

RM Funds Statement Following the Interim Results of Gore Street Energy Storage Fund plc (“GSF” or the “Company”)

17 December 2025

Background

On 16 July, RM Funds requisitioned an Extraordinary General Meeting because we believed the Company’s persistent discount, weak shareholder returns, shortcomings in governance and repeated operational and financial disappointments required urgent, decisive action. As at 30 September 2025, the Company itself reported a -42.5% discount to NAV and a share price total return since IPO of -22.9% (including dividend reinvestment) and RM Funds calculate on a five year basis the stock is down c.-47.63%. These are not short-term market outcomes. They represent a prolonged failure to convert a strong structural tailwind for battery storage into durable shareholder value.

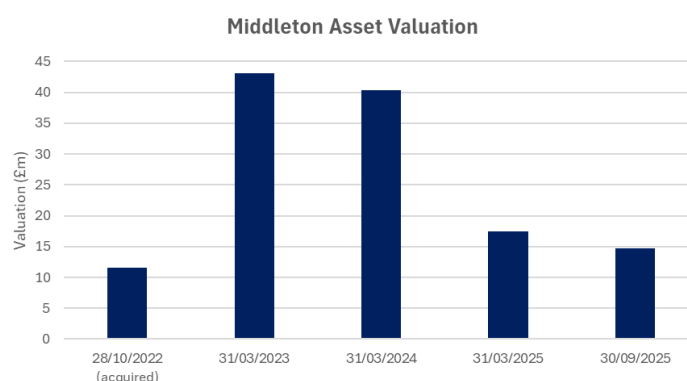
We also note the growing divergence within the listed BESS peer group. One of the Company’s closest peers has re-rated sharply and is among the strongest performing UK energy-related equities year to date, reflecting a clearer strategy, stronger investor confidence and, critically, better alignment of incentives and costs. Against that backdrop, the Company’s continued deep discount is, in our view, an indictment of the incumbent investment management model and its track record.

Listed Security	Price Change since EGM	Total Return since EGM
GSF	-9.82%	-6.00%
BESS Peer 1	+6.85%	7.00%

Accordingly, we make the following observations and comments with regards to GSF interims:

Asset valuations

At the AGM, and in subsequent private engagement, we have repeatedly challenged the outgoing Board on valuation discipline and governance. The interim report makes clear that Middleton (now written down by c.65% from its peak) remains a pre-construction GB asset, yet it has been treated as an exception. Unlike the Company’s other pre-construction assets, which have been valued at cost, Middleton was valued on a DCF basis because it secured a 15-year Capacity Market contract.



That exception matters. A pre-construction project is still, in substance, a development asset. The interim report describes how Middleton’s valuation has been highly sensitive to changes in expected COD, NGET connection-date slippage, knock-on impacts to Capacity Market assumptions and discount rate, and third-party revenue curves that have shown a broadly downward trend in recent periods. **These are**

not overnight variables, yet shareholders have been asked to accept very significant valuation swings on an asset that is still not built.

We consider this episode a case study in why shareholders have lost confidence in the incumbent Manager and why the Audit Committee's challenge function must be far more forensic. **The interim report reiterates that the Investment Manager determines portfolio fair value, subject to review by BDO, and that **Directors approve valuations** following challenge and examination. **Given the scale of the valuation reversal on Middleton, shareholders are entitled to ask what the Audit Committee was thinking when it allowed a pre-construction asset to be marked on an earnings-style DCF basis, and whether this approach materially contributed to performance fee outcomes in the relevant years?!** We also want to understand what controls were in place to prevent incentive-driven outcomes. On the evidence available to shareholders, those controls appear to have been wholly inadequate.**

