

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom, without delay.

This document comprises a prospectus (the "**Prospectus**") relating to The European Smaller Companies Trust PLC (the "**Company**" or "**ESCT**"), in connection with the issue of Shares in the Company (the "**New Shares**") pursuant to a scheme of reconstruction and members' voluntary winding-up of European Assets Trust PLC ("**EAT**") under section 110 of the Insolvency Act 1986 (the "**Scheme**"), prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("**FCA**") made under the UK Prospectus Regulation.

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the New Shares. This Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at the Company's website: www.europeansmallercompaniestrust.com.

Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that Admission will become effective, and dealings in the New Shares will commence, at 8.00 a.m. on 16 October 2025.

THE EUROPEAN SMALLER COMPANIES TRUST PLC

(Incorporated in England and Wales with registered number 02520734 and registered as an investment company under section 833 of the Companies Act 2006)

Prospectus relating to the issue of new ordinary shares pursuant to a scheme of reconstruction and members' voluntary winding-up of European Assets Trust PLC under section 110 of the Insolvency Act 1986

The Directors and the Proposed Directors of the Company, whose names appear on page 34 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors, the Proposed Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Janus Henderson Fund Management UK Limited (the "**AIFM**") accepts responsibility for the information and opinions contained in: (a) paragraphs 2.1 and 4 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus; (b) paragraph 2.1 of Part 7 (*Additional Information*) of this Prospectus; and (c) any other information or opinion related to or attributed to it or to any of its affiliates. To the best of the knowledge of the AIFM, the information and opinions contained in the Prospectus related to or attributed to it are in accordance with the facts and those parts of the Prospectus make no omission likely to affect their import.

Janus Henderson Investors UK Limited (the "**Investment Manager**") accepts responsibility for the information and opinions contained in: (a) the risk factors contained under the heading '*Risks relating to the investment objective and policy*' in the Risk Factors section of this Prospectus; (b) Part 2 (*Investment Strategy and Process, Performance, Market Outlook and Portfolio*) of this Prospectus; (c) paragraph 2.2 of Part 7 (*Additional Information*) of this Prospectus; and (d) any other information or opinion related to or attributed to it or to any of its affiliates. To the best of the knowledge of the Investment Manager, the information and opinions contained in the Prospectus related to or attributed to it or any affiliate (which, for the avoidance of doubt, include the AIFM) are

in accordance with the facts and those parts of the Prospectus make no omission likely to affect their import.

Winterflood Securities Limited ("**Winterflood**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as sponsor and financial adviser to the Company only and for no-one else in connection with the Issue, the Scheme, Admission and the other arrangements referred to in this Prospectus. Winterflood will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, the Scheme, Admission and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Scheme, Admission, the contents of this Prospectus or any other transaction or arrangement referred to in this Prospectus. This does not exclude any responsibilities that Winterflood may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, that may be imposed on Winterflood by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Winterflood, its affiliates, officers, directors, employees and agents make no representations or warranties, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Admission) or for any statement made or purported to be made by it or on its behalf or by any other party in connection with the Company, the Issue, the Scheme, the Shares, Admission or any other transaction or arrangement referred to in this Prospectus. Winterflood, its affiliates, officers, directors, employees and agents accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such statement.

Winterflood and its affiliates may have engaged in transactions with, and provided various financial advisory and other services to, the Company and/or the AIFM and/or the Investment Manager for which they would have received customary fees. Winterflood and its affiliates may provide such services to the Company and/or the AIFM and/or the Investment Manager and any of their respective affiliates in the future.

The contents of this Prospectus or any subsequent communication from the Company, the AIFM, the Investment Manager, Winterflood or any of their respective affiliates, officers, directors, members, employees or agents are not to be construed as legal, financial, business, investment or tax advice. EAT Shareholders, including CT Savings Plans holders, should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of New Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for, New Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the AIFM, the Investment Manager or Winterflood nor any of their respective representatives is making any representation regarding the legality of an investment in the New Shares. EAT Shareholders should also consider the risk factors relating to the Company set out on pages 13 to 23 of this Prospectus.

THE NEW SHARES ARE ONLY AVAILABLE TO ELIGIBLE EAT SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING SHAREHOLDERS (SAVE TO THE EXTENT AN EXISTING SHAREHOLDER IS ALSO AN ELIGIBLE EAT SHAREHOLDER) OR OTHERWISE TO THE PUBLIC.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or Winterflood.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken, nor will any action be taken, by the Company or

Winterflood that would permit an offer of the New Shares or possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the New Shares) in any jurisdiction where action for that purpose is required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the New Shares) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the AIFM, the Investment Manager, Winterflood or any of their respective affiliates, directors, employees or agents accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), and the New Shares may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the US Securities Act) (“**US Persons**”), except pursuant to an exemption from the registration requirements of the US Securities Act, and under circumstances that would not result in the Company being in violation of the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”). There has not been and there will not be any public offer or sale of the New Shares in the United States. The New Shares are being offered and sold solely (i) outside the United States to persons who are not US Persons in “offshore transactions” as defined in and pursuant to Regulation S under the US Securities Act (“**Regulation S**”); and (ii) within the United States to persons that are, or to US Persons that are, both “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the US Securities Act and “qualified purchasers” (“**QPs**”) as defined in Section 2(a)(51) of the US Investment Company Act, pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US Investor Representation Letter and returned it to the addressees.

The Company will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of such legislation.

This Prospectus does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of such investment.

