

23 April 2025

Gresham House Energy Storage Fund plc
("GRID", the "Company" or the "Fund")

Full-Year Results to 31 December 2024

Strong recovery during 2024 leading to 20% revenue growth, to £46.5mn.

Operational capacity grew sharply again in 2024.

Further significant growth in Operational capacity expected from further augmentations and construction of new projects as the Three-year Plan progresses.

Gresham House Energy Storage Fund plc (LSE: GRID), the UK's largest utility-scale battery energy storage fund, announces its audited annual results for the year ended 31 December 2024.

Performance highlights as of 31 December 2024

- 109.35p NAV per share dropped 15.3% over the year driven by lower third-party forecast revenue curves (31 December 2023: 129.07p)
- GRID remains GB market leader with a market share of c.17%
- Operational grid capacity stood at 845MW and battery capacity of 1,207MWh increasing 22% (+155MW) and 53% (+419MWh) respectively during 2024
- Duration^[1] of the Operational portfolio rose 25.1% to an average of 1.43h, up from 1.14h
- Operational portfolio revenues rose 20.1% to £46.5mn (2023: £38.7mn) as revenues in the second half rose 58.1% year-on-year to £28.6mn (H2 2023: £18.1mn) more than offsetting the decline in the first half
- Operational portfolio EBITDA rose 12.7% to £29.1mn (31 December 2023: £25.8mn) resulting in an EBITDA margin of 62.5%
- Debt drawn was £150mn (31 December 2023: £110mn) while cash on hand was £39.5mn (31 December 2023: £43.7mn) resulting in net debt of £110.5mn.
- Net debt to GAV stood at 14% and net debt to NAV at 18%, well below the investment policy limit of 50% of NAV

Highlights since 31 December 2024 and outlook

- Operational capacity has increased further to 945MW / 1,447MWh today, up 12% and 20% respectively post year end. Year to date growth reflects:
 - Melksham (100MW / 100MWh) commissioning at a one-hour capacity in January 2025;
 - Coupar Angus augmentation (+40MWh) to a 2-hour duration in April 2025; and
 - Melksham augmentation (+100MWh) to a 2-hour duration in April 2025
- Shilton Lane (40MW / 80MWh) and West Bradford (87MW / 174MWh) are both expected to become operational in Q2 2025 to take total operational capacity to 1,072MW / 1,701MWh
- Investment Manager's fee has reduced, with annual savings of £1.6mn (28%)^[2] following agreement to change its basis from a percentage of NAV to the average of NAV and market cap
- Progressing a transaction to validate NAV and to improve liquidity remains an active focus. A deal with initial terms agreed is in the late stages of due diligence with an announcement expected soon
- Update on refinancing:
 - Refinancing of existing debt arrangements and financing for new projects is progressing positively and is expected to conclude in Q2 2025
 - It is expected to result in a lower interest rate and a longer-term debt facility
 - All debt is to be underpinned by longer term contracted revenues, the details of which will be announced once contracts have been signed which is expected ahead of the debt closing in Q2 2025
- Update on the Three-year Plan:
 - Once the refinancing is completed and funding is secured, the Three-year Plan will launch in earnest. Augmentations and new projects are anticipated to get underway in 2025, as previously outlined at the Capital Markets Day, a new pipeline of up to 694MW and further augmentations of up to 1.5GWh have been identified subject to funding. The final list of funded projects will be announced at the time of the

- retinancing.
- Update on capital allocation:
 - Upon refinancing of the existing debt, the Company expects to reinitiate distributions to shareholders. The Board will provide further information about dividends and other uses of capital allocation such as buybacks at that time.

Valuation

NAV per share for 31 December 2024 was 109.35p, reflecting a 15.3% reduction compared with 31 December 2023 (129.07p). This values the Operational portfolio at £684k/MW. Discounted cashflows represented £670k/MW while working capital represented the remainder.

The primary driver for the reduction in NAV per share was lower independent third-party revenue forecasts, which were revised down in the context of the weakening of merchant revenues at the start of 2024. Performance in Q1 2025 has continued at similar levels to Q4 2024.

Discount rates were unchanged except for the inclusion of an 8.5% discount rate for tolling revenues during each two-year tolling contract reflecting the contracted nature of the earnings. This, combined with more assets moving from being under construction to operational, led to a small reduction in weighted average discount rate to 10.73% (31 December 2023: 10.87%).

