

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

When considering what action you should take, you are recommended immediately to seek your own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.

If you have disposed of all your Ordinary Shares in the Company, please pass this document as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Cantor Fitzgerald Europe that would permit an offer of the Ordinary Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy any shares.

Gresham House Energy Storage Fund PLC

(Incorporated and registered in England and Wales with company number 11535957 and registered as an investment company within the meaning of Section 833 of the Companies Act 2006)

Circular to Shareholders and Notice of General Meeting relating to the recommended proposals to authorise the Board to issue shares on a non-pre-emptive basis

Notice of a General Meeting of the Company to be held at 10 a.m. on Thursday, 27 February 2020 at The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF is set out at the end of this document. The proposals described in this document are conditional upon Shareholder approval of the Resolutions at the General Meeting. Shareholders are requested to complete and return their Form(s) of Proxy.

To be valid Forms of Proxy for use at the General Meeting must be completed and returned in accordance with the instructions printed thereon to the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or delivered by hand (during office hours only) to the same address as soon as possible and in any event so as to arrive by not later than 10 a.m. on Tuesday, 25 February 2020.

Gresham House Energy Storage Fund PLC

(Incorporated and registered in England and Wales with company number 11535957 and registered as an investment company within the meaning of Section 833 of the Companies Act 2006)

Directors:

John Leggate (Chair)
Duncan Neale
Catherine Pitt
David Stevenson

Registered Office:

The Scalpel, 18th Floor, Lime
Street, London, England, EC3M 7AF

6 February 2020

To Shareholders

Dear Sir or Madam

Introduction

The Company is pleased to announce that upon completion of the acquisition by the Company of the Thurcroft and Wickham projects, all of the £206.7m gross proceeds raised by the Company to date since its IPO in November 2018 will have been deployed. In addition, Gresham House Asset Management Limited has identified further pipeline opportunities for investment.

This circular provides further information on the further pipeline and seeks Shareholder authority for the Company to issue up to 30,000,000 new Ordinary Shares to acquire an identified new asset, extend an existing asset and to provide increased general working capital.

Potential acquisition

As stated in the announcement dated 3 October 2019, the Company has benefitted from a good pipeline of projects that have been developed by the Gresham House group and Noriker Power Limited (the "**Exclusivity Pipeline**").

In addition, Gresham House Asset Management Limited (the "**Manager**") has continued to perform due diligence on a strong pipeline of currently available investment opportunities that meet the Company's investment criteria (the "**Further Pipeline**").

In this context, the Manager has identified a significant operational project, which the vendor has advised has the potential for expansion to over 50MW, subject to attainment of necessary consents (the "**Potential Acquisition**"). The Board and the Manager believe (subject to completion of due diligence) that the Potential Acquisition, which is subject to advanced negotiations with the vendors, will be accretive to the Company's portfolio yield. The Manager believes (subject to due diligence) that this project has a proven revenue performance, and the valuation would be set relative to demonstrable historical accounts. To compensate the vendors for providing the Company with a lower risk acquisition, it is expected that a final consideration amount will become payable if revenues exceed forecasted levels, as they are expected to if the project is expanded as referred to above. The proposed expansion would also be expected to create further earning accretion for the Company.

As a consequence, the Potential Acquisition is expected to be accretive to NAV per Share.

In addition, having completed the acquisition of the Glassenbury project from VLC in December 2019, the Manager has identified the opportunity to add value to the project through the exploitation of currently unused spare grid capacity by building out a 10MW extension to the project and the acquisition of a capacity market contract that fits within this project extension. This extension is subject to receipt of planning permission; however, the local authority has been consulted and the Manager is confident that planning permission will be granted if the extension is appropriately designed.

Possible issue of equity

To take advantage of these opportunities, the Company may seek to raise additional equity capital in an amount of no more than £30 million in the coming weeks. The Company is seeking a general authority to allot no more than 30,000,000 Ordinary Shares on a non-pre-emptive basis, in order to have the flexibility to proceed. As the Company is seeking to limit the gross proceeds of the issue to no more than £30 million, it is expected that the general authority of 30,000,000 Ordinary Shares will not be used in full.

Any decision to proceed with an equity raise is at the absolute discretion of the Directors and will be subject to prevailing market conditions and investor sentiment. Should the Company decide to proceed with an equity raise, a further announcement will be made in due course.

Any new Ordinary Shares issued by the Company will be issued at a premium to the Director's estimate of NAV per Share as at 31 December 2019 (unaudited). For the avoidance of doubt, the Directors do not intend to issue C Shares in connection with the matters described in this circular.

Recommended proposals to authorise the Board to issue Ordinary Shares on a non-pre-emptive basis

The Directors have resolved to convene a general meeting on Thursday, 27 February 2020 (the "**General Meeting**") in order to seek Shareholder authority to issue further Ordinary Shares on a non-pre-emptive basis.

