

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document has been prepared in connection with the publication of a prospectus ("**Prospectus**") for the purposes of Article 3 of Regulation (EU) 2017/1129, as amended, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by the Prospectus (Amendment, etc) (EU Exit) Regulations 2019 (the "**Prospectus Regulation**"), relating to Harmony Energy Income Trust plc (the "**Company**") in connection with the issue of ordinary shares of £0.01 each ("**Ordinary Shares**") and C shares of £0.10 each ("**C Shares**") in the capital of the Company (the Ordinary Shares and C Shares, together the "**Shares**") prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA and approved by the FCA as competent authority under the Prospectus Regulation and under section 87A of FSMA. It constitutes "a separate copy of the summary" for the purposes of Article 21(3) of the Prospectus Regulation.

The Prospectus is dated 15 October 2021. The page numbers in this document correspond to the page numbers in the Prospectus. The Prospectus is available for download at www.heitp.co.uk.

HARMONY ENERGY INCOME TRUST PLC

(Incorporated and registered in England and Wales with registered number 13656587 and registered as an investment company under section 833 of the Companies Act 2006 (as amended))

**Initial Placing and Offer for Subscription of up to 230 million Ordinary Shares,
Placing Programme of up to 250 million Ordinary Shares and/or
C Shares and Acquisition of the Seed Portfolio**

**Admission to trading on the Specialist Fund Segment of the Main Market
of London Stock Exchange plc**

Investment Adviser

Harmony Energy Advisors Limited

Financial Adviser, Sole Global Coordinator and Bookrunner

Joh. Berenberg, Gossler & Co. KG, London Branch

Joh. Berenberg, Gossler & Co. KG, London Branch ("**Berenberg**"), which is authorised and regulated by the German Federal Financial Supervisory Authority and, in the United Kingdom, is deemed authorised under the Temporary Permissions Regime and subject to limited regulation by the FCA, is acting exclusively as financial adviser, sole global coordinator and bookrunner for the Company and for no one else in relation to the Initial Issue and/or Subsequent Placings (both as defined in the Prospectus). Berenberg will not regard any other person (whether or not a recipient of the Prospectus) as its client in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Berenberg or for providing any advice in relation to the Initial Issue and /or Subsequent Placings or any transaction or arrangement referred to in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Berenberg by FSMA or the regulatory regime established thereunder, Berenberg accepts no responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company and/or the Initial Issue and/or the Subsequent Placings. Berenberg accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of the Prospectus or any such statement. Berenberg and its affiliates accordingly disclaim all and any liability whether arising in tort, contract, or which they might otherwise have in respect of the contents of the Prospectus or any such statement.

SUMMARY

1. INTRODUCTION AND WARNINGS

(a) Name and ISIN of securities

Ticker for the Ordinary Shares: HEIT

ISIN of the Ordinary Shares: GB00BLNNFY18

Ticker for the C Shares: HEIC

ISIN of the C Shares: GB00BLNNFZ25

(b) Identity and contact details of the issuer

Name: Harmony Energy Income Trust plc (the “Company”) (incorporated in England and Wales with registered number 13656587)

Registered office: The Scalpel 18th Floor, 52 Lime Street, London, England EC3M 7AF

Tel: +44 (0) 20 7409 0181

Legal Entity Identifier (LEI): 25490003XI3CJNTRK453

(c) Identity and contact details of the competent authority

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London, E20 1JN, United Kingdom

Tel: +44 (0) 20 7066 1000

(d) Date of approval of the prospectus

15 October 2021

(e) Warnings

This summary should be read as an introduction to the prospectus. Any decision to invest in the Shares should be based on a consideration of the prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Shares.

2. KEY INFORMATION ON THE ISSUER

2.1 *Who is the issuer of the securities?*

Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is a public limited company, registered and incorporated in England and Wales under the Companies Act 2006 (the “Act”) on 1 October 2021 with registered number 13656587. The Company is registered as an investment company under section 833 of the Act. The Company intends to carry on business as an investment trust within the meaning of Section 1158 of the Corporation Tax Act 2010. The Company’s LEI is 25490003XI3CJNTRK453.

