

PrimeStone

Gresham House Energy Storage Fund plc
The Scalpel
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30 June 2026

Dear Chairman and Directors of the Board,

PrimeStone Capital LLP (“PrimeStone” or “we”), through the funds we advise, own 40 million shares, representing c.7% of the issued share capital of Gresham House Energy Storage Fund plc (“GRID” or “the Company”).

PrimeStone is a long-term investor in European listed companies, founded in 2014 by three former Partners from The Carlyle Group. We take substantial minority stakes in companies where we identify significant potential for value creation. We were the second largest shareholder for years in the energy transition infrastructure business Smart Metering Systems plc (“SMS”) and last year we owned 11% of Harmony Energy Income Trust plc (“HEIT”) before it was sold.

The purpose of this letter is to (i) recognise the considerable operational progress the Company and its manager have delivered, (ii) set that progress against the continued underperformance in GRID’s share price which for its own prospects as well as shareholders’ benefit needs to be urgently addressed and (iii) **ask you to prepare the launch of a formal sale process to be kicked off in September 2026.**

We want to be clear at the outset that this request is made with full appreciation of the quality of GRID’s assets, of its growth opportunities and of the work being done by Ben Guest and his team. Our concern lies with the listed structure within which that execution is trapped and which generates a widening gap between the intrinsic value being created and the price at which shareholders are able to realise it.

Indeed, we believe the intrinsic value of GRID could be today in excess of 140p per share, against a share price languishing around 80p.

Over more than a year, we have had numerous constructive meetings and exchanges with Ben, John and David as well as your advisors. You had reasonably hoped that strong delivery by management, secured pipeline and financing, partnership with first-class institutions and clearly communicated prospects would boost the share price. They have not. **The absence of share price reaction leaves only one option: the outright sale of GRID.**

As you know, we have exchanged with many owners of GRID’s shares which we believe would support our request. Hence, we have decided to make this letter public to foster a constructive dialogue among shareholders and allow you to freely discuss this initiative with them and prospective buyers alike.

1. OPERATIONAL PROGRESS HAS BEEN STRONG

Since our last letter, the Company has delivered a strong run of operational and financial milestones. We would highlight in particular:

- ✓ **Pipeline expansion with Rayleigh.** The conditional acquisition of the 480MW project near Rayleigh, Essex – GRID’s largest project to date – increased the new project pipeline from 694MW to 1,174MW.
- ✓ **Innovative, capital-light financing template.** The combination of non-recourse, amortising project-level debt and export credit facilities – including a first-of-its-kind UK BESS export credit facility on Cockenzie and Monet’s Garden – has reduced the equity required to fund the pipeline from c.£300m to c.£25m, transforming the return on equity profile.
- ✓ **Strategic joint venture with Summit Transition Partners.** The partnership with STP – comprising Sumitomo Corporation and TPK Holdings – to take a 25% equity stake in up to c.694MW of projects, at a premium to pre-money valuation, validates the pipeline and brings credible international capital alongside shareholders at the project level.
- ✓ **Grid connections secured.** Through NESO’s Queue Reform process, four of the five Three-year Plan pipeline projects (594MW, or 86% of the pipeline) have received Gate 2 connection offers, with the final connection (Elland 2) expected by November 2026.
- ✓ **First projects funded and into construction.** Debt financing has completed and construction has commenced on the first three projects – Cockenzie, Monet’s Garden and Elland 2 (397MW) – with the acquisition of Cockenzie, GRID’s largest project at the time, now completed.
- ✓ **Contracted floor revenues underpinning the model.** Building on the Statkraft, Nephila and EDF floor agreements, contracted floor revenues across the operational portfolio provide the downside protection on which the new project-level leverage depends.
- ✓ **Alternative Revenues.** The Company’s innovative trial to add new complementary revenues to the traditional BESS revenue stack has yielded impressive results. Albeit early days, the results indicate that this additive revenue source could end up materially exceeding the £25m of incremental EBITDA target.

Taken together, these achievements underpin the upsized Growth Plan recently presented at the Capital Markets Day: the Company set out a fully financed plan to grow capacity to gross installed capacity of 2,246MW / 4,399MWh, supporting a modelled run-rate EBITDA of c.£141m in 2029 from £54m in 2025, a base case NAV per share uplift of c.56p to 171p, and a 12p free cash flow per share by the end of the plan.

Importantly, this does not even take into account the attractive prospects for further profit growth from new project opportunities being worked on nor a realisation of Alternative Revenues in line with those achieved in the extensive tests completed so far. In fact, according to our analysis, such realisation could add another £100-150m of EBITDA when the ramp-up is complete across the existing estate, with limited capital investment*.

Since the Capital Markets Day, the 240MW Ocker Hill project secured a provisional 25-year LDES cap and floor award from Ofgem, giving the Company a government-backed, indexed route to deliver its first 8h asset. The c.56p base-case NAV uplift is modelled on 2h batteries and captures none of this long-duration value, which points to a further avenue of growth as GRID extends duration across the pipeline.