The Resolutions to be considered at the General Meeting are to grant the Board authority to issue on a non-pre-emptive basis, up to 30,000,000 Ordinary Shares, being approximately 14.7 per cent. of the Company's issued share capital as at the Latest Practicable Date, such authority to have effect until the conclusion of the next Annual General Meeting of the Company (the "**2020 AGM**") (the "**General Authority**")

The Company was granted authority, at the general meeting held on 16 October 2019, to issue up to 20,000,000 Shares without pre-emption rights applying (the "**Existing Authority**"). As at the date of this document 15,729,350 Shares remain available for issue under the Existing Authority. For the avoidance of doubt, if the Resolutions are passed at the General Meeting, the Existing Authority will be replaced by the General Authority.

The Directors intend to use the General Authority to raise capital to make the Potential Acquisition, extend the Glassenbury project and for general working capital purposes. It is intended that the Ordinary Shares will be issued at a price calculated by reference to the Directors' estimate of the cum-income Net Asset Value per existing Ordinary Share as at 31 December 2019 (unaudited) together with a premium intended to at least cover the costs and expenses of the relevant allotment (including, without limitation, any placing commission), such costs and expenses being estimated at 2 per cent. of the amount raised in any allotment and will be accretive to the NAV per Share.

Benefits of the proposals

The Directors consider that any new Ordinary Share issuance pursuant to the General Authority conferred by the Resolutions may yield the following principal benefits:

- enabling the Company to continue to raise capital for investment in the opportunities described above;
- maintaining the Company's ability to issue Ordinary Shares tactically, so as to manage the premium to NAV per Share at which the Ordinary Shares trade;
- improving liquidity in the market for the Ordinary Shares; and
- increasing the size of the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio.

The Directors have considered the potential impact of any new Ordinary Share issuance on the Company's ability to continue to pay, dividends on the Ordinary Shares and do not predict a negative impact.

Dilution

The allotment of Ordinary Shares pursuant to the General Authority conferred by the Resolutions will dilute the voting interests in the Company of existing Shareholders. If the General Authority is used in full, it would result in a dilution of approximately 12.8 per cent. in existing Shareholders' voting interests in the Company.

General Meeting

The Resolutions to be considered at the General Meeting of the Company which has been convened for Thursday, 27 February 2020 will be proposed as:

- Resolution 1: an ordinary resolution to grant the Company authority to allot up to 30,000,000 Ordinary Shares; and
- Resolution 2: a special resolution to disapply pre-emption rights in respect of up to 30,000,000 Ordinary Shares.

By voting in favour of Resolutions 1 and 2, Shareholders will enable the Company to allot up to 30,000,000 further Ordinary Shares, representing approximately 14.7 per cent. of the Company's issued share capital as at the Latest Practicable Date.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Company's Articles of Association, all Shareholders present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote. In order to ensure that a quorum is present at the General Meeting, it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative). The formal notice convening the General Meeting is set out on page 7 of this document.

If Resolution 1, which is an ordinary resolution and Resolution 2, which is a special resolution are not passed, the Company will not be able to invest in the Potential Acquisition and this opportunity will be missed.

Action to be taken

The only action that you need to take is to vote on the Resolutions by completing the accompanying Form of Proxy for use at the General Meeting.

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, deliver it by hand (during office hours only) to the same address as soon as possible and in any event by not later than 10 a.m. on Tuesday, 25 February 2020.

Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the General Meeting.

Recommendation

The Directors consider the proposals set out in this document to be in the best interests of Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their holdings of Ordinary Shares amounting to 20,000 Ordinary Shares in aggregate (representing approximately 0.01 per cent. of the issued Ordinary Share capital of the Company as at 5 February 2020, being the Latest Practicable Date).

Yours faithfully

John Leggate
(Chair)

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

2020 AGM	the annual general meeting of the Company expected to be held in June 2020 or any adjournment thereof
Articles of Association	the articles of association of the Company in force from time to time
Board	the board of Directors of the Company or any duly constituted committee thereof
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays)
Company	Gresham House Energy Storage Fund PLC
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001
cum-income NAV	NAV per Share calculated on the total value of underlying assets, including accumulated or accrued income, less any liabilities
Directors	the directors of the Company or any duly constituted committee thereof
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000
ESS	energy storage system
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Form of Proxy	the form of proxy provided with this document for use in connection with the General Meeting
General Authority	the meaning given to it in this document under the heading, "Introduction"
General Meeting	the general meeting of the Company convened for 27 February 2020 or any adjournment thereof
Latest Practicable Date	5 February 2020, being the latest practicable date prior to the publication of this document
NAV per Share	the value of the Company's net assets per Ordinary Share (calculated in accordance with the Company's reporting policies from time to time and the Company's Articles of Association)
Notice of General Meeting or Notice	the notice of the General Meeting as set out at the end of this document
Ordinary Share	an ordinary share of £0.01 in the capital of the Company
Manager	Gresham House Asset Management Limited

Resolutions	(i) the ordinary resolution to provide the Company with a general authority to allot Shares and (ii) the special resolution to dis-apply pre-emption rights, in relation to that general authority, which will be proposed at the General Meeting and details of which are contained in the Notice of General Meeting
Shares	Ordinary Shares and/or C shares of £0.01 each in the capital of the Company as set out in the Articles
Shareholder	a holder of Shares

NOTICE OF GENERAL MEETING

Gresham House Energy Storage Fund PLC

(Incorporated and registered in England and Wales with company number 11535957 and registered as an investment company within the meaning of Section 833 of the Companies Act 2006)

Notice is hereby given that a General Meeting (the "**Meeting**") of Gresham House Energy Storage Fund PLC (the "**Company**") will be held at 10 a.m. on Thursday, 27 February 2020 at The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF to consider and, if thought fit, approve resolution 1 as an ordinary resolution and resolution 2 as a special resolution:

Ordinary Resolution

1. THAT, in addition to any subsisting authorities the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("**CA 2006**") to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of CA 2006) up to a maximum aggregate nominal amount of £300,000 being approximately 14.7 per cent. of the issued share capital as at 5 February 2020, and representing 30,000,000 ordinary shares of £0.01 each in the Company, provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2020 unless previously renewed, varied or revoked by the Company in a general meeting, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Special Resolution

2. THAT, in addition to any subsisting authorities, the Directors be and are hereby empowered pursuant to section 570 and section 573 of CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by resolution 1 set out in the Notice convening the Meeting, as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power shall:
 - (i) be limited to the allotment or sale of equity securities up to an aggregate nominal amount of £300,000 being approximately 14.7 per cent. of the issued share capital as at 5 February 2020, and representing 30,000,000 ordinary shares of £0.01 each in the Company; and
 - (ii) expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, unless previously renewed, varied or revoked by the Company in a general meeting, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

JTC (UK) Limited
Company Secretary

Registered Office:

The Scalpel
18th Floor
Lime Street
London EC3M 7AF

Date: 6 February 2020

Notes:

- (i) A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his/her place. If a shareholder wishes to appoint more than one proxy and so requires additional proxy forms, the shareholder should contact the Company's Registrar Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. A proxy need not be a member of the Company.
- (ii) To appoint a proxy, you may photocopy the form of proxy enclosed with this Notice of General Meeting. To be valid the forms of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the office of the Company's registrar or delivered by hand (during office hours) to the same address as soon as possible and in any event so as to arrive by not later than 10 a.m. on Tuesday, 25 February 2020.
- (iii) A vote withheld is not a vote in law, which means the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter put before the meeting.
- (iv) Completion of the form of proxy will not prevent you from attending and voting in person.
- (v) Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
- (vi) If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (vii) In order to revoke a proxy instruction, members will need to inform the Company, by sending a hard copy notice clearly stating their intention to revoke a proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
- (viii) If a quorum is not present within 15 minutes from the time appointment for the commencement of the Meeting, the Meeting will be adjourned to 10 a.m. on Thursday, 12 March 2020;
- (ix) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "**Nominated Person**") should note that the provisions in Notes (i) to (iii) above concerning the appointment of a proxy or proxies to attend the Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the Meeting.
- (x) Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (xi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by close of business two days (excluding non-working days) prior to the time fixed for the Meeting shall be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Meeting is close of business two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- (xii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (xiii) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual which can be viewed at www.euroclear.com/CREST. CREST personal members or other CREST

sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID) by not later than 10 a.m. on Tuesday, 25 February 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (xiv) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- (xv) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (xvi) If the Chair, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chair, result in the Chair holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chair will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chair a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xvii) Any question relevant to the business of the Meeting may be asked at the Meeting by anyone permitted to speak at the Meeting. A holder of Ordinary Shares may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the Meeting, unless (i) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- (xviii) In accordance with Section 311A of the Companies Act 2006, the contents of this Notice, details of the total number of Ordinary Shares in respect of which Members are entitled to exercise voting rights at the Meeting and, if applicable, any members' statements, members' resolution or members' matters of business received by the Company after the date of this Notice will be available on the Company's website <http://newenergy.greshamhouse.com/esfplc>.
- (xix) As at 5 February 2020, being the last Business Day prior to the printing of this Notice, the Company's issued capital consisted of 204,270,650 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 5 February 2020 are 204,270,650. The Company currently holds no Shares in treasury.
- (xx) You may not use the electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

