

GRESHAM HOUSE ENERGY STORAGE FUND PLC FACTSHEET AS AT 30 JUNE 2019



SUMMARY

Gresham House Energy Storage Fund plc (GRID or the Fund) seeks to capitalise on the growing intraday supply and demand imbalances caused by Great Britain's ever increasing reliance on renewable energy. The Fund aims to provide investors with an attractive and sustainable dividend by investing in a portfolio of utility-scale Energy Storage Systems (ESS) located in Great Britain, which primarily use batteries to import and export power, accessing multiple revenue sources available in the power market.

The Fund targets a Net Asset Value (NAV) total return of 8.0%+ per annum, once the Fund is fully invested, before leverage and net of Fund expenses, and a minimum target dividend of 7.0p per Ordinary Share^{1,2}. Returns are not correlated to the absolute level of wholesale power prices and are not dependent on any subsidies.

FINANCIAL & OPERATIONAL HIGHLIGHTS

The Fund continues to perform well having generated sufficient cash to date to meet the dividend target set for 2019 of 4.5p. Over the last three months, the Fund has continued fundraising under the Placing Programme which remains open until 16 October 2019. In May, an additional £49.7m was raised at 101.0p per share and in July 2019 a further £15.3m at 105.0p per share. This leaves a potential 36.1 million shares to be issued before 16 October 2019 under the Placing Programme. The Manager remains on track to have fully deployed IPO proceeds within 12 months of the IPO and by the end of first quarter 2020, with regard to funds raised in May and July 2019.

Operationally, the Seed Projects have performed as expected against their Firm Frequency Response (FFR) contracts, reflecting good technical performance of the projects. There has been significant activity, with the Manager focusing on readying the Seed Portfolio for migration to the electricity trading-centric Asset Optimisation strategy (see below). The Manager is also closing agreements with trading counterparties having gone through an extensive review of the market to identify the strongest participants. In addition, the acquisition of a 5% stake in Noriker Power Limited, a developer of energy storage assets, has been completed. This further consolidates the strategic alliance between Noriker and the Fund and provides shareholders with the opportunity to participate in potential development profits.

From a cost perspective, the Manager is taking advantage of the Fund's growing scale - optimising O&M and insurance agreements in particular, at levels significantly below those achieved by the Seed Portfolio.

KEY FACTS AS AT 30 JUNE 2019

Ticker:	GRID
Share price (mid-market):	104.0p
NAV per share:	100.7p
Market capitalisation:	£155.2m
Net assets:	£150.3m
Mgt. fee:	1.0% net assets <£250m 0.9% net assets from £250m-£500m 0.8% net assets >£500m
2019 target dividend per share:	4.5p (7.0p: 2020)
Shares in issue:	149,228,000

KEY INFORMATION

Listing:	LSE UK Specialist Fund Segment
SEDOL:	BFX3K77
ISIN:	GB00BFX3K770
Registration:	UK
Dividend frequency:	Quarterly
Year end:	31 December

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PORTFOLIO ACTIVITY & MARKET OUTLOOK

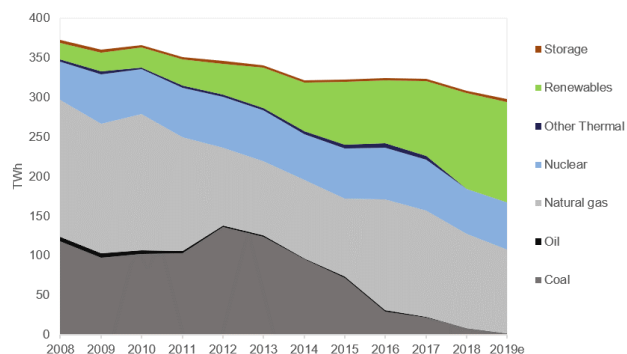
The Fund has completed its acquisition of the 5MW Wolverhampton project, which was commissioned in April 2019. With regard to new projects, the 49MW Longridge project (a.k.a. Red Scar) is now under construction and will be acquired once fully commissioned, which is expected in November 2019. Three further projects are expected to begin construction over the next few weeks totalling 105MW, thereby committing all funds raised to date. As a result, the Fund is expected to have 229MW in operational projects by the end of Q1 2020, representing the UK's largest portfolio of energy storage projects.