Portfolio performance and market update

GRID and the GB BESS sector experienced very weak revenues at the start of 2024 dropping significantly from 2023 levels. Following a turbulent first quarter, revenues improved over the remainder of 2024, culminating in a record revenue month for the portfolio in December 2024, which reflected peak operational capacity and the highest revenue per MW run rate since January 2023.

Q1 2025 revenues remained similar to Q4 2024 levels, and the portfolio continued to outperform its peer group having consistently done so in 2024.

The Company responded to the uncertain environment in Q1 2024 by agreeing to toll 568MW, a little over half the portfolio, to Octopus Energy in a deal signed in June 2024. This two-year arrangement provides greater revenue certainty for the business. As of 31 December 2024, 310MW of the 568MW had started to be tolled and the remainder is expected to begin to be tolled in Q2 2025.

The uncertain revenue environment in 2024 was a function of very low utilisation of BESS in NESO's Balancing Mechanism as reflected in very high skip rates^[3]. NESO has committed to improving BESS utilisation in the BM^[4], admitting that BM skip rates are too high^[5].

Given the renewed efforts by NESO and the important role BESS plays in achieving the Government's Clean Power 2030 (CP30) ambitions detailed [here](#), we are hopeful that the operating environment for GB BESS will remain positive. It is, however, imperative that the modernisation of NESO's control room is successfully completed and that skip rates are eliminated for the backdrop to remain positive over the long term.

Commenting on GRID's results, John Leggate CBE, Chair of Gresham House Energy Storage Fund plc, said:

"The continued share price discount to NAV has been particularly difficult for investors. We are therefore very thankful for our shareholders' continued support. Despite the challenges during 2024, we benefitted from an improving trend from the second quarter and ended the year on a more positive note, posting over 50% growth in operational battery capacity (MWh).

"We are confident the revenue backdrop will continue to improve over the medium term given Government's support for BESS in the context of rapidly rising renewable generation and significant efforts from NESO to reduce skip rates. The combination of a greater operational portfolio base coupled with an improving merchant picture, a portion of which will be contracted over the longer term to protect against downside scenarios will drive a growing and more resilient business going forward.

"Following completion of our planned refinancing, we expect to have growing levels of free cashflow to allocate to dividends and an improved and more robust capital allocation framework as the Three-year Plan unfolds. The Board looks forward to announcing details once the refinancing is completed."

Ben Guest, Fund Manager of Gresham House Energy Storage Fund plc and Managing Director of Gresham House Energy Transition, said:

"Our immediate focus is on delivering our Three-year Plan unlocked by the contracting of revenues and a refinancing and new financing that provides the capital for further growth in capacity and free cashflow. These processes are expected to conclude in Q2 2025.

"We were pleased to see the recent market transaction indicate support for our valuation approach. Meanwhile, the transaction we are working on, once completed, will provide further support for the current valuation.

"We are excited by the next phase of growth. Once the funding is secured, we will start work on new construction and the Company will be in a position to start valuing the anticipated augmentations and new projects. We expect this will drive a significant increase in both NAV and cash flow underpinning our total return strategy."

Annual Report and webinar

An online webinar and Q&A session to discuss the results will be held at 10:30am BST on 23 April 2024. Ben Guest will provide an update on GRID's operational and financial performance and answer questions. Registration is available [here](#) and a recording will be available following the presentation.

A copy of the 2024 Annual Report and Financial Statements (the "Annual Report") is also available on the Company's website at www.greshamhouse.com/grid where further information on the Company can also be found.

The Annual Report has also been submitted to the National Storage Mechanism and will shortly be available at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Further, the Annual Report can also be found here: [GRID Annual Report 31 December 2024](#)

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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.

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.

[1] Duration is defined as battery storage capacity (MWh) divided by grid connection capacity (MW)

[2] Assuming the closing share price on 31 January 2025 of 41.05p and current NAV per share of 109.35p

[3] The skip rate is calculated as (1 - utilisation rate)

[4] <https://www.neso.energy/news/our-commitment-improve-battery-dispatch-rates-balancing-mechanism>

[5] <https://www.neso.energy/document/348241/download>

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