

RNS Net Asset Value(s)



NET ASSET VALUE AND PORTFOLIO UPDATE

[HARMONY ENERGY INCOME TRUST PLC](#)

Released 07:00:07 22 August 2022

RNS Number : 6759W
Harmony Energy Income Trust PLC
22 August 2022

22 August 2022

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 July 2022 was 116.21p per share.

Highlights

- NAV increased by 6.72% to £244.05 million, or 116.21 pence per share, up 7.32 pence per share over the three months from 30 April 2022;
- NAV increase for this quarter is primarily driven by:
 - a) the acquisition on 29 July 2022 by the Company of the first pipeline project from Harmony Energy Limited: Bumpers (99 MW / 198 MWh) at a discount to fair market value; and
 - b) the revaluation of both the Bumpers and Little Raith (49.5 MW / 99 MWh) projects to reflect lower risk as these projects are now categorised as "under construction". Contracts with Tesla were signed on 30 June 2022 (Little Raith) and 29 July 2022 (Bumpers), with target commercial operations dates of September 2023 (Bumpers) and October 2023 (Little Raith);
- Revenue projections have not been revised since 30 April 2022. Next revision due 31 October 2022;
- 1 pence per Ordinary Share dividend paid on 29 July 2022, as per the timetable forecast at IPO, taking NAV Total Return in the period to 7.64%. The Company remains on track to meet its target returns of paying a 2 pence per Ordinary Share dividend in 2022, increasing to 8 pence per Ordinary Share in 2023;
- Target commercial operations date of Pillswood project remains on track for November 2022;
- £60 million debt facility with NatWest agreed on 21 June 2022, which will facilitate the construction of the Bumpers project; and
- Company expects pipeline of c.500 MW "shovel ready" projects ready for acquisition (subject to financing and due diligence) by the end of 2022, with some projects capable of acquisition during Q4.

Portfolio Update

The construction of the Portfolio continues to progress well and the company is on track to deliver target returns in 2022 and 2023. All projects within the Portfolio are now categorised as "under construction" and targeting to commence operations in accordance with the table below (which, other than the change in status in relation to Little Raith and Bumpers, remain unchanged from 30 April 2022).

Project	MW / MWh	Location	Target Commercial Operations Date	Status
Pillswood	98 / 196	Yorkshire	November 2022	Under Construction
Broadditch	11 / 22	Kent	December 2022	Under Construction
Farnham	20 / 40	Surrey	March 2023	Under Construction
Rusholme	35 / 70	Yorkshire	March 2023	Under Construction
Bumpers	99 / 198	Bucks.	September 2023	Under Construction

Little Raith	49.5 / 99	Fife	October 2023	Under Construction
Total	312.5 / 625			

On the Company's Pillswood project, steel platforms are being made ready to receive the first batch of Tesla Megapacks which are expected to arrive on site by the end of August.

By end of 2022, the Company expects to have 109 MW of operating projects, 203.5 MW "under construction" and a pipeline of c.500 MW "shovel ready" projects ready for acquisition (subject to financing and due diligence), with a number of these being capable of acquisition during Q4. These pipeline projects benefit (or will benefit) from near-term grid energisation dates ranging from Q3 2023 to Q4 2024. All pipeline projects are expected to be at least 2-hour duration battery systems.

Market Commentary

The strong revenue performance of battery storage assets in Great Britain has continued through the quarter, with average monthly revenues hitting record levels in June and July 2022. Ancillary Service pricing has remained strong, and the 2-hour duration batteries continue to benefit from strong pricing in the Dynamic Regulation service. Wholesale trading volumes remained low compared to winter months, but some batteries (especially those with more than 1-hour duration) still benefited from some large wholesale spread opportunities: On 18th July 2022, the unusually hot weather and low levels of forecast wind generation prompted National Grid ESO to issue Capacity Market Notices (later cancelled), and this pushed the GB evening wholesale peak price as high as £647/MWh. The overall market outlook remains strong with high gas prices forecast to continue until 2026.

NAV Update for the period ended 31 July 2022

The Company's NAV as at 30 April 2022 was £228.69 million (108.90 pence per share). As at 31 July 2022, the unaudited NAV is calculated to have increased by 6.72% to £244.05 million (116.21 pence per share), up 7.32 pence per share over the three months from 30 April 2022.

This increase was largely driven by (a) the acquisition of the Bumpers project (99 MW / 198 MWh) at a discount to fair market value (as supported by the independent valuer's opinion); and (b) the revaluation of both the Little Raith and Bumpers projects by virtue of the Company executing EPC, O&M and revenue optimisation contracts with Tesla during the period, thereby allowing the projects to be categorised as "under construction". The payment of the 1 pence per Ordinary Share dividend on 29 July 2022 offset some of these increases.

Revenue projections have not been revised since 30 April 2022, with the next revision due in the coming quarter.

Max Slade, Commercial Director of Harmony Energy Advisors Limited, commented: *"This announcement reiterates the positive news previously announced by the Company during the quarter, including the interim results published on 28 June. The Company has achieved so much during 2022 and we are pleased to continue meeting our targets and delivering positive NAV growth for the shareholders. We now look forward to completing construction and commencing operations on the Pillswood project in the coming months. We will provide further updates in due course."*

The Company's factsheet for 31 July 2022 is available on the Company's website at: <https://www.heitp.co.uk/sites/camarcoir/files/2022-08/heit-plc-fact-sheet-q3-2022.pdf>

END

For further information, please contact:

Harmony Energy Advisors Limited

Paul Mason

Max Slade

Peter Kavanagh

James Ritchie

info@harmonyenergy.co.uk

Berenberg +44 (0)20 3207 7800

Gillian Martin

Ben Wright

Ciaran Walsh

Dan Gee-Summons

Camarco +44 (0)20 3757 4980

Eddie Livingstone-Learmonth

Georgia Edmonds

JTC (UK) Limited +44 (0)20 3832 3877

Uloma Adighibe

Harmony.CoSec@jtcgroup.com

LEI: 25490003X13CJNTR453

About Harmony Energy Advisors Limited (the "Investment Adviser")

The Investment Adviser is a wholly owned subsidiary of Harmony Energy Limited. The Investment Adviser is an appointed representative of Laven Advisors LLP, which is authorised and regulated by the Financial Conduct Authority.

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lse.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

NAVQKLFFLVLFBBV

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2022 London Stock Exchange plc. All rights reserved.