

**GRESHAM HOUSE ENERGY STORAGE FUND PLC**  
**("GRID" or the "Company")**

**Half-year results to 30 June 2024**

Gresham House Energy Storage Fund plc, the UK's largest fund investing in utility-scale battery energy storage systems (BESS), announces its half-year results for the period ending 30 June 2024.

**H1 2024 highlights**

- As previously reported, NAV per share declined to 109.16p, down 19.91p since 31 December 2023 with third-party revenue forecasts contributing to 19.47p of this decline, principally due to the introduction of a new, more conservative curve provider.
- Operational capacity in MW rose 34% year over year to 790MW (590MW as of 30 June 2023 and 690MW as of 31 December 2023).
- Operational capacity in MWh increased 46% year over year to 931MWh and increased further to reach the 1GWh (1000MWh) milestone shortly after the period end.
- Operational portfolio revenues decreased 12.8% year over year to £17.9mn (HY 2023: £20.5mn), and EBITDA declined 23.9% to £10.4mn (HY 2023: £13.8mn) due to especially difficult market conditions in Q1 2024.
- GRID closed a landmark tolling arrangement with Octopus Energy contracting 568MW / 920MWh for two years starting in H2 2024.
- Debt facilities were amended and restated to set covenants at levels reflecting the low revenue environment in Q1 2024. £110mn of the facilities were cancelled, reducing the overall debt capacity from £335mn to £225mn. This preserved access to the capital required to complete the current construction programme.
- Net debt is expected to peak at less than £165mn following completion of all current pipeline projects.

**Portfolio update since 30 June 2024**

- Net revenues in July and August averaged at the highest levels of the year so far and were c.25% higher than average net revenues in H1 2024.
- Penwortham's augmentation (additional 50MWh), Shilton Lane (40MW / 80MWh), Elland (50MW / 100MWh), Nevendon (additional 5MW/26MWh) and Melksham (100MW / 150MWh) will go through energisation and commissioning in October and November 2024.
- Melksham augmentation has commenced and will start operations in October at 150MWh before reaching 200MWh during December.
- 170MW of assets have so far been onboarded by Octopus under the tolling arrangement, with the remaining projects expected to transfer by the end of 2024.
- GRID cancelled a further £30mn of its debt facility, reducing the total size of the facility to £195mn.

**Outlook**

- All projects contracted under the tolling agreement are expected to have been onboarded by Octopus Energy by the end of 2024.
- Including Capacity Market contracts, GRID expects to have c.£43mn of annualised contracted revenues during the tolling arrangement.
- The portion of the portfolio that remains merchant, is expected to benefit from the launch of Quick Reserve by National Energy System Operator (NESO) in Q4 2024.
- Increased volatility of supply from deeper renewable penetration and higher consumer winter demand may point to further improved trading revenues over the next six months.
- The second half of 2024 is expected to see the conclusion of the current construction programme, taking the operational portfolio to over 1GW for the first time with an average duration of 1.6 hours.
- On 8 October, the Manager will host site visits for institutional and retail investors, as previously communicated.
- At its upcoming Capital Markets Day in November, the Company intends to announce a three-year plan seeking to maximise portfolio capacity, revenues and cashflow from 2025 to 2027 while reducing the volatility of earnings. Event details will be announced in due course.

Gresham House will host a webinar for investors at 14:00 BST today. To access the live webinar, please register [here](#).

The Company's Interim Report and Financial Statements for the period ending 30 June 2024 are available on the Company's website [www.greshamhouse.com/gresham-house-energy-storage-fund-plc](http://www.greshamhouse.com/gresham-house-energy-storage-fund-plc) and will shortly be available on the FCA's National Storage Mechanism <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

**John Leggate CBE, Chair of Gresham House Energy Storage Fund plc, commented:**

"The first half of this year has undoubtedly been one of uncertainty for shareholders with the deterioration of the BESS revenue environment and with the Board taking the incredibly difficult decision to temporarily suspend dividends. We thank our shareholders for their loyalty and patience during this time. Throughout the period the Board and Manager have taken the necessary decisions to position the Company to thrive as the market improves.

"GRID has made significant progress on executing areas of its strategic plan. This is fundamental to driving continued

growth and providing a supportive backdrop for the recommencement of dividend distributions. We look forward to welcoming investors to our sites in October and announcing further progress on 2024 milestones and our plans for 2025 and beyond at the upcoming Capital Markets Day in November."

**Ben Guest, Fund Manager of Gresham House Energy Storage Fund plc & Managing Director of Gresham House New Energy, added:**

"The tolling agreement and conclusion of the construction programme have stabilised the business and provided the visibility required for the Board and Manager, with our shareholders, to be able to look forward to renewed growth.

"While it is clear the revenue environment has been weak there have been several important positive industry developments. Renewable generation has risen as expected and will continue to do so, increasing power price volatility and the revenue potential of longer duration batteries in particular. This, combined with record low prices, and hugely improved energy density of new batteries and the Manager's now proven expertise in cost-effective project augmentation, means that the Manager sees considerable potential revenue upside from increasing the duration of the remainder of the portfolio to at least two hours during 2025 for modest amounts of capital, subject to availability.

"Even using recent forecast levels, cheaper batteries also mean that new pipeline projects, whether fully contracted on tolling arrangements or merchant revenues, are capable of achieving attractive returns. The Manager is working on the project level equity and debt financing for a new pipeline which is to be announced at the Capital Markets Day.

"In the meantime, in the second half of the year we will see a meaningful change to the revenue mix as the tolling agreement comes into force. Increased volatility of supply from a higher renewables grid and rising electricity demand increases the need for BESS in the UK electricity system and this indicates improved merchant revenues to come.

"It is good to be looking forward to new growth in 2025 and beyond with a large portfolio and a more stable earnings outlook, as our starting point."

**ENDS**

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**About the Company and the Manager:**

Gresham House Energy Storage Fund plc seeks to provide investors with an attractive and sustainable dividend over the long term by investing in a diversified portfolio of utility-scale battery energy storage systems (known as BESS) located in Great Britain and internationally. In addition, the Company seeks to provide investors with the prospect of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

The Company targets an unlevered Net Asset Value total return of 8% per annum and a levered Net Asset Value total return of 15% per annum, in each case calculated net of the Company's costs and expenses.

Gresham House Asset Management is the FCA authorised operating business of Gresham House Ltd, a specialist alternative asset manager. Gresham House is committed to operating responsibly and sustainably, taking the long view in delivering sustainable investment solutions.

<http://www.greshamhouse.com/>

**Definition of utility-scale battery energy storage systems (BESS)**

Utility-scale battery energy storage systems (BESS) are the enabling infrastructure that will support the continued growth of renewable energy sources such as wind and solar, essential to the UK's stated target to reduce carbon emissions. They store excess energy generated by renewable energy sources and then release that stored energy back into the grid during peak hours when there is increased demand.

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