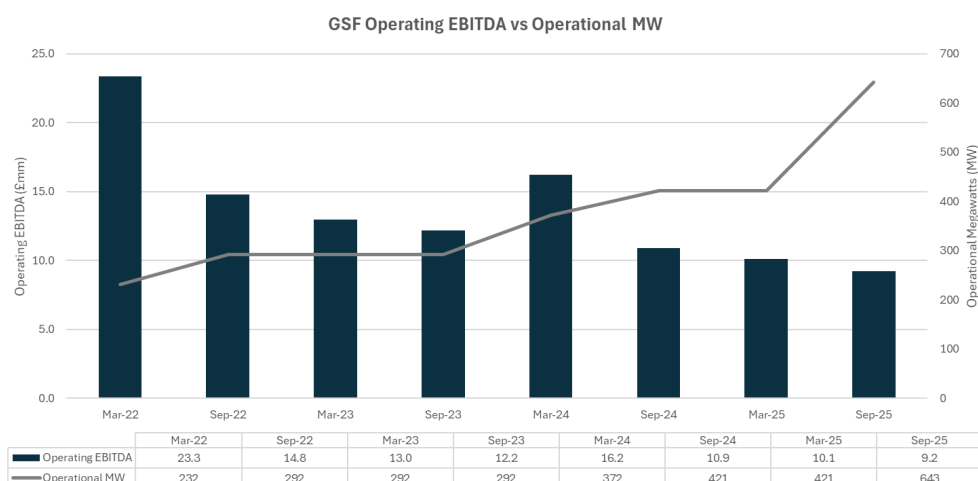
Modo and manual adjustments

Also of concern, the interims disclose that for GSET-optimised GB assets, **near-term revenue forecasts have been manually adjusted by a 20% increment** up to 2027. In parallel, the Investment Manager highlights outperformance versus the Modo 1hr benchmark. **We do not accept** a world in which subjective manual adjustments and **selective benchmark narratives** are used to soften the blow of broader write-downs, particularly **when the same manager is economically incentivised across the platform**. **We urge the newly refreshed Board to overhaul the valuation process and governance framework it has inherited. If investors are to trust NAV, the Company must demonstrate that the valuation process is rigorous, genuinely independent, and free from incentive-driven outcomes.**

Earnings and strategy

When we requisitioned the EGM, the Board and the Investment Manager sought to dismiss legitimate shareholder concerns by portraying RM Funds as opportunistic and implying we were attempting to force asset sales on the cheap at a supposed pivotal turning point for the Company. That framing was convenient for the incumbent Manager, but it was never accurate. **Our objective has always been straightforward: protect shareholder value, restore accountability and drive a strategy that converts operational activity into earnings and shareholder returns.**

The interim results reinforce why shareholders demanded change. **Operational progress** has again been used as a diversion, yet it **has not translated into stronger earnings quality nor improved investor confidence**. The interim report underscores a growing disconnect between the investment managers' narrative and the economic reality for shareholders.



We have also been consistent in advocating for a simpler, more focused platform concentrated on a core market, or a limited set of core markets, where competitive advantage is clear and execution risk is controllable. Instead, **the incumbent Manager expanded the footprint across multiple markets**. In our view, this **diluted focus and increased complexity at precisely the time several markets have become more saturated and returns have compressed**. Shareholders are being asked to accept a bigger, more complicated structure without a commensurate improvement in earnings.

This stands in sharp contrast to peers pursuing clearer, more disciplined strategies, where investors can underwrite the earnings framework, costs are more tightly controlled and share prices have re-rated accordingly. To be clear, our concern has never been with value-accretive portfolio actions in principle. Our concern is the track record of the incumbent Manager on execution, transparency, alignment and cost discipline. Those shortcomings are at the heart of the Company's persistent discount and weak shareholder outcomes. That is why we believe a change of Investment Manager is now essential to restoring credibility and putting the Company on a footing where operational activity translates into sustainable earnings and, ultimately, shareholder value.

Costs

Cost disclosure has been persistently inadequate. Meaningful clarity has only emerged after sustained pressure from sell-side analysts and “activist” shareholders. That, in itself, is a red flag. If the cost structure is defensible, it should be transparent by default, not revealed reluctantly when challenged.

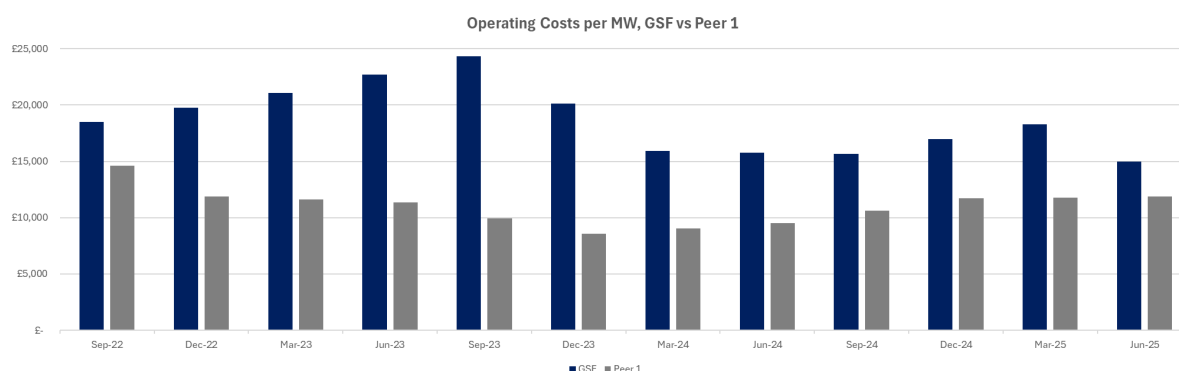
The uncomfortable reality is simple. GSF has operated with a multi-layered fee model, that has allowed the Investment Manager to extract very substantial economics while shareholders have endured a deeply discounted share price and weak total returns. Over the last four and a half years, the investment management group has extracted c.£41m across a web of charges including investment management, operations management, construction services, trading-related fees, performance fees and AIFM fees. In our view, it has been a fee-ding frenzy, and it has come directly at shareholders' expense.