Principal activities

The principal activity of the Company is to invest in accordance with the Company’s investment policy with a view to achieving its investment objective.

Investment objective

The Company’s investment objective is to provide investors with an attractive and sustainable level of income returns, with the potential for capital growth, by investing in commercial scale energy storage and renewable energy generation projects, with an initial focus on a diversified portfolio of battery energy storage systems located in Great Britain.

Major Shareholders

As at the date of this Prospectus, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights. Pending the issue of Ordinary Shares pursuant to the Initial Issue, the Company will be controlled by the Investment Adviser.

Assuming that Gross Proceeds of £230 million are raised pursuant to the Initial Placing and Offer for Subscription, Harmony Energy will receive 23,483,695 Consideration Shares on Admission in part consideration for the acquisition of the Seed Portfolio. These Ordinary Shares would comprise, in aggregate, approximately 9.26 per cent. of Ordinary Shares issued by the Company on Admission.

Save as described above, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.

Directors

Norman Crighton (Chair), Janine Freeman, Hugh McNeal, William Rickett and Shefaly Yogendra. All of the Directors are non-executive directors and are independent of the Investment Adviser and Harmony Energy.

Statutory auditors

Ernst & Young LLP

Service providers

The Company's key service providers are JTC Global AIFM Solutions Limited (the "AIFM"), Harmony Energy Advisors Limited, the Investment Adviser (which has applied to act as FCA Appointed Representative of Laven Advisors LLP), JTC (UK) Limited, the administrator and company secretary to the Company and Computershare, the Company's registrar and receiving agent in respect of the Offer for Subscription.

The Investment Adviser will provide investment advisory services (and certain other services related to the Company's investments) and will act within the strategic guidelines set out in the Company's investment policy. The Investment Adviser will report to the AIFM and the Company, and will be responsible to Laven Advisors LLP, its principal under an FCA Appointed Representative agreement.

2.2 What is the key financial information regarding the issuer?

The Company is newly incorporated and has no historical financial information.

2.3 What are the key risks that are specific to the issuer?

The key risks relating to the Company and its industry which are known to the Directors are as follows:

- The Company has no operating results and will not commence operations until it has obtained funding through the Initial Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.
- The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met. The Company's returns to Shareholders will depend on many factors, including the value and performance of its investments and the Company's ability successfully to execute its investment strategy. The value and performance of the Company's investments will be affected by a broad range of factors.
- The Company's target returns are a target only and are based on estimates and assumptions about a variety of factors including, without limitation, purchase prices of battery energy storage systems and components, project development and construction costs, income and pricing from contracts with National Grid ESO and other counterparties, the potential for trading profitability in the wholesale electricity markets and/or Balancing Mechanism, performance of the Company's investments, and the availability of projects which meet the Company's minimum return parameters in accordance with the Company's investment policy.
- The Company is aiming to have committed substantially all of the proceeds of the Initial Issue to investments within 12 months from the date of Admission but there can be no guarantee that this will be achieved. It is intended that the Net Proceeds will be deployed into the Seed Projects and the Advanced Project (being the most advanced project within the Pipeline Portfolio), however it is possible that one or more of these Projects will not be acquired by the Company. In this case it may take the Company more than 12 months to commit the Net Proceeds to investments. There can therefore be no assurance as to how long it will take for the Company to invest any or all of the Net Proceeds, if at all, and the longer the period the greater the impact on the Company's results of operations and cash flows and the greater the likelihood that the Company's NAV, revenues and returns to Shareholders will be materially adversely affected.
- Whilst the Seed Projects (and other Projects the Company may acquire from time to time) are 'Shovel Ready' (meaning that a Project has planning consents for battery storage, a grid connection agreement, an option to lease or a lease over the relevant land, and an agreed form EPC contract) such Projects by their very nature remain subject to certain pre-construction and construction risks, including but not limited to: planning amendments to reflect the final technical specification and/or ancillary equipment on a particular site; options for lease (rather than a completed lease) which provide contractual rights rather than a property interest of the type created by a completed lease and is required to be exercised to effect a lease; grid connection agreements are subject to meeting completion timescales and making milestone payments; and EPC contracts, which whilst fixing the majority of construction costs, may not protect against all circumstances of cost overruns, such as force majeure events. Any one of such risks, if materialised, may have a significant impact on a Project value and revenues which could in turn have a material impact of the financial performance of the Company.
- Tesla is a key supplier of EPC, O&M and Revenue Optimisation and other services and supply of battery systems to the Seed Projects, and a failure by Tesla may materially disrupt the development of the relevant Projects and the business of the Company.

