

29 November 2024

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

**Portfolio Update, Net Asset Value and Asset Sale Process**

Harmony Energy Income Trust plc, which invests in battery energy storage system ("BESS") assets in Great Britain ("GB"), announces its unaudited Net Asset Value ("NAV") update, a portfolio and operational update for the three months ended 31 October 2024 (the "Period") and an update to its previously announced asset sale process.

**Key Highlights**

- The unaudited NAV at 31 October 2024 was £201.04 million, or 88.51 pence per Ordinary Share, a decrease of 6.33 pence per Ordinary Share (-6.68%) compared to 31 July 2024. The decrease was driven by an increase (+25bps) in the discount rate applied to operating projects together with lower revenue assumptions and an increase in opex budget for FY 2025. The fall was partially offset by the roll forward effect and an increase in the mark-to-market valuation of the Company's interest rate swap.
- Increased opex budget is driven by recent increases in network access charges (set by individual DNOs).
- Wormald Green (66 MWh / 33 MW) and Hawthorn Pit (99.8 MWh / 49.9 MW) were successfully energised during the Period and have commenced trading, taking the Company's total operational capacity to 790.8 MWh / 395.4 MW (100% of the portfolio). Revenue for these projects is recognised from November 2024 onwards.
- Portfolio revenues of £62.4k/MW/Yr for the Period, an increase of 38% vs the previous quarter (£45.3k/MW/Yr). Performance was driven by higher wholesale market spreads and increasing balancing mechanism volumes. Revenue growth was offset by some portfolio unavailability due to scheduled network outages.
- Total operational revenues for the current Financial Year (up to 31 October) of £15.96 million (£55.5k/MW/Yr).
- Further improved revenue performance in November (£67.8k/MW/Yr, estimated month-to-date and on a full-portfolio basis).
- Asset sale process continues to progress well. An encouraging number of non-binding offers were received, with a short-list of bidders progressing through to the detailed due diligence stage. Subject to receipt of sufficiently attractive final offers, the intention would be to enter exclusivity with a preferred bidder in December and sign binding agreements in January 2025.

**Portfolio Update**

The portfolio is now fully operational and consists of eight 2-hour duration BESS projects totalling 790.8 MWh / 395.4 MW. The Wormald Green and Hawthorn Pit projects commenced trading in October and have been active in wholesale markets and the Balancing Mechanism ("BM") during November. Both projects will soon enter the Ancillary Service markets.

Project	MWh / MW	Location	Status
Pillswood	196 / 98	Yorkshire	Operational
Broadditch	22 / 11	Kent	Operational
Farnham	40 / 20	Surrey	Operational
Bumpers	198 / 99	Bucks.	Operational
Little Raith	99 / 49.5	Fife	Operational
Rusholme	70 / 35	Yorkshire	Operational
Wormald Green	66 / 33	Yorkshire	Operational
Hawthorn Pit	99.8 / 49.9	County Durham	Operational
<b>Total</b>	<b>790.8 / 395.4</b>		

**Asset Sale Process**

As previously announced, the Board appointed JLL to seek offers for some or all of the Company's assets. The process has attracted strong interest and an encouraging number of non-binding offers were received in September, relating to both individual assets as well as the full portfolio. A selected number of parties were allowed to progress through to the detailed due diligence stage. The level of due diligence being undertaken is thorough and has resulted in bidders requesting more time. The transaction timetable has therefore extended by one month. Subject to receipt of sufficiently attractive final offers, the intention would be for the Company to enter exclusivity with a preferred bidder in December with a view to signing binding agreements in January 2025.

**Market Commentary**

August revenues rebounded from July, increasing to £72k/MW/year average across 2-hour GB fleet, driven by high wind generation paired with periods of low demand. This dynamic resulted in 49 hours of negative Day-Ahead wholesale pricing, significantly widening price spreads and creating lucrative opportunities for BESS to capitalise on market volatility. October also saw higher average 2-hour BESS revenues, hitting £70k/MW/year, boosted by the widest wholesale price spreads observed since December 2023: Day-Ahead power price spreads averaged £83/MWh.

with daily spreads exceeding £100/MWh on ten occasions during the month. High levels of BM dispatches also played a key role, enabling BESS to provide flexibility during periods of wind curtailment, further enhancing revenue performance. The strong correlation between BESS performance and levels of renewable power generation experienced during 2024 (year to date) highlights the critical role of storage in the UK's energy transition.

### Portfolio Performance and Outlook

The Company's operational portfolio generated revenue (net of all electricity import charges and state of charge management costs) of £4.88 million over the Period (£62.4k/MW/Yr). For the full Financial Year (up to 31 October), the portfolio generated revenue (net of all electricity import charges and state of charge management costs) of £15.96 million (£55.5k/MW/Yr). The portfolio continued to experience a higher than usual number of outage events during September and October, due to scheduled short-term DNO technical works at local sub-stations and connection points. The IA estimates that, had the portfolio been fully available during the Period, the revenue would have been c. £69k/MW/Yr. The IA continues to work closely with DNOs to maximise project availability.