* In fact, applying the trial results onto 50% of the total capacity, assuming this is a ceiling as indicated by management, leads to c.£190m of additional revenues at a high drop through margin

2. THE SHARE PRICE HAS FAILED TO RESPOND

Despite this progress, the share price has not responded. GRID trades at around 80p, a discount of close to 30% to the current NAV of c.115p and 54% to the expected NAV of 171p (of which c.+16p should be factored in by end Jun-26). Of course, it also fails to properly reflect the Alternative Revenue opportunity or any longer-duration upside.

The strategic, financing and operational milestones of the last eight months — each individually significant — have been met with indifference by public investors. So have comparable transactions indicating significant share price upside potential. This is precisely the disconnect we warned of in our December meeting, and it has, if anything, widened.

As we set out then, we do not believe the reasons for this disconnect are likely to reverse within any reasonable timeframe. The malaise across UK equities and the listed investment company sector persists, with continued outflows and no meaningful new inflows. Absent a change of course, GRID's share price is very likely to remain depressed regardless of how well the Company executes and communicates.

Discount to NAV over the last year



Source: Bloomberg, Company

N.B. 30th June 2026 NAV assumed to increase by 16p, per explicit company guidance

Our central conclusion from our exchanges stands, and recent events have only reinforced it: **GRID's public listing has moved from a strategic advantage to a competitive disadvantage.**

Management has been obliged to construct an elaborate project-level financing and joint-venture structure precisely because the listed cost of equity is prohibitive. This is impressive problem-solving, but it solves a problem that private ownership would not impose in the first place. The listed structure also continues to absorb a disproportionate share of management's time and focus in servicing a shareholder base that is in no position to fund the Company's ambitions.

Meanwhile, well-capitalised private competitors continue to announce projects at a scale and speed that GRID would struggle to match within the constraints of its listing. **The longer GRID remains public and capital-constrained relative to peers, the greater the risk that despite being the sector pioneer and current market leader it cedes ground in the race for scale.**

3. NOW IS THE TIME TO PREPARE A SALE PROCESS TO BE LAUNCHED IN SEPTEMBER

Like you, we firmly believe that half-measures (a buyback, a partial asset sale, or the sale of a minority stake) would deliver little value and risk destroying some. A well-organised process that creates genuine competitive tension between asset acquirers and platform acquirers is the surest route to realising the full value of the Company for all shareholders.

As indicated in our constructive meeting on June 17th, we believe the moment has now come to act. We thus formally ask the Board to:

- **Mandate an investment bank among your advisors to sell GRID and begin technical preparation now.** Assemble the data room and technical due diligence — asset, financing, contractual and pipeline materials — so that the Company is fully “sale-ready” by September.
- **Begin educating the buyer universe.** Just as importantly, the advisor should proactively educate prospective acquirers — infrastructure funds, strategic buyers, and platform acquirers — on the GB BESS opportunity, GRID’s market-leading position and the value embedded in the pipeline and Growth Plan. The recent validation by Sumitomo and TPK is powerful evidence that sophisticated international capital understands this opportunity; the process should build on that momentum.
- **Remain open to inbound interest.** The Company should remain receptive to, and ready to engage constructively with, any credible party that approaches in the interim with a compelling offer, within an organised framework that protects shareholders.

We then ask the Board to launch the formal sale process in September 2026 and ensure the broadest possible engagement with bona fide interested parties with a view to agree a sale by year-end.

SUMMARY AND CONCLUSION

Since our last private letter, GRID has done almost everything right operationally. It has significantly expanded and de-risked its pipeline, built an innovative and capital-efficient financing model, attracted blue-chip co-investment, secured its grid connections, and set out a fully financed plan to roughly double capacity and lift NAV per share materially. It has also validated, through convincing testing, an Alternative Revenue strategy generating substantial additional revenues at very high margins with limited capital investment. Management has also communicated extensively. Yet the share price has not moved. This, in summary, is the case for change.

We believe the intrinsic value of GRID could be in excess of 140p per share today — a figure underpinned by the Company's own published NAV and Growth Plan and by private-market transactions that bear no relation to GRID's current rating. The gap between that value and an c.80p share price is unbridgeable for as long as GRID remains listed.

We therefore respectfully request that the Board immediately commence preparations with a view to launching a formal sale process in September 2026 to conclude by year-end.

We remain wholly supportive of management and of the work being done, and we look forward to continuing our constructive dialogue. This is a pivotal moment for GRID, and we are confident that, with timely action, the Board can secure for shareholders the value that management's efforts have created.

Now is the time for definitive action – we look forward to helping GRID during the next exciting step.

Yours sincerely,

PrimeStone

Cc: Ben Guest, Luke Simpson, Stuart Klein