- The Company's investment policy has an initial focus on energy storage infrastructure, which will principally operate in Great Britain. This means that the Company has a significant concentration risk relating to the energy storage infrastructure sector in Great Britain. Significant concentration of investments in any one sector may result in greater volatility in the value of the Company's investments, and consequently the NAV, and may materially and adversely affect the performance of the Company and returns to Shareholders.
- The Company's NAV, revenues and returns to Shareholders will be dependent on there being no material adverse change in applicable laws (including tax laws) or regulations (or their interpretation) that affects the Company, the AIFM, the Portfolio, any instruments issued or held by any of them or the overall structure to be adopted to effect the investment strategy and objective of the Company.
- If the growth of renewable energy does not continue as expected (for example, due to low energy prices, reduced Government support, increased deployment of non-renewable/fossil fuel generating capacity such as gas fired or nuclear power stations, or increased imports from cross channel interconnectors), this could have an adverse impact on the Company's prospects and performance.
- Commercial battery energy storage systems rely on contracts with National Grid ESO and pricing volatility within (i) the balancing mechanism which is used by National Grid ESO to manage system constraints, procure reserve and balance the supply and demand of energy in real time ("BM") and (ii) wholesale electricity markets, in order to generate revenues. To the extent the supply of capacity provided by such asset class exceeds demand, the pricing of National Grid ESO contracts could reduce and pricing volatility within the BM and wholesale electricity markets could decline, adversely impacting the revenues which can be generated by a battery and, to the extent such impact affects the Projects, the NAV and returns of the Company.
- The Projects will rely on third-party professionals and independent contractors and other service providers (including Harmony Energy). In the event that such contracted third parties are not able to fulfil their obligations or otherwise fail to perform to standard, the AIFM, on behalf of the Company or the Projects, may be forced to seek recourse against such parties, provide additional resources to undertake their work, or to engage other companies to undertake their work. This could have a material adverse effect on the Company's NAV, revenues and returns to Shareholders.

3. KEY INFORMATION ON THE SECURITIES

3.1 *What are the main features of the securities?*

Type, class and ISIN of the securities

- (i) Ordinary shares of £0.01 each in the capital of the Company.
The ISIN of the Ordinary Shares is GB00BLNNFY18.
- (ii) C shares of £0.10 each in the capital of the Company.
The ISIN of the C Shares is GB00BLNNFZ25.

Currency, denomination, par value, number of securities issued and term of the securities

The Ordinary Shares and C Shares are denominated in pounds sterling and have nominal value of £0.01 each (in the case of the Ordinary Shares) and £0.10 each (in the case of the C Shares). Ordinary Shares are being made available under the Initial Issue at the Issue Price of 100 pence per Ordinary Share. The Placing Programme Price is not known at the date of this Prospectus, but will not be less than the prevailing Net Asset Value per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue. Up to 230 million Ordinary Shares can be issued pursuant to the Initial Placing and Offer for Subscription and up to 250 million Ordinary Shares and/or C Shares may be issued pursuant to the Placing Programme. The Ordinary Shares and C Shares have no fixed term.