The blackouts of 9 August have received widespread media coverage and highlight the challenges the grid faces when renewables generate most of the power. At the time of the outage, wind energy was generating c.50% of the electricity on the grid due to windy weather. We are excited about the potential for more battery capacity to be procured for frequency response services. Baseload gas and coal generating capacity, which due to the sheer mass of the turbines involved can help to absorb rapid changes in supply or demand, are being decommissioned at an increasing rate, reducing remaining baseload capacity to unprecedented levels. Less baseload reduces what is called 'inertia' and makes the grid frequency inherently less stable. This instability is addressable with more battery capacity. The falling levels of baseload capacity also raise the prospect of greater power price volatility.

Referring to the upgrades mentioned above, the Manager is committing to larger batteries than anticipated at IPO wherever possible in order to increase the potential trading income of the projects.

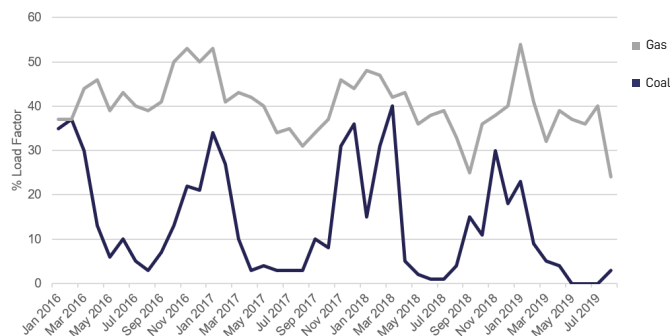
1. This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Fund will make any distributions at all. This target return should not be taken as an indication of the Fund's expected or actual current or future results. The Fund's actual return will depend upon a number of factors, including but not limited to the Fund's net income and the Fund's ongoing charges figure. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Fund
2. 4.5p+ per Ordinary Share in the first year

UK ELECTRICITY GENERATION BY FUEL TYPE



Source: BEIS: Reference Scenario in Annex J, 2018 Updated Energy & Emissions Projections

FALLING LOAD FACTORS OF COAL AND GAS-FIRED GENERATION



Source: Aurora Energy Research

The charts above illustrate the rising market penetration of renewables at the expense of baseload coal and gas generation and the impact this is having on load factors for baseload generation. These trends point to rising instability and power volatility, which is beneficial for battery energy storage systems.

CURRENT PORTFOLIO

Project	Location	MW	Site type	Commissioning
Staunch	Staffordshire	20	Battery and generators, 0.5MW import	Operational
Rufford	Nottinghamshire	7	Battery and generators, symmetrical	Operational
Lockleaze	Bristol	15	Battery, symmetrical	Operational
Littlebrook	Kent	8	Battery, symmetrical	Operational
Roundponds	Wiltshire	20	Battery and generators, 10MW import	Operational
Wolverhampton	West Midlands	5	Battery, symmetrical	Operational
Total		75		

PIPELINE

Project ¹	Location	MW	Site type	Commissioning ²
Wickham Market	Suffolk	50	Battery, 40MW import	Expected Q1 2020
Littlebrook 2 (extension) ³	Kent	5	Battery, symmetrical	Expected Q4 2019
Red Scar	Lancashire	49	Battery, symmetrical	Expected Q4 2019
Thurcroft	South Yorkshire	50	Battery, symmetrical	Expected Q1 2020
Total		154		

In addition to the above, the Manager has identified over 250MW of additional pipeline.

- All Pipeline projects are owned by Gresham House Group and exclusivity over the projects has been granted in favour of the Fund
- Expected commissioning dates are indicative and based on most recent conversations with relevant Distribution Network Operators (DNOs)
- Remains subject to planning consent

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