

RM Funds Response to the GSF Board Statement

Judging a Board by Its Actions, Not Its Words

The Gore Street Energy Storage Fund ("GSF" or the "Company") Board would like shareholders to judge them by their intentions. We prefer evidence. In recent years, the Board and manager have:

- **Introduced a poison pill** that could have triggered a payout ranging from £10m and up to c.£20m+ to the Investment Manager in the event of a takeover¹.
- **Approved over £20m in fees to the manager** in just three years² - regardless of share price returns or dividend cover.
- Doubled their own board fees³.
- Paid out **£122m in dividends**⁴ since IPO, **a significant portion of which were not covered by earnings** and appear to have been **funded through shareholder capital and/or increased leverage**. Current **dividend cover: 0.39x**
- **Overseen a collapse in the share price of c.50%**⁶, wiping out hundreds of millions in shareholder value.
- No share buybacks nor tenders, despite attractive IRRs.
- **Held 1 Management Engagement Committee in FY25.**

| Time Period | Share Price Return | Total Return (inc Dividends) |
|-------------|--------------------|------------------------------|
| 1 Year | 4.07% | 11.91% |
| 2 Year | -35.35% | -26.16% |
| 3 Year | -47.28% | -31.23% |
| 5 Year | -37.25% | -9.19% |

circa 37% negative share price performance since IPO

Date: 01/08/2025

Source: Stock Market Data, Company Data, RM Funds

And now - with no credible track record regarding investment objectives, dividends, strategy or governance - the Board asks shareholders to let them lead the turnaround. We believe shareholders deserve better.

RM Funds' Intentions and Shareholding

RM Funds is a UK-based, long-only fund manager, managing open- and closed-ended funds for retail and institutional clients. **We have been a shareholder in GSF since April 2021** (page 3) **and today hold approximately 30 million shares** - roughly the same number of shares, as what the Company issued at IPO.

Our thesis for investing in the company is built on exposure to a strategically vital sector - battery energy storage. With a fully energised portfolio and significant embedded infrastructure value. We believe a **sharper regional focus**, particularly on the UK, **could unlock superior returns** by **aligning with domestic policy tailwinds and investor appetite**. As regulation, contract structures, and the market evolves, the investment case strengthens, **creating real optionality and upside in earnings**.

We stood shoulder to shoulder with the Company and fellow shareholders, absorbing early construction risk and remaining invested through volatile chapters ranging from the Russia-Ukraine conflict and Trussonomics to so-called "liberation day." **We engaged. But the Board ignored our correspondence, only reacting when we reminded the Company's**

Note on Sources and Data

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corporate broker and by extension the Board **of a simple truth: they work for the Shareholders.**

We've **met the Investment Manager consistently, three to five times a year - raising issues as far back as 2022.** Concerns included falling revenues, a weakening and unsustainable dividend cover, flawed assumptions, misaligned fees, and creeping complexity through international expansion. **Early warnings were met with inaction.**

It took four months just to arrange a first meeting with the Board. When it finally happened, the tone was defensive and dismissive. **Shareholders should judge the Board** not by its platitudes, but **by its record.**

Let's be clear: **RM Funds only makes money the same way all shareholders do - when the share price rises and dividends are paid. That only happens when governance improves, strategy clarifies, and alignment exists between Board, manager, and shareholders.**

After **seven years under this Board's oversight, the share price has collapsed, governance has stagnated, and accountability has been absent.** It is right that **the Chair be held accountable.**

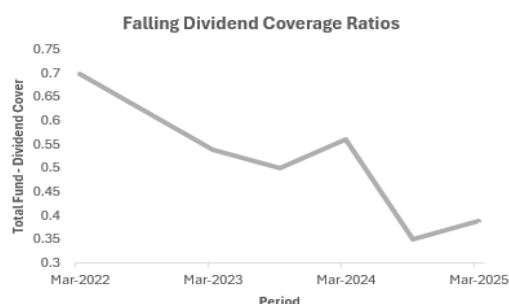
And the directors we've proposed? They are independent, experienced, and ready to act in shareholders' best interests. **Now, you - the owners of the Company have the chance to vote FOR them.**

Dividend Reality vs. Board Narrative

Board Claim: "GSF was launched to provide sustainable income".