Worse still, if one simply annualises the current interim fee run-rate, total fees [expected to be] paid to the Manager could rise to c.£46.25m. That is egregious on any reasonable comparison, particularly relative to peers who typically operate with far simpler arrangements and materially lower fee leakage. It is even harder to justify when significant elements of operations and maintenance are outsourced in any event. Shareholders should not be paying extra layers of fees for overseeing third-party contractors when that oversight should be captured within a normal investment management fee.

This is not an academic debate. **There is an obvious remedy. There are credible counterparties willing to provide these services on materially better terms. Yet, as far as we are aware, the outgoing Chair has not progressed expressions of interest or run a credible competitive process. That is not acceptable.** When it is widely understood that **a proper tender could deliver £5m+ per annum of savings, we urge the newly refreshed Board to revisit these arrangements as a matter of priority**, draw a clear line under the approach taken by the prior Board, and run a genuinely competitive tender process focused on transparency, value for money and shareholder alignment.

Operating costs also remain structurally too high. Even using the Company's own reporting framework, noting it does not provide a fully consolidated view and may not capture every PLC and SPV cost, a simple proxy highlights a stark peer gap. **On this basis, GSF's operating cost burden appears c.25% higher than its closest peer. That is what a bloated, fee-layered model looks like in practice.**



In summary, shareholders have been asked to accept layered fees and weak transparency, which continue to embed the poor performing investment manager, while returns and the discount have moved in the opposite direction to what the Manager has promised. That must change, and the starting point is a full competitive tender of key contracts, especially the Investment Manager.

Where do we go from here?

When we requisitioned the EGM six months ago, we set out a clear agenda: (1) strengthen corporate governance through changes to Board composition and accountability; (2) materially reduce costs through competitive tendering of key contracts; and (3) unlocking value through a full strategic review focused on closing the discount and improving shareholder returns.

On costs, we are aware that credible parties have approached the Company to discuss providing investment management and related services. In the absence of any announced protective notice, formal tender process, or other transparent market-testing of the IMA and associated contracts, we assume that such approaches have not been substantively progressed and, as far as we are aware, may not have received meaningful engagement under the outgoing Chair. That should now change. **We expect the newly refreshed Board to take a fresh look at the entire fee structure and to run a proper competitive process as a matter of urgency.** We believe meaningful, near-term savings are available, including in respect of the CSM arrangement, where peers typically include comparable oversight within the core investment management fee rather than layering additional charges.

As regards our future intentions, we have met with the new Non-Executive Directors. Our criticism is not directed at the newly appointed directors. It is directed at the legacy board, the incumbent Investment Manager and the outcomes this structure has produced. We remain open-minded as to what a refreshed Board can deliver. **However, shareholders deserve a structure that prioritises shareholder value, not one with a high-cost framework while the share price remains anchored at a deep discount to reported NAV.**

We will judge progress by outcomes, not rhetoric. We expect the Board to set out clear milestones and deliver tangible change in Q1 2026.

If the share price has not improved materially and the discount remains entrenched, we are minded to take further action to protect shareholders' interests, which might include proposing additional resolutions related to Board nominations and or bringing forward mechanisms to ensure accountability, including consideration of the continuation vote timetable.

We also note the Investment Manager's own commentary that private market valuations for these assets can be more supportive than public market valuations. If that is genuinely the case (and we believe it to be the case), shareholders should expect the Board to test it through a credible strategic review, including disposal and partnership options, rather than continuing to ask investors to tolerate an enduring public market discount with no clear path to resolution.

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References

GSF Half Year Report, 2022 to 26 inclusive.

GSF Annual Report and Accounts

Share Price Data

GSF England Limited Accounts

Peer Annual Report and Accounts

Corporate Governance Report

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