

RNS Miscellaneous



Net Asset Value and Portfolio Update

HARMONY ENERGY INCOME TRUST PLC

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

Net Asset Value and Portfolio Update

Harmony Energy Income Trust plc, an externally managed company that invests in energy storage assets in Great Britain, today announces that its Net Asset Value ("**NAV**") as at 31 January 2022 was 100.05p per share.

Highlights

- NAV increased by 1.74% to £210.11 million, or 100.05p per share, up 1.71p per share following the IPO in November 2021;
- NAV increase is primarily driven by revaluation of Pillswood (98 MW) and Broadditch (11 MW) projects to reflect lower risk as these projects benefit from fully executed EPC, O&M and revenue optimization agreements with Tesla;
- Remaining portfolio projects (and the Advanced Project, noted below) benefit from a Tesla framework agreement which sets delivery dates as well as key commercial terms in relation to the above agreements; and
- Progress has been made on all projects and continues to be in line with expected timing.

Portfolio Update

Since acquisition at IPO, good progress has been made on the Seed Portfolio in accordance with the planned timetable. The Pillswood and Broadditch contracts were executed with Tesla pre-IPO and in January 2022 (respectively). These projects are therefore categorised as "under construction" and on-track to commence operations in accordance with the table below.

Project	MW / MWh	Location	Target Commercial Operations Date	Status
Pillswood	98 / 196	Yorkshire	Dec 2022 / Mar 2023 ^[1]	Under Construction
Broadditch	11 / 22	Kent	December 2022	Under Construction
Farnham	20 / 40	Surrey	March 2023	Shovel Ready
Rusholme	35 / 70	Yorkshire	March 2023	Shovel Ready
Little Raith	49.5 / 99	Fife	October 2023	Shovel Ready
Total	213.5 / 427			

A 99 MW project described as the 'Advanced Project' on IPO is expected to be acquired by the Company once the final planning consent has been granted and upon agreement of debt financing terms. This will take the portfolio to 312.5 MW (625 MWh). In addition, Harmony Energy Limited is progressing with the development of additional pipeline projects which will be offered to the Company on a pre-emptive basis once such projects meet the Company's qualifying investment criteria.

Market Commentary

In the three months following the Company's IPO, revenues for battery storage assets in Great Britain have continued to be strong when compared to long-term historical averages, despite declining from the record high revenues seen in September 2021. Revenues across the market have continued to be derived from a combination of ancillary services and wholesale market revenues, with the latter being particularly important for 2-hour duration batteries. Only two 2-hour duration batteries currently operate in Great Britain. Both were developed by Harmony Energy Limited, and both utilize Tesla's Megapack technology and Autobidder revenue optimisation platform. This mirrors the structure of the Company's assets. 2-hour duration batteries were top of the Modo Battery Storage GB Leaderboard^[2] from September 2021 to December 2021 inclusive.

NAV Update for the period ended 31 January 2022

The Company's NAV immediately post-IPO was £206.52m (98.34p per share), taking into account listing costs. Between IPO and 31st January 2022, the unaudited NAV is calculated to have increased to £210.11m (100.05p per share), representing a NAV total return of 1.74% over the period. This return was largely driven by a revaluation of the Pillswood and Broadditch projects which both benefit from fully executed construction, maintenance and revenue optimization contracts with Tesla. In addition, Tesla is now offering improved warranty terms of up to 20 years rather than 15 years, which has a positive impact on modelled revenues.

Max Slade, Commercial Director of Harmony Energy Advisors Limited, commented: *"We are pleased with the increase in NAV over the period and we continue to make good progress with the build-out of the portfolio. The growth in renewable energy continues at pace in GB and battery energy storage is a vital component in the transition to net zero. We look forward to providing further updates in the near future."*

The Company's factsheet for 31 January 2022 is available on the Company's website at: <https://www.heitp.co.uk/investors/shareholder-documents>.

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About Harmony Energy Advisors Limited

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 Great Britain for over six years, both from the point of view of asset owner/developer and in a third-party advisory capacity.

[1] Pillswood project will be delivered as two phases of 49MW each.

[2] On a £/MW basis.

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