

25 June 2024

GRESHAM HOUSE RENEWABLE ENERGY VCT 2 PLC
(the "**Company**")

Amendment to Investment Advisory Agreement: smaller related party transaction

The Board of Gresham House Renewable Energy VCT 2 PLC (the "**Company**") announces a variation (the "**Variation**") to the terms of the investment advisory agreement dated 7 November 2017 (the "**IAA**") entered into between the Company, Gresham House Renewable Energy VCT 1 PLC and the Company's Investment Manager, Gresham House Asset Management Limited (the "**Manager**"), pursuant to which the Manager provides investment advisory services to the Company in exchange for an annual advisory fee.

The annual advisory fee is a net asset value ("**NAV**") based fee and is subject to a clawback depending on whether the Company's annual running costs exceed 3% of NAV (the "**Cap**"). Following the adoption of a new investment policy on 13 July 2021, the Company's principal objective is to realise the remaining assets in the portfolio through sales or otherwise monetisation of the assets. Following the sale of some assets in April 2023 and subsequent dividend paid as a result of the 13 July 2021 shareholder vote to wind-down the Company (the "**Managed Wind Down**"), the Company's net assets have reduced significantly to a level not anticipated when the IAA agreement was agreed and signed. Due to this significant reduction in the NAV as a result of the Managed Wind Down process, the annual running costs for the financial year ending 30 September 2024 are currently forecasted to be around 4% of NAV, which would exceed the current 3% cap. This means that running costs, many of which are largely fixed, now exceed the Cap and the Manager's annual advisory fee is therefore subject to a clawback (on top of an already reduced annual advisory fee due to a lower NAV following asset sales).

To rectify this unintended consequence of the new investment policy, the Variation seeks to minimise the effect of the clawback by raising the Cap to 5% of NAV or £625,000, whichever is the lower.

The Variation constitutes a smaller related party transaction within Listing Rule 11.1.10 R.

END

For further information, please contact:

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