

18 April 2024

**Harmony Energy Income Trust plc**  
**(the "Company" or "HEIT")**

**AGM Trading Update**

Harmony Energy Income Trust plc, which invests in battery energy storage system ("BESS") assets in Great Britain, will hold its Annual General Meeting at 10.00 am today at the offices of Berenberg at 60 Threadneedle Street, London, EC2R 8HP. At the meeting, the Investment Adviser will provide a high-level portfolio and operational update for the 11 week period ended 15 April 2024.

**Portfolio & Operational update for the period 15 April 2024**

- On 11 March 2024 National Grid ESO launched the Balancing Reserve ancillary service.
- At the same time, National Grid ESO also amended the "15 minute rule" - a key constraint which had restricted the duration of actions awarded to BESS projects in the Balancing Mechanism.
- The Investment Adviser previously indicated that these two events would increase opportunities for BESS in the Balancing Mechanism. Indeed, volumes (in MWh) captured by the Company's portfolio from Balancing Mechanism activities have grown by 313% (January versus March), and the proportion of the Company's monthly revenue derived from Balancing Mechanism has increased from 15% (January) to 34% (April month-to-date).
- In addition to the above, we have also witnessed increasing wholesale market spreads caused by high penetration of wind generation in Great Britain during periods of low demand. This leads to low wholesale market pricing (and even periods of negative pricing) during which BESS has opportunity to be remunerated for importing power and subsequently selling at higher prices.
- As previously communicated, growing revenue opportunity in the Balancing Mechanism and/or wholesale markets is advantageous to 2-hour duration BESS, as both markets are priced in £/MWh, rather than £/MW.
- Like-for-like revenue (including Capacity Market revenue) has improved by c.58% from c.£45,500/MW/Year (January full month) to c.£72,000/MW/Year (April month-to-date):

Month	Like-for-Like Portfolio Revenue (unaudited and rounded to nearest £100/MW/yr)
January 2024	£45,500/MW/Year
February 2024	£45,600/MW/Year
March 2024	£59,400/MW/Year
April 2024 (month-to-date)	£72,000/MW/Year

- In addition to the above, the Company has recognised additional revenue during February 2024 relating to:
  - the Embedded Export Tariff ("EET") being accounted for in February. The EET is retrospectively awarded to generating assets in certain zones (in the Midlands and South of Great Britain) which exported power during the three half-hourly periods of highest demand during the winter months (November-February inclusive); and
  - adjustments to prior periods to account for reconciliations of revenue from Elexon and Tesla (in their role as revenue optimiser).

Taking into account these adjustments, the total revenue for February 2024 was £80,800/MW/Year.

The Company will publish further commentary (as well as further updates on the portfolio and an update on its strategy in relation to dividends and other methods of delivering value to Shareholders) in its next quarterly trading and net asset value (as at 30 April 2024) update before the end of May 2024. Until such time, the dividend policy remains as set out in the recent Annual Report and Accounts.

**END**

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**About Harmony Energy Advisors Limited (the "Investment Adviser")**

The Investment Adviser is a wholly owned subsidiary of Harmony Energy Limited.

The management team of the Investment Adviser have been exclusively focussed on the energy storage sector (across multiple projects) in Great Britain for over seven years, both from the point of view of asset owner/developer and in a third-party advisory capacity. The Investment Adviser is an appointed representative of Laven Advisors LLP, which is authorised and regulated by the Financial Conduct Authority.

**Important Information**

This announcement does not constitute an offer to sell or the solicitation of an offer to acquire or subscribe for shares in the Company in any jurisdiction. This distribution of this announcement outside the UK may be restricted by law. No action has been taken by the Company that would permit possession of this announcement in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this announcement should inform themselves about the distribution of this announcement in their particular jurisdiction.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and/or the plans of one or more of its investee companies and their respective current goals and expectations relating to their respective future financial condition and performance and which involve a number of risks and uncertainties. The Company's target returns are a target only and there is no guarantee that these will be achieved. This Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements.

It should also be noted that any future NAV per Ordinary Share announced by the Company in due course will, in addition to the matters described in this announcement, also be affected by valuation movements in the Company's Portfolio and other factors including, without limitation, purchase prices of battery energy storage systems and components, project development and construction costs, income and pricing from contracts with National Grid ESO and other counterparties, the potential for trading profitability in the wholesale electricity markets and/or Balancing Mechanism, performance of the Company's investments, and the availability of projects which meet the Company's minimum return parameters in accordance with the Company's investment policy .

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