Ventus VCT plc (the "Company")

Investment Management Agreement update

Your Board is focused on delivering shareholder value. The directors are therefore pleased to announce that an extension to the Investment Management Agreement (IMA) with Temporis has been agreed, with a further reduction in annual investment management fees from 1.50% to 1.15% of Net Asset Value (NAV) from 1 August 2022. The term is extended until 31 July 2025, although to retain strategic flexibility the contract can be exited with one year's notice should any Continuation Vote be a vote to not continue as a VCT or shareholders accept an offer for the Company or the Company merges with another company. In the event of an accepted offer or completed merger, an incentive fee will be payable to Temporis that is equivalent to that amount due to Temporis had the underlying assets of the Company been sold. On a sale or merger, the existing perpetual incentive fee entitlement will terminate.

Including run rate Other costs (excluding exceptional items), directors' fees and audit fees, the Ongoing Charges Ratio (OCR) is therefore expected to fall to below 2.0% from August 2022 (based on constant NAV), as compared with an average of 3.2% for the years ended February 2019 and February 2020. As stated in the Annual Report, the Board has identified further cost reductions that can be achieved after the completion of the share class merger. The Board's objective is to have the lowest run rate OCR of any renewables VCT by the end of 2022.

The Board's review of the management fees across the industry demonstrates that this is an excellent result for shareholders. 1.15% matches the lowest fee paid by any renewables VCT and the cost per MW is approximately 25% lower than that charged by the two large listed infrastructure funds with a focus on wind assets.

The Board considered the possibility of directly managing the assets before entering into this contract extension. Some of the reasons why the Board has determined that the extended IMA term is a better outcome for shareholders are set out below.

- The savings of self-management relative to the extended term are estimated to have a present value equivalent to approximately 1% of NAV in the next 5 years.
- These potential savings are small relative to the wide range of risks that the Company is exposed to.
- Temporis provide a resilient resourced service with access to an experienced team of over 20 people across four different functional areas, whereas self-management would be dependent on the performance and availability of a small number of individuals.
- Self-management would increase uncertainty. There is no precedent for self-management of a comparable VCT. The Company owns shares in a number of investee companies that do not have executive management teams and the Investment Manager is involved continuously in their operation.
- Temporis continues to perform well in its role as Investment Manager.

This agreement has been concluded prior to the earliest possible date at which notice could have been served under the current IMA (2 years notice to be given no earlier than 31 July 2020 to expire 31 July 2022), thereby maximising the savings for shareholders. The extended IMA will also enable the Board to provide shareholders with a clearer comparison of the economics for continuation or wind up as part of their recommendation for the Additional Continuation Vote.

The revised terms, which have been agreed with the Company's investment manager, a related party of the Company under the Listing Rules, are considered a smaller related party transaction under the Listing Rules 11.1.10. Your Board, who have been so advised by the Company's Sponsor, Howard Kennedy Corporate Services LLP, consider these proposals to be fair and reasonable as far as the Company's shareholders are concerned.