The Facts:

- **The dividend has been slashed by c.67%,** from 7p to 2.25p⁷.
- The current policy is confusing (and unclear) - moving from 7p, to "best efforts" 4p+, to a quarter suspension, and now 0.75p per quarter⁷.
- By **RM Funds estimates** / calculations and conversations with sell-side analysts, **only circa 50% of the £122m⁴ paid in dividends came from earnings** - the rest came from capital or leverage (currently 0.39x covered).
- The company publishes two different dividend coverage ratios - one at fund level, one at company level - creating unnecessary confusion⁸.
- Dividend cuts are typically followed by a negative share price reaction, increasing the discount to NAV.



Source: GSF Annual Accounts

This isn't sustainable income, it's your capital being eroded and dressed as yield.

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Independence in Name, Not in Practice

Board Claim: “The board is independent and effective”.

The Facts:

- **Four of five directors have served since IPO, circa seven years.**
- Four originally owe their appointment to the Investment Manager.
- **The board approved £4.5m in performance fees², from unrealised paper profits.**
- There is also the matter of the Commercial Manager fees and optimisation fees – Where is the due process? **Tendering the Investment Management Agreements, Operational & Management Contracts to demonstrate value for shareholders money?**
- **The company secretary is *the* Investment Manager, and they are advising the board on governance. A blatant conflict.**
- **The Board have had a grand total of 3 Management Engagement Meetings in three years.**
- The poison pill provision would have guaranteed the manager millions in the event of a takeover¹.

This is not independence. This is a board and manager in cohort, approving fees, without any consideration for shareholders.

COMPANY SECRETARY

Gore Street Services Limited provides company secretarial support and governance advice to the Board and Chair. The Company Secretary is responsible for regulatory compliance and supporting the Board's continuing obligations with respect to corporate governance.

Source:

Gore Street Energy Storage Fund PLC, Annual Report FY25

Appointing New Directors Is Not Destabilising - It's Accountability

Board Claim: “RM's nominees would destabilise the board”.

The Facts:

- We propose **a minority refresh: two directors on a five-person board.**
- **Brett Miller brings investment trust experience**, having overseen strategic reviews, realisations and yes, wind-downs. He currently serves on Manchester & London plc - one of the UK's best-performing trusts.
- **Ian Dixon brings global infrastructure expertise.** He was CEO of AMBAC Assurance, led Investec's infrastructure team, and served as Head of Global Infrastructure (EMEA/APAC) at Fitch.
- **They are independent. They are credible. And all shareholders - not just RM Funds - get to vote FOR them.**
- For the record, we will publish the [nominee CVs on our website here](#).

Credible, Independent, Experienced and Fully Accountable to Shareholders

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Alignment: Words vs. Reality

Board Claim: The board and manager are aligned with shareholders.

The Facts:

- The manager was until recently paid based on NAV - not share price returns.
- **Performance fees were paid on unrealised gains, with chronic share price underperformance and uncovered dividends.**
- The board's own equity holdings are limited.



Source:

Gore Street Energy Storage Fund PLC, Annual Report FY22, FY23, FY24, FY25
Share Price, from various data providers

The time period shown in the graph highlights a stark divergence: while the Company's share price deteriorated rapidly, the Investment Manager's remuneration and fees continued to rise sharply.

Alignment means shared risk. And change has only occurred when forced by shareholders.

The Company's "New Strategy"

Board Claim: "We have a new strategy with cost cuts, asset disposals, and optimisation".

The Facts:

- **More assets are being handed to the manager to operate - with new "optimisation" fees introduced.** Was this tendered? Benchmarked? No evidence provided.
- The **Board is proposing increased leverage** in a high interest rate environment - a move could increase financing costs and **amplifies risk to shareholders** at a time when **returns are already under pressure**.
- **Disposals?** The press reports suggest the manager is **co-investing**, not divesting.
- **Geographic diversification has created complexity, not performance.** Most peers now pursue focused, scaled strategies.

Where are the checks, balances, or shareholder protections?

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The Strategic Adviser Question

Board Claim: “Our strategy is validated by an independent adviser”.

The Facts:

- The adviser was **only disclosed after shareholder pressure**.
- The scope? A review of existing assets?
- The firm has **no demonstrable track record in listed investment companies**.
- **Their conclusions mirror the Board and Manager’s pre-existing positions.**
- **Does the Board truly require an external adviser to reach such basic conclusions? And at what cost to shareholders?**

This is not independence - it’s a hired endorsement. And it’s certainly not a strategic review.