Rights attached to the securities

Holders of Ordinary Shares and C Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares or class of C Shares they hold. On a winding-up or a return of capital by the Company, holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue. On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares of each class shall be divided pro rata among the holders of the C Shares attributable to that class. For so long as C Shares are in issue and without prejudice to the Company's obligations under the Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to any C Shares in issue.

Holders of Ordinary Shares and C Shares shall be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share or C Share held. The Ordinary Shares and C Shares are not redeemable. The consent of the holders of Ordinary Shares or class of C Shares will be required for the variation of any rights attached to the Ordinary Shares or the relevant class of C Shares (as the case may be).

Relative seniority of the securities in the event of insolvency

On a winding-up or a return of capital by the Company, the holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue. There are no C Shares in issue as at the date of this document.

At a time when any C Shares are for the time being in issue, the net assets of the Company attributable to the C Shares of each class shall on a winding-up or on a return of capital by the Company be divided pro rata amongst the holders of the C Shares attributable to that class.

Restrictions on free transferability of the securities

The Board may, in its absolute discretion, and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid and on which the Company has a lien provided that this would not prevent dealings in the Shares from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of Shares if (i) in the case of certificated Shares: (a) it is in respect of more than one class of shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate of the shares to which it relates and such other evidence of title as the Board may reasonably require.

The Board may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST Regulations where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

Dividend policy

On the basis of market conditions as at the date of this Prospectus, the Company will target an initial dividend yield of 2 per cent. for the calendar ending 31 December 2022, with such dividend target increasing to 8 per cent. per annum payable quarterly in the periods thereafter, in each case by reference to the Issue Price.

Subject to market conditions and the level of the Company's net income, it is expected that a first interim dividend of 1p will be payable in July 2022 with an additional 1p expected to be paid in December 2022. Thereafter it is intended that dividends on the Shares will be payable quarterly, all in the form of interim dividends (the Company does not intend to pay any final dividends). The Board reserves the right to retain within a revenue reserve a proportion of the Company's net income in any financial year, such reserve then being available at the Board's absolute discretion for subsequent distribution to Shareholders, subject to the requirements of the IT Regulations.

If any C Shares are issued, holders of any class of C Shares following Initial Admission will be entitled to participate in any dividends and distributions of the Company as the Directors may resolve to pay to holders of that class of C Shares out of the assets attributable to that class of C Shares. For the avoidance of doubt, the targets set out above shall not apply with respect to any tranche of C Shares prior to conversion into Ordinary Shares. Dividends and distributions on Ordinary Shares (or C Shares) will be declared and paid in Sterling.

The target returns and dividends stated above are targets only based on certain assumptions and not a profit forecast. There can be no assurance that these targets will be met and should not be taken as an indication of the Company's expected future results. The Company's actual returns will depend upon a number of factors, including but not limited to the size of the Initial Issue, the Company's actual performance and level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the return and dividend targets are reasonable or achievable.

3.2 *Where will the securities be traded?*

Applications will be made to the London Stock Exchange for all the Ordinary Shares (issued and to be issued) pursuant to the Initial Issue and for the Ordinary Shares and/or C Shares to be issued from time to time pursuant to the Placing Programme to be admitted to the Specialist Fund Segment.

3.3 *What are the key risks that are specific to the securities?*

The key risk factors relating to the Shares are:

- The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.
- The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market or economic conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may therefore vary considerably from its NAV.
- It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares. The Directors are under no obligation to effect repurchases of Shares. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market, which may have limited liquidity.

- The dividend payments to Shareholders may be lower than those targeted by the Company and there is a risk that the Company is unable to pay any dividends.

4. KEY INFORMATION ON THE OFFER OF SECURITIES AND ADMISSION TO TRADING ON A REGULATED MARKET

4.1 *Under which conditions and timetable can I invest in this security?*

General terms and conditions

The Initial Issue consists of a placing and an offer for subscription of Ordinary Shares which are being issued at 100p per Ordinary Share and the issue of the Consideration Shares to satisfy £23,483,694 of the consideration for the Seed Portfolio Acquisition. The total number of Ordinary Shares allotted under the Initial Placing and Offer for Subscription will be determined by the Company, Berenberg and the Investment Adviser after taking into account demand for the Ordinary Shares and prevailing economic and market conditions, subject to a maximum of 230 million Shares.

