

Dear Shareholder

Reports and accounts, annual general meeting, general meeting and requisitioned general meeting

I enclose the annual report and financial statements for the year ended 28 February 2021 and the half-yearly report for the six months ended 31 August 2021 of Edge Performance VCT Public Limited Company's (the "Company"). These printed copies are confirmatory documents, as the reports and accounts have been available electronically via email and on the Company's website since publication.

I am writing to you about three important things

1. The performance and future of your Company
2. The actions you need to take to enable the Company to continue to make dividend payments and to facilitate share buy-backs
3. **To warn you of an attempt by a small group to seize control of your Company, which will result in the loss of the Company's high-performing investment manager and the discontinuation of the Company as a venture capital trust, which could have significant financial repercussions for all shareholders**

Company performance

I am particularly pleased to be able to highlight the excellent performance of the H share fund, which has seen an increase in net asset value total return ("NAVTR"), from 158.62p per H share as at 1 March 2020 to 176.35p (unaudited) as at 31 August 2021; moreover, the Company recently announced that the NAVTR per H share had risen to approximately 215p (unaudited) as at 17 November 2021. Details of the fund's performance can be found in the Chairman's statement and the investment manager's report in each of the enclosed reports.

The Company's H share fund is the UK's best performing venture capital trust over the last five years according to the Association of Investment Companies.

Future of the Company

Following the closure of the I share class on 16 December, the Company's share capital base comprises only H shares.

The Company is invested in a number of highly-regarded creative economy businesses which are performing very well. There is a strong pipeline of further investment opportunities where the Manager is currently negotiating an investment. Through the Manager's other larger funds the Company has access to investment opportunities of a quality not ordinarily available to a VCT.

Annual general meeting

The Company's 2021 annual general meeting opened on 31 August 2021. The AGM was immediately adjourned to a later date, because the Company's annual report and financial statements for the year ended 28 February 2021 had not been finalised at that time; the delay in finalising them was in part caused by the ongoing impact of the Covid-19 pandemic.

The Company has reconvened the annual general meeting, to be held on Monday 17 January 2022.

General meeting

The Company is holding a general meeting of shareholders on the same day as the reconvened AGM to cover a number of matters of ordinary business.

In addition, your Board is putting to shareholders a resolution (Resolution 6 in the enclosed notice of the general meeting) to cancel the Company's capital redemption reserve and share premium account. As of the date of this letter, the Company has no distributable reserves and is therefore unable to make dividend payments or to offer shareholders the facility to sell their shares back to the Company. Approval of the resolution would result in the Company having some £14.74 million of distributable reserves available.

Your Board is committed to being able to make payment of future dividends, including a significant dividend in the first half of 2022, and to offering shareholders a share buy-back opportunity. The passing of this resolution at the general meeting is a vital step in achieving that. **Your Board is therefore unanimously recommending this resolution and urges you to vote in favour of this Resolution 6.**

Requisitioned general meeting

Earlier this month, the Company received requisition notices, calling for a general meeting of shareholders, which will also be held on 17 January 2022. The group of requisitioning shareholders is largely composed of former I shareholders and calls itself the 'ShareSoc EPVCT Campaign', (the "Requisitioners"). Although a small group, the Requisitioners were of sufficient size to be entitled to require the Company to convene that general meeting

The resolutions proposed by the Requisitioners call for, among other things:

- the removal of all three of the current Board members,
- the appointment of two directors from the Requisitioners themselves,
- the sale of all of the Company's investments, and
- the discontinuation of the Company as a venture capital trust.

Your Board fundamentally disagrees with the resolutions to be put to that requisitioned general meeting. I explain why below and in greater detail in the enclosed circular for the requisitioned general meeting, **and the Board is calling on shareholders to vote against all of these requisitioned resolutions.**

Although the Requisitioners represent less than 6.5% of the Company's shareholder base, as an organised group of self-motivated shareholders, there is the very real possibility that their aims may carry the day unless other shareholders align with your Board and vote against the Requisitioners' resolutions.

The Manager has signalled that it is not willing to continue managing the Company without a Board which is supportive of its plans. **Specifically, your Board has therefore reluctantly accepted that the Manager will resign if the Board's recommendations are not supported by Shareholders.** To protect Shareholders from the impact of having to continue to pay the Manager for a period of nearly 14 months, the Manager has agreed with the Board that if the Manager resigns before 31 January 2022, its resignation will take effect as at **28 February 2022**, the Company's current financial year end; the Company may similarly terminate the Manager's appointment effective as at 28 February 2022 if the Board's recommendations are not supported by Shareholders.

If the Requisitioners' resolutions are passed, it will herald the closure of the Company, the loss of its VCT status and the loss of its high-performing Manager, bringing to an end the highly successful trajectory of the H share fund, with no expectation of future growth in the value of your investment in the Company, and with no clarity as to future dividends or share buy-back opportunities. Indeed, without the Manager, there is no certainty that even the current portfolio value could be maintained.

The discontinuation of the Company as a venture capital trust could also have a significant adverse impact on the tax relief which the Company's shareholders enjoy as a result of an investing in a VCT, potentially including HM Revenue & Customs requiring the repayment of income tax relief which some H shareholders have already received as a result of their investment in the Company.

Documents enclosed

Enclosed with this letter are the following documents:

1. The Company's annual report and financial statements for the year ended 28 February 2021.
2. The Company's half-yearly report for the six months ended 31 August 2021.
3. Circular for, and notices of, the reconvened annual general meeting and the first general meeting.
4. Proxy form (white), for use in relation to the reconvened annual general meeting. **Your Board unanimously supports the resolutions to be put to the reconvened annual general meeting and urges shareholders to vote in favour of each of these resolutions.**
5. Proxy form (green), for use in relation to the first general meeting. **Your Board unanimously supports the resolutions to be put to the general meeting and urges shareholders to vote in favour of each of these resolutions.**
6. Circular for, and notice of, the requisitioned general meeting.
7. Proxy form (red), for use in relation to the requisitioned general meeting. **Your Board unanimously opposes the resolutions to be put to the requisitioned general meeting and urges shareholders to vote against each of those resolutions.**

Attendance at the meetings & proxy forms

The Government has recently reintroduced certain restrictions in the face of the increase in infections of the Omicron variant of Covid-19. We do not know how this situation will develop between now and 17 January, and whether additional restrictions brought in between now and then will prevent in-person attendance at the meetings on 17 January 2022. It is therefore strongly recommended that you complete and return the three enclosed proxy forms as soon as possible; doing so will not prevent you from attending and voting in person at the meetings should you wish to.

As an alternative to completing a form of proxy, you may appoint a proxy or proxies electronically via the Company's registrar's proxy voting app at <https://proxy-edge.cpip.io>. You will need your City Investor Number (CIN) and Access Code, which are shown on the enclosed attendance card(s). Full instructions on how to vote electronically are given on the website.

For those shareholders who have elected to receive communications electronically, the documents referred to in this letter can be found on the Edge Investments website through clicking on the following link Edge.vc/edge-performance-funds.

I thank you for your continued support of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Terry Back', with a long horizontal stroke extending to the right.

Terry Back
Chairman