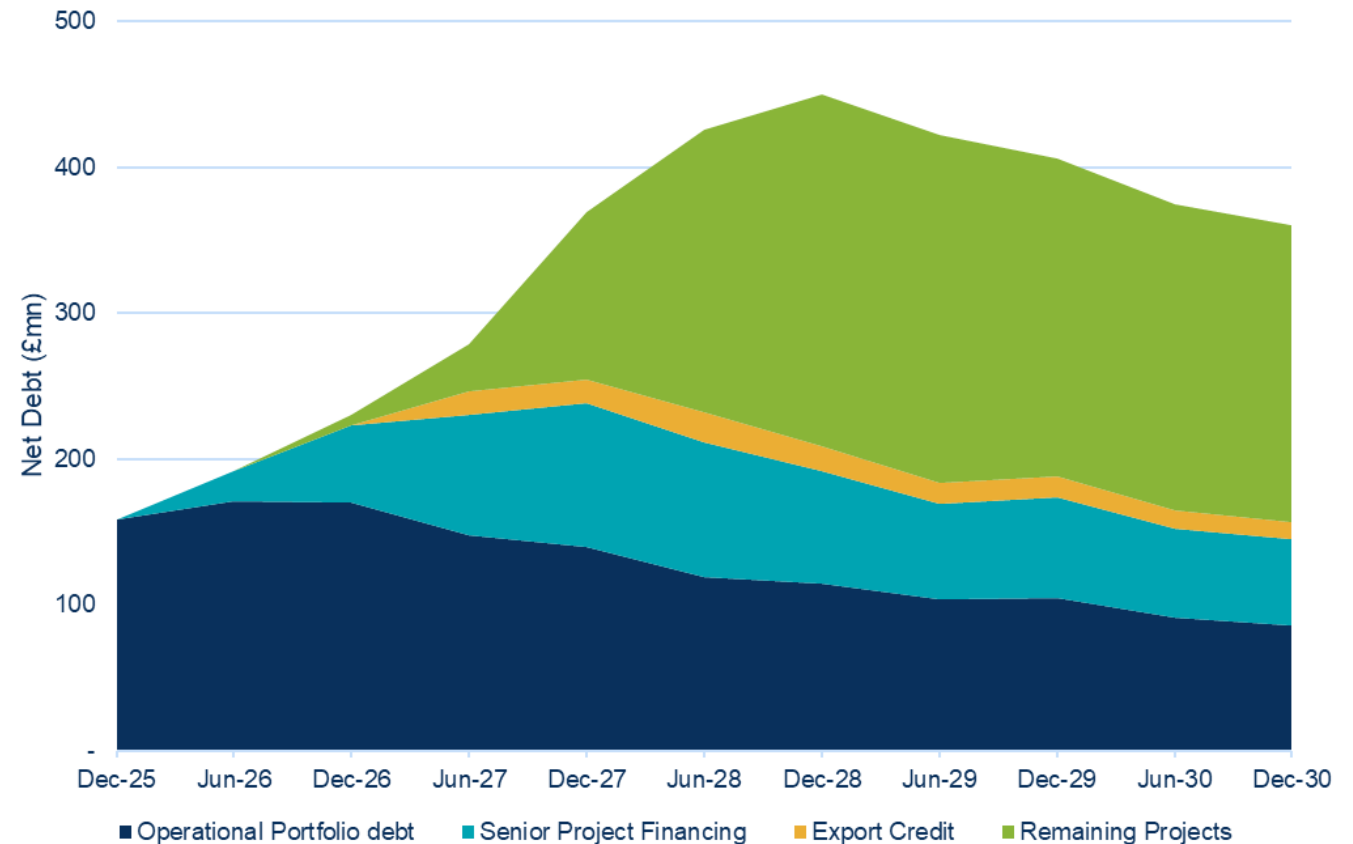
Manufacturing bases

- **Technology innovator:** a leading touch technology manufacturer, empowering industrial transformation through innovation
- **Role in STP:** brings advanced supply-chain expertise

Controlled Leverage through growth phase

Setting up capital to execute the new pipeline

- Overall net debt level will not exceed 50% of NAV limit - equivalent to c.30% of GAV today
- Debt levels expected to grow as remaining projects are financed.
- Debt servicing substantially covered by contracted revenues
- Amortising structure of debt allows phasing of projects whilst maintaining debt limits.



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Sources: Gresham House. Revenue rates and costs consistent with debt and valuation models. Debt balances follow agreed repayment profiles and for simplicity, no earnings contributions assumed for Lister, Ocker, and Rayleigh over the forecast period



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3. Alternative Revenues

Ben Guest (Managing Director, Energy Transition)

Alternative revenues

Scaling up after successful trials

Key attractions

- **Additive revenues:** Adds to (not replaces) existing optimisation arrangements
- **Naturally inversely correlated** to current trading strategy
- **Extensively validated:** Back-tested through historical data and two live revenue trials

Expected outcomes

- Increase the Company's total revenues by increasing revenue per MW
- Improve risk-adjusted returns across the portfolio
- Expected revenue rate of £5-10/MW/hr (Trial period achieved £307k, equivalent to £22.7/MW/hr)



Earnings impact through to 2030

- Alternative revenue strategy to be scaled up over time and eventually implemented across half the portfolio
- The Manager is still confident in achieving **£25mn** in incremental annualised earnings from this strategy
- On 500MW, this would require a revenue rate of £5.7/MW/hr

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Source: Gresham House Energy Storage Fund plc, Annual Report to 31 December 2025

Alternative revenues- backdrop

To date, revenues have been generated through trading in the Wholesale (intraday and day ahead) markets or in the Balancing Mechanism and by offering frequency response services

Challenge on revenues to date

- Very high skip rates and NESO Control room attitudes to prioritisation of long-notification assets, such as gas-fired generation
- Resulting income earned by BESS has disappointed
- Felt that it is wrong that BESS earn just 2-3% of the final electricity price

Outlook for BESS

- NESO systems are improving to be able to remove biases in favour of gas-fired generation (CCGTs)
- CCGTs going offline over medium term

GRID's alternative revenue plan

- We have seen the need to **diversify** away from NESO and the spot wholesale market by trading over longer time horizons
- The challenge has been in executing this from a route to market perspective
- We have found a solution providing confidence in our £25mn EBITDA target.

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Alternative revenues – how it works

How it works, at a high level

Current revenues:

GRID buys and sells power short term, only selling what it buys.

Alternative – and additional revenues:

Commit to sell power over longer periods in larger volumes matched with a similar volume of supply

This captures a new 'spread' which is contracted over the long term (e.g. 12 months).

Then,

- GRID's portfolio manages imbalances between this supply and demand through trading volume imbalances
- These trades are essentially the same trades it already carries out intraday. The only difference is that, for this strategy, these trades protect a spread, while for the existing strategy it creates the spread.
- As such, we are adding a new layer of revenues which excels if the existing strategy struggles (i.e. if markets are flat) and vice versa if markets are volatile – hence inversely correlated.
- The breakthroughs the Company has achieved include
 - Understanding the opportunity
 - Modelling the risks having done extensive back testing and trialling
 - Deriving a trading strategy
 - Identifying a route to market which can be layered onto existing portfolio revenue commitments

An aerial night photograph of an industrial facility, likely a power plant or refinery, surrounded by agricultural fields and a body of water. The facility's complex network of pipes and structures is brightly lit, and a large parking lot in the foreground is filled with numerous trucks, also illuminated. The surrounding landscape is dark, with some fields and a winding river visible.

Conclusion

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