Volumes captured in the BM continued to grow, with August 2024 seeing the second-highest monthly total of over 12,000 MWh captured by the portfolio, generating £522k in revenue (£20k/MW/Yr). Since the relaunch of the Open Balancing Platform (OBP) and the removal of the '15-minute' rule in Q2, average BM monthly dispatch volumes have increased by approximately 300%, rising from c.2,920 MWh to c.11,456 MWh. As previously reported, spreads in the BM are consistently wider than in the wholesale markets. Therefore, an increase in capture rates helps 2-hr duration BESS cushion any negative impact of volatile wholesale spreads.

Strong revenue performance has continued through November (£67.6k/MW/Yr estimated month-to-date on a full-portfolio basis), with wholesale gas prices trending upwards, volatile temperatures and stormy weather conditions. The Company expects these conditions to continue through winter and will seek to capitalise by increasing average cycling over the coming months. In addition, the Company is engaging with third party service providers to explore opportunities to increase levels of contracted income across the portfolio from spring 2025.

### NAV Update 31 July 2024

As at 31 October 2024, the Company's unaudited NAV was £201.04 million (88.51 pence per Ordinary Share). This represents a decrease of 6.33 pence per Ordinary Share (-6.68%) compared to 31 July 2024. The principal movements are (i) an increase (+25bps) in the discount rates applicable to operating projects (-2.36 pence per Ordinary Share); (ii) a reduction in third party revenue forecasts (-2.41 pence per Ordinary Share); (iii) an increase in opex assumptions, largely driven by higher network access charges (-4.14 pence per Ordinary Share); and (iv) an increase in the mark-to-market valuation of the Company's interest rate swap (+0.87 pence per Ordinary Share). Movements are shown in the table below.

Item	Impact (pence per Ordinary Share)
Operating Free Cash Flow	+1.28
NAV Roll Forward	+2.14
Change in Discount Rates	-2.36
Change in Revenue Assumptions	-2.41
Change in Opex Assumptions	-4.14
Derivatives Valuation	+0.87
Debt Service	-1.12
Fund Expenses	-0.31
Other	-0.28
<b>Total</b>	<b>-6.33</b>

Long-term revenue assumptions (derived from third party revenue forecasts) have reduced since 31 July 2024 by 0.9% (in NPV terms). Decreases in the long-term revenue assumptions were partially offset by small increases applied to the next three years (being a partial recovery from the larger reductions published earlier this year, reflecting the positive movements in the underlying fundamentals).

In addition, and in line with guidance from the Company's Independent Valuer, the discount rate for operational projects has been increased by 25bps (10.25% from 10.00%). The discount rates for projects with less than 3 months operating history has also increased by 25bps (10.50% up from 10.25%).

Applying the above, the applicable discount rates for Rusholme, Hawthorn Pit and Wormald Green remain at 10.50%, with 10.25% applied to the balance of the Portfolio. The applicable discount rate for projects under construction has been removed from the analysis given that 100% of the Portfolio is now operational.

Inflation and tax assumptions used in calculating the NAV have not changed since 31 July 2024.

### Factsheet

The Company's factsheet for 31 October 2024 (including, inter alia, a NAV bridge and detailed long-term revenue; cost and inflation assumptions; and monthly revenue breakdowns) is available on the Company's website at: <https://www.heitp.co.uk/investors/results-reports-and-presentations/>

### Norman Crighton, Chair of Harmony Energy Income Trust plc, said:

*"The continued upwards trend of portfolio revenue levels as we move into the winter months is encouraging and provides confidence that HEIT's 100% operational portfolio is well positioned to capitalise on strengthening macro drivers being witnessed in the GB energy sector."*

END

For further information, please contact:

### Harmony Energy Advisors Limited (the "IA")

Paul Mason  
Max Glade

Max Stae  
Peter Kavanagh  
James Ritchie  
[info@harmonyenergy.co.uk](mailto:info@harmonyenergy.co.uk)

**Panmure Liberum Ltd**

+44 (0)20 3100 2222

Chris Clarke  
Darren Vickers  
Will King

**Stifel Nicolaus Europe Limited**

+44 (0)20 7710 7600

Mark Young  
Edward Gibson-Watt  
Rajpal Padam  
Madison Kominski

**Camarco**

+44 (0)20 3757 4980

Eddie Livingstone-Learmonth  
Andrew Turner

+44 (0)20 3832 3877

**JTC (UK) Limited**

Uloma Adighibe  
[Harmony.CoSec@jtcgroup.com](mailto:Harmony.CoSec@jtcgroup.com)

LEI: 25490003X13CJNTR453

**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 GB 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@seg.com](mailto:rns@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

NAVFEMEEAELSEIF