The Initial Placing and Offer for Subscription are conditional amongst other things on (i) the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; (ii) Gross Proceeds of not less than £160 million being raised through the Initial Issue ("**Minimum Gross Proceeds**"); and (iii) Admission becoming effective not later than 8.00 a.m. on 9 November 2021 or such later time and/or date as Berenberg and the Company may agree (being not later than 8.00 a.m. on 30 November 2021).

If any of these conditions are not met or waived, the Initial Issue will not proceed and an announcement to that effect will be made through a Regulatory Information Service. If the Minimum Gross Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.

The Shares issued pursuant to the Initial Issue will be issued on 9 November 2021. The Initial Placing and the Offer for Subscription are only available to investors who can make certain warranties and representations as to their status as an investor, including that they are not a U.S. Person. The Initial Placing is only available to persons of a kind described in paragraph 5 of Article 19 and paragraphs 2(a) to (d) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

An investor applying for Ordinary Shares under the Initial Issue may elect to receive Ordinary Shares in uncertificated form, if such investor is a system-member in relation to CREST, or in certificated form. Definitive certificates in respect of the Ordinary Shares issued in certificated form are expected to be despatched during the week commencing 15 November 2021.

Placing: The Company, the Investment Adviser and Berenberg have entered into the Placing Agreement, pursuant to which Berenberg has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers of the Ordinary Shares to be made available in the Initial Placing. The Initial Placing is not being underwritten.

Offer for Subscription: Each investor under the Offer for Subscription is required to undertake to pay the Issue Price for the Ordinary Shares issued to such investor by cheque or bankers' draft or by electronic interbank transfer. Applications under the Offer for Subscription must be for a minimum of subscription amount of £1,000 and thereafter in multiples of 100 Ordinary Shares or such lesser amount as the Company may determine (at its discretion).

Placing Programme: Following the Initial Issue, the Placing Programme may be implemented pursuant to one or more Subsequent Placings over the next 12 months under the Placing Programme. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over a period of time. The last date on which Shares may be admitted to trading under the Placing Programme is 14 October 2022.

The Placing Programme may also include one or more issues of Consideration Shares to Harmony Energy and/or RBE pursuant to the Pipeline Agreement in respect of Subsequent Acquisitions (if any).

The issue of Shares under the Placing Programme is at the discretion of the Directors. The minimum subscription amount pursuant to the Placing Programme is intended to be £1,000. Each investor is required to undertake to make payment for the Shares issued to such investor pursuant to the Placing Programme in such manner as shall be directed by Berenberg. An investor applying for Shares in the Placing Programme may elect to receive Shares in uncertificated form, if such investor is a system-member in relation to CREST, or certificated form. Where applicable, definitive certificates in respect of the Shares are expected to be despatched by post to the relevant holders no later than fourteen Business Days after the relevant issue date.

Details of admission to trading on a regulated market

Applications will be made to the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Initial Issue and for the Shares to be issued from time to time pursuant to the Placing Programme to be admitted to the Specialist Fund Segment.

Plan for distribution

The Company is targeting an issue of up to 230 million Ordinary Shares under the Initial Placing and Offer for Subscription. In addition, 23,483,694 Consideration Shares will be issued in respect of the acquisition of the Seed Portfolio. The maximum number of Ordinary Shares to be issued under the Initial Issue is 253,483,694 Further Ordinary Shares will be issued as Consideration Shares pursuant to the Pipeline Agreement in respect of Subsequent Acquisitions (if any). The maximum

number of Shares available under the Placing Programme is intended to provide flexibility and should not be taken as an indication of the number of shares that will be issued. Any issues of Shares will be notified by the Company through a Regulatory Information Service and the Company's website, prior to each Admission.

Amount and percentage of immediate dilution resulting from the issue

No dilution will result from the Initial Issue. If an existing Shareholder does not subscribe for C Shares and/or Ordinary Shares issued in Subsequent Placings under the Placing Programme, such Shareholder's proportionate ownership and voting rights in the Company will be reduced.

Estimate of the total expenses of the issue

The costs and expenses of the Initial Issue will not exceed 2 per cent. of the cash proceeds of the Initial Issue. Assuming the Gross Proceeds of the Initial Issue are £230 million, the costs and expenses of the Initial Issue payable by the Company are expected to be approximately £4.6 million.

The costs and expenses of each Subsequent Placing pursuant to the Placing Programme will depend on subscriptions received, but shall not exceed 2 per cent. of the gross proceeds of such Subsequent Placing. The costs and expenses of any issue of Ordinary Shares will be covered by issuing Ordinary Shares at a premium to the NAV per Ordinary Share at the time of issue. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.

Estimated expenses charged to the investor

Expenses incurred by the Company in connection with the Initial Issue will not exceed 2 per cent. of the Initial Issue. The Company will not charge investors any separate costs or expenses in connection with the Initial Issue. The costs and expenses of any subsequent issue pursuant to the Placing Programme will depend on subscriptions received but it is expected that these costs and expenses will be covered by issuing Ordinary Shares at a premium to the NAV per Ordinary Share at the time of issue, and shall not exceed 2 per cent. of the gross proceeds of such issue. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.

4.2 *Why is this prospectus being produced?*

Reasons for the Initial Issue and Placing Programme

The Initial Issue and the Placing Programme are intended to raise money for investment in accordance with the Company's investment policy, including the payment of the Cash Consideration in respect of the Seed Portfolio Acquisition and the Subsequent Acquisitions (if any).

The use and estimated net amount of the proceeds

The net proceeds of the Initial Issue are dependent on the level of subscriptions received. Assuming the gross proceeds of the Initial Issue are £230 million, the net proceeds will be approximately £225.4 million. The net proceeds of any subsequent issue pursuant to the Placing Programme are dependent, inter alia, on the level of subscriptions received and the price at which new Shares are issued.

The net proceeds of the Initial Placing and Offer for Subscription will be utilised to acquire battery energy storage projects in line with the Company's investment objective and investment policy. Assuming that the target gross proceeds of £230 million pursuant to the Initial Placing and Offer for Subscription ("**Target Gross Proceeds**") are raised, c. £149 million will be utilised to acquire and fund all of the Seed Projects, c. £65 million will be applied to the subsequent acquisition and funding of the Advanced Project (subject to final planning and due diligence) and the balance of c. £15.8 million used to pay Issue Expenses and for working capital purposes. In the event that the Minimum Gross Proceeds are raised, c. £149 million will be utilised to acquire and fund the Seed Projects and the balance of c. £11 million used to pay Issue Expenses and for working capital purposes. In such case, the Company may consider utilising borrowings (in accordance with its investment policy) to acquire the Advanced Project, subject to final planning and due diligence and subject to borrowings being available on attractive terms.

The net proceeds of any subsequent issue under the Placing Programme are expected to be utilised to acquire additional projects which are Pipeline Projects if and when they qualify for investment by the Company (i.e. reach 'Shovel Ready' status) and subject to final due diligence, or any other projects which the Investment Adviser may recommend in accordance with the Company's investment objective and investment policy, and for working capital purposes.

Underwriting

The Initial Issue is not being underwritten.

Material conflicts of interest

On Admission, the Company will acquire the Seed Projects from Harmony Energy and following Admission the Company may also (subject to due diligence) acquire Pipeline Projects from Harmony Energy and RBE (being a related party of Harmony Energy), in each case in accordance with the Company's investment policy. Save as identified in this paragraph, there are no interests that are material to the Initial Issue and no conflicting interests.