The General Meeting

Board Claim: “Requisitioning a GM is costly and disruptive”.

The Facts:

- **The real cost is value destruction, not a shareholder vote.**
- Meanwhile, the board has engaged legal advisers, PR firms, proxy advisors - all at shareholder expense.
- **In contrast, RM Funds have been banned / blocked from attending company calls by the Company and its advisors.**
- **The Board and the Manager have repeatedly resisted and obstructed our lawful (Section 116) requests to obtain shareholder information.** When they did eventually comply, the disclosure was incomplete - frustrating our ability to consult with fellow shareholders on the proposals.

A GM is shareholder democracy. The board’s aggressive stance says everything.

No Clear Alternative? We Disagree

Board Claim: “RM has no strategy”.

The Facts:

- We are calling for an **independent strategic review, led by a refreshed board of directors.**
- **We believe in exploring simplification, including upgrading assets, and divesting non-core assets** including through potential M&A.
- **We are not proposing a fire sale** - but transparency, optionality, and credible oversight.

This isn’t control, it is restoring trust!

Misleading Claim: RM Refused to Provide CVs

Board Claim: “RM refused to provide information about its nominees”.

The Facts:

- **CVs were submitted on 11 July, via letter to the Chair (Pat Cox), SID (Ms Banszky), the company secretary (Mr Hanley), and the Company’s corporate broker, before the GM was requisitioned.**
- **In a prior meeting with the board, our proposal to consider nominees was rejected.**
- **Following the meeting, the Investment Manager requested the CVs, which is highly inappropriate** – the manager should have no involvement in the appointment of board members.
- **We received no acknowledgment or response.**
- **The board’s public claim is false and demonstrably so. Mr Cox should issue a correction and an apology to RM Funds.**
- **We also understand from conversations with a prior candidate, that they were interviewed by Alex O’Cinneide, the investment manager.** Again this is highly inappropriate.
- **We note that in press statements/quotes made by and or attributed to the Chair and notices issued by the Chair contradict each other with regards to RM’s actions. [As such we will publish RM Funds letters here regarding our engagement in due course.](#)**

We were left with no choice, but to call an EGM after trying engagement.

Why We Still Like the Assets

- **Strategic sector exposure:** GSF is exposed to battery energy storage systems (BESS), a **critical enabler of renewable energy adoption, grid stability, and energy arbitrage** - very important in a world increasingly focused on **energy security**.
- **Potential high value market(s):** While the portfolio spans high-value energy markets including the UK, Ireland, Germany, Texas, and California, not all of these regions contribute equally to long-term value. **We believe that refocusing on a specific core region such as the UK - could drive superior results by simplifying operations, appealing to domestic investors, and capturing the full benefit of domestic policy tailwinds and regulatory support. A more focused platform is more investable, more scalable, and more aligned** with the direction of the sector.
- **Assets are energised and operational:** The **portfolio is now fully energised**, reducing construction and commissioning risk.
- **Optionality through market evolution:** The broader regulatory and policy landscape is becoming increasingly supportive of battery energy storage (in specific markets), reinforcing the long-term investment case. Developments such as the emergence of ultra-long duration frameworks and policies, enhanced balancing services, and the evolution of stackable revenue contracts all contribute to a more diversified and resilient earnings model. In parallel power price dynamics and duration upgrades provide potential for upside earnings growth. Collectively, these shifts introduce real

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optionality not only enhancing revenue stability but also creating multiple pathways for value realisation as the sector matures.

- **Underlying infrastructure value:** High entry barriers, grid interconnection rights, etc offer inherent downside protection even in volatile markets.

Conclusion: What RM Stands For

- **RM is a long-standing shareholder, not a speculator.**
- Most of our holdings in GSF span both VT RM Alternative Income Fund and the SVS RM Defensive Capital Fund (acquired from another investment business in Q4 2024).
- **We support a credible strategic review, constructive dialogue, and real oversight.**
- **The current board cannot credibly lead a strategic review – they have overseen years of value destruction.**
- **We propose two independent directors, for shareholder to vote FOR, with fiduciary duties to all shareholders.**
- **The assets are strong. The governance is weak.** The opportunity is real – but the situation is urgent.
- Vote for change. Vote for accountability. Vote to unlock GSF's value.

Vote FOR RM Funds' Resolutions at the EGM.