Neither the US Securities and Exchange Commission (the “**SEC**”) nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the New Shares, please refer to the section titled “Overseas EAT Shareholders” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Persons resident in territories other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

Without limitation, neither the contents of the Company's website, JHI's website, Winterflood's website nor any other website nor the content of any website accessible from hyperlinks on the Company's website, JHI's website, Winterflood's website or any other website are incorporated into, or form part of this Prospectus, or have been approved by the FCA.

Prospective investors should read this entire Prospectus and, in particular, the section titled "Risk Factors" beginning on page 13 when considering an investment in the Company.

9 September 2025

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SUMMARY

1 Introduction and warnings

(a) **Name and ISIN of securities**

Ordinary shares of 1.5625 pence each
TIDM: ESCT
ISIN: GB00BMCF8689

(b) **Identity and contact details of the issuer**

The issuer is The European Smaller Companies Trust PLC incorporated in England and Wales with limited liability under the Companies Act with registered number 02520734.
Registered Office: 201 Bishopsgate, London EC2M 3AE
Tel: 020 7818 1818
Legal Entity Identifier (LEI): 213800N1B1HCQG2W4V90

(c) **Identity and contact details of the authority approving this Prospectus**

Name: Financial Conduct Authority
Address: 12 Endeavour Square, London, E20 1JN, United Kingdom
Tel: +44 (0) 20 7066 1000

(d) **Date of approval of this prospectus**

9 September 2025

(e) **Warnings**

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.

It should be remembered that the price of the New Shares, and the income from such New Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

2 Key information on the issuer

(a) **Who is the issuer of the securities?**

(i) *Domicile and legal form, LEI, applicable legislation and country of incorporation*

The Company was incorporated and registered in England and Wales on 10 July 1990 as a public company limited by shares with registered number 02520734. The Company is an investment company under section 833 of the Companies Act. The Company's LEI number is 213800N1B1HCQG2W4V90. The principal legislation under which the Company operates is the Companies Act, and the regulations made thereunder.

The Company is a closed-ended investment company and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act.

(ii) *Principal activities*

The principal activity of the Company is to invest in accordance with the Company's published investment policy with a view to achieving its investment objective.

(iii) *Investment objective*

The Company's investment objective is to seek capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

(iv) *Major Shareholders*

So far as is known to the Company, as at the date of this Prospectus, the following persons held, directly or indirectly, 3% or more of the existing issued Shares ("**Existing Shares**") or the Company's voting rights:

Name	Number of Existing Shares held	% of voting rights
Rathbones	9,340,678	4.11%

As at the date of this Prospectus, the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of the share capital of the Company.

(v) *Directors*

The current directors of the Company are James Williams (Chairman), Simona Heidempergher, Daniel Burgess, Ann Grevelius and Nadia Meier-Kirner.

Conditional on the Scheme becoming effective and with effect from Admission, Stuart Paterson and Kate Cornish-Bowden, being current directors of EAT, will be appointed to the Board.

(vi) *Statutory auditor*

Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London E14 5EY.

(b) **What is the key financial information regarding the issuer?**

Table 1: Additional information relevant to closed end funds

Share class	Total NAV* (unaudited)	No. of Existing Shares (excluding treasury shares)*	NAV per Share*	Historical performance of the Company
Ordinary	£516.6 million	227,512,528	227.10 pence	Over the 12 months to 31 August 2025, the Company has delivered Net Asset Value and share price total returns of 17.14% and 23.24%, respectively.

* As at the Latest Practicable Date.

The selected historical financial information set out below has been extracted without material adjustment from the annual report and audited financial statements of the Company for the financial year ended 30 June 2024, the half-year report and unaudited financial statements for the six months ended 31 December 2024 and the half-year report and unaudited financial statements for the six months ended 31 December 2023.

Table 2: Income statement for closed end funds

	Financial year ended 30 June 2024 (audited) (£'000)	Six months ended 31 December 2023 (unaudited) (£'000)	Six months ended 31 December 2024 (unaudited) (£'000)
Investment income	25,453	6,444	5,535
Other income	22	11	19
Gains/(losses) on investments held at fair value through profit or loss	72,040	31,881	(59,555)
Management and performance fee	(4,735)	(2,002)	(2,390)
Other operating expenses	(875)	(402)	(616)
Profit/(loss) before finance costs and taxation	91,905	35,932	(57,007)
Finance costs	(5,640)	(2,660)	(2,585)
Profit/(loss) before taxation	86,265	33,272	(59,592)
Taxation	(1,367)	(370)	(302)
Profit/(loss) for the year/period and total comprehensive income	84,898	32,902	(59,894)
Return per Share – basic and diluted	21.22 pence	8.21 pence	(15.16 pence)

Table 3: Balance sheet for closed end funds

	As at 30 June 2024 (audited) (£'000)	As at 31 December 2024 (unaudited) (£'000)
Non-current assets		
Investments held at fair value through profit or loss	883,842	819,421
Current assets		
Receivables	7,587	4,979
Cash and cash equivalents	232	459
	7,819	5,438
Total assets	891,661	824,859
Current liabilities		
Payables	(2,848)	(2,123)
Bank overdrafts	(90,219)	(103,391)
	(93,067)	(105,514)
Net assets	798,594	719,345
Equity attributable to equity shareholders		
Called up share capital	6,208	6,167
Share premium account	120,364	120,364
Capital redemption reserve	14,020	14,061
Retained earnings:		
Other capital reserves	621,976	552,210
Revenue reserve	36,026	26,543
Total equity	798,594	719,345
Net asset value per Share: basic and diluted	201.01 pence	182.66 pence

(c) What are the key risks that are specific to the issuer?

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Company:

- The Company has no employees and is reliant on the performance of third-party service providers. Any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects.
- There can be no guarantee that the Company will achieve its investