

# Gresham House Energy Storage Fund plc

## Q1 Factsheet - 31 March 2021



Gresham House  
Specialist asset management

### Summary

Gresham House Energy Storage Fund plc (GRID or the Fund) seeks to capitalise on the growing intraday supply and demand imbalances caused by Great Britain's ever increasing reliance on renewable energy.

The Fund aims to provide investors with an attractive and sustainable dividend by investing in a portfolio of utility-scale Battery Energy Storage Systems (BESS) located in Great Britain, which primarily use batteries to import and export power, accessing multiple revenue sources available in the power market.

The Fund targets a Net Asset Value (NAV) total return of 8.0%+ per annum, once the Fund is fully invested, before leverage and net of Fund expenses, and a target dividend of 7.0p per Ordinary Share<sup>1</sup>. Returns are not correlated to the absolute level of wholesale power prices and are not dependent on any subsidies.

### Financial highlights

From IPO to the end of March 2021, the Fund has delivered a share price total return of 27.3%, compared with a 7.9% total return from the FTSE All Share. The attribution of returns since inception is 14.5% to capital and 12.8% to income.

For the quarter ended 31 March 2021, the Fund's NAV was £371.8m or 106.66p per share, an increase of 3.70p per share in the quarter.

There was a 4.36p uplift from the revaluation of projects recently acquired (previously held at cost) while income in excess of dividend distributions in the quarter accounted for a 0.72p benefit. Partially offsetting this by 1.22p were a more cautious set of assumptions which included taking into account the impact of the corporation tax rate rising to 25% from 2023, as announced in the recent Budget.

Dividend coverage in Q1 2021 was c.1.3x despite a significant cash balance and, as such, the Fund remains committed to its dividend policy of 7.0p per share paid in equal quarterly instalments.

Finally, the Fund is exploring a debt facility which is expected to drive down its cost of capital which, in turn, is expected to be significantly accretive to GRID's overall return on capital, once any debt facility is fully deployed. The Fund will provide a further update in due course.

### Portfolio activity & market outlook

The Investment Manager has had an active quarter, completing the acquisition of 80MW across four projects (Glassenbury Extension (10MW), Port of Tyne (35MW), Tynemouth (25MW) and Nevendon (10MW)) and a further 30MW since the quarter end in the form of Byers Brae near Livingston in Scotland.

The Investment Manager is also preparing to commence construction, subject to final due diligence, on a further 275MW across five projects (one is 100MW, two are 50MW and the other two are 40MW and 35MW respectively). The construction of these projects will fully commit all the funds raised in the November 2020 equity issue.

The Fund has a significant additional exclusive pipeline of 527MW across eight projects which will be built subject further debt and/or equity fundraising.

The market environment remains favourable as evidenced by the Fund's dividend coverage over Q1 2021. National Grid continues to procure more in the way of frequency response than there are projects in the market, with the suggestion that this will continue for several more months. Over the next two years, the level of procurement is expected to increase steadily.

In addition and long anticipated, the volatility in power markets has increased significantly, as a result of several instances of insufficient power driving power prices very high this winter. This was caused by low wind generation (which has come out much lower year-over-year due to low wind resource) and various other factors, including forecasting errors (of supply and demand, and outages of either generation capacity or inter-connectors at different times).

### Key facts as at 31 March 2021

Share price (closing price):	114.5p
NAV per share:	106.66p
Market capitalisation:	£399.1m
Net assets:	£371.8m
Mgt. fee:	1.0% net assets <£250m 0.9% net assets from £250m-£500m 0.8% net assets >£500m
Ongoing Charges <sup>2</sup> :	1.26%
2021 target dividend per share:	7.0p
Ordinary Shares in issue:	348,556,364

	Q1 2021	2020	Since inception
Share price total return	3.3%	10.8%	27.3%
NAV total return	5.3%	8.4%	21.5%

### Key information

Ticker:	GRID
Listing:	LSE Specialist Fund Segment
ISIN:	GB00BFX3K770
Dividend frequency:	Quarterly
Year end:	31 December

### Fund Manager

#### Gresham House Asset Management Ltd (GHAM)

Ben Guest  
Managing Director, New Energy & Fund Manager,  
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Gareth Owen  
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Managing Director, GHAM

[GRID website >>](#)

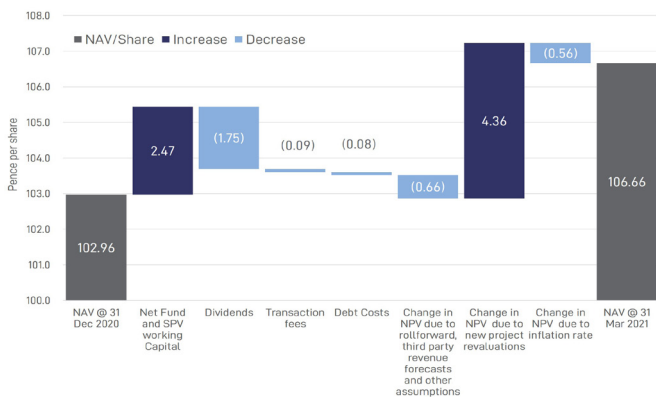
### Capital at risk.

*Past performance is not indicative of future results. The value of investments may fall as well as rise and investors may not get back the amount invested.*

1. This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Fund will make any distributions at all. This target return should not be taken as an indication of the Fund's expected or actual current or future results. The Fund's actual return will depend upon a number of factors, including but not limited to the Fund's net income and the Fund's ongoing charges figure. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Fund.

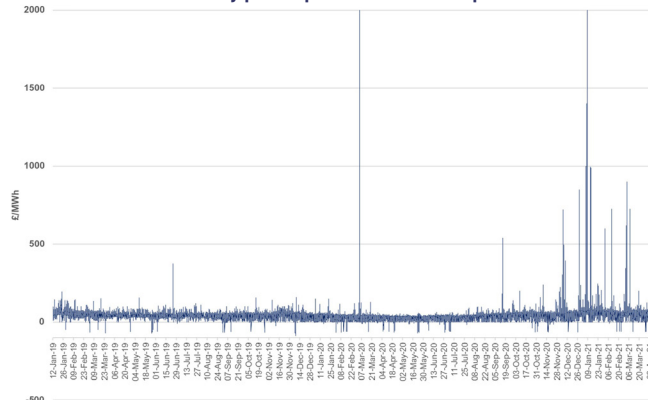
2. As at 31 December 2020

### NAV/share bridge 31 December 2020 to 31 March 2021



Source: Gresham House New Energy

### GB half hourly power prices - 2019 to 7 April 2021



Source: Elexon

## Portfolio & pipeline

### Existing projects

Project	Location	MW	Status
1. Staunch	Staffordshire	20 <sup>2</sup>	Operational - 2018
2. Rufford	Nottinghamshire	7	Operational - 2018
3. Littlebrook	Kent	8	Operational - 2018
4. Lockleaze	Bristol	15	Operational - 2018
5. Roundponds	Wiltshire	20 <sup>2</sup>	Operational - 2018
6. Wolverhampton	West Midlands	5	Operational - Q3 2019
7. Glassenbury	Kent	40	Operational - Q4 2019 <sup>1</sup>
8. Cleator	Cumbria	10	Operational - Q4 2019 <sup>1</sup>
9. Red Scar	Lancashire	49	Operational - Q4 2019 <sup>1</sup>
10. Bloxwich	West Midlands	41	Operational - Q3 2020 <sup>1</sup>
11. Wickham Market	Suffolk	50 <sup>2</sup>	Operational - Q4 2020
12. Thurcroft	South Yorkshire	50	Operational - Q4 2020
13. Tynemouth	North Tyneside	25	Operational - Q1 2021 <sup>1</sup>
14. Port of Tyne	Tyneside	35	Operational - Q1 2021 <sup>1</sup>
15. Nevendon	Essex	10	Operational - Q1 2021 <sup>1</sup>
16. Glassenbury Extension	Kent	10	Operational - Q1 2021 <sup>1</sup>
17. Byers Brae	West Lothian	30	Operational - Q2 2021 <sup>1</sup>
<b>Total existing projects</b>		<b>425</b>	

### Pipeline

Project	Location	MW	Commissioning
18. Project M	Swindon	100	Q1 2022e
19. Project E	Leicester	50	Q1 2022e
20. Project D	Manchester	50	Q1 2022e
21. Coupar Angus	Co. Perth	40	Q1 2022e
22. Arbroath	Co. Angus	35	Q1 2022e
23. Project Emerald	Republic of Ireland	c.40	2022
24. Monet's Garden	North Yorkshire	50	2022
25. Lister Drive	Merseyside	50	2022
26. Project G	Northampton	50	2022
27. Project P	Preston	50	2022
28. Project E2	West Yorkshire	100+50	2022
29. Project B	West Yorksire	87	2022
30. Project Y	York, N. Yorks.	50	2022
<b>Total pipeline</b>		<b>c.802</b>	

- Committed pipeline
- Subsequent pipeline

- Operational assets acquired from the market, showing when the project was acquired by the Fund and not the date of commissioning
- Asymmetric projects with lower Import Capacity versus its Export, all other projects have a symmetrical Export/Import Capacity



## Contact information

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