Pietro Nicholls, for and on behalf of

RM Funds

Sources:

¹Gore Street Energy Storage Fund PLC Annual Accounts, effective 16 Dec 2022, "Termination Provisions in the AIFM Agreement"

²Gore Street Energy Storage Fund PLC Annual Accounts FY21 (c.£2.3mm), FY22 (c.£5.5mm), FY23 (c.£8.3mm), FY24 (£5.6mm+)

³GSF PLC Annual Accounts FY18 to FY 25, Directors Remuneration Reports

⁴GSF General Meeting Circular

⁵GSF Annual Report and Accounts FY25, Note 8. Total Fund Dividend Cover

⁶GSF Share Price, Various data providers

⁷Gore Street Energy Storage Fund PLC Prospectus, and various Regulatory Service News announcements

⁸GSF Annual Report and Accounts various Notes to the Accounts

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Voting Information - Key Dates

RM Funds believes Shareholders should vote FOR all resolutions

| Event | Dates |
|---|-------------------------------------|
| Latest time and date for receipt of forms of proxy and electronic proxy appointment for the General Meeting | 1pm on 18 th August 2025 |
| Requisitioned General Meeting | 1pm on 20 th August 2025 |
| Announcement of the Results of the GM | 20 th August 2025 |

Please note, shareholders should be aware that the deadlines for voting through institutional platforms such as Proxy Edge or through nominee Investment platforms such HL, II, AJ etc are likely to be sooner, RM Funds recommend voting as soon as possible.

Shareholder Voting – How to Vote on Investment Platforms

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As a shareholder in a Company, you have the right to vote on matters presented at shareholder meetings. This is part of your ordinary shareholder rights and helps ensure that your views are represented in key company decisions - such as who sits on the Board of Directors, the strategic direction of the Company, and other key governance matters. Your vote has the potential to influence how the Company is run, which can ultimately impact its performance and value.

Companies typically hold an Annual General Meeting (AGM) once a year. However, they may also call Extraordinary General Meetings (EGMs) when specific or urgent matters require shareholder approval. As a retail investor, you can vote either:

- In person, by attending the meeting; or
- By proxy, by submitting your vote via your investment platform or stockbroker.

This document outlines how retail investors can submit their votes through three key UK investment platforms: Hargreaves Lansdown, AJ Bell, and Interactive Investor.

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Hargreaves Lansdown

Their online service allows you to electronically provide voting instructions or confirm you're attending a meeting for UK shares in your HL accounts.

How to give an instruction:

- Log in to your account using their website. Please note that it is not possible to submit instructions via the HL app.
- Click '*My accounts*' on the top right of the screen
- In the right-hand column, under Secure messages, click '*View shareholder meetings*'
- Click on a meeting
- You'll be taken to a website managed by a third party called Broadridge to complete your instruction.
- Votes on the resolutions.
- Once you have voted, click '*Submit Vote*'.

Relevant links:

<https://online.hl.co.uk/my-accounts/login-step-one>

<https://www.hl.co.uk/shares/corporate-actions/agms-and-shareholder-voting>

AJ Bell

AJ Bell offers a service for electronic voting instructions on UK shares in any of your AJ Bell accounts.

How to give an instruction:

- **Log in** to your AJ Bell account on their website. Please note that it is not possible to submit instructions via the AJ Bell app.
- **From the dropdown Account Menu on the right of the screen, select '*Voting Instruction*'.**
- **Review** your shareholder meetings and select '*Give instruction*'.
- You'll be directed to a website managed by Broadridge to submit your votes.
- Vote on the resolutions.
- Once you have voted, click '*Submit Vote*'.

Relevant links:

<https://www.ajbell.co.uk/login>

<https://www.ajbell.co.uk/faq/how-can-i-vote-shareholder-meetings>

Interactive Investor

Customers are eligible to place a vote via Interactive Investor's 'voting mailbox' service online (unless you have unsubscribed from the service), as well as being notified of shareholder events, such as AGMs.

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How to give an instruction:

- Interactive Investor customers receive notifications through their ii app 'voting mailbox' service, informing them when they are eligible to place a vote.
- Login to your ii account.
- Go to '*Portfolio*'
- Click '*Manage*'
- Click '*Voting Mailbox*'
- Where available, you'll see links to view an event or place a vote.

Relevant links:

<https://www.ii.co.uk/analysis-commentary/your-agm-guide-what-you-can-do-and-how-do-it-ii521588>

<https://www.ii.co.uk/investing-with-ii/shareholder-voting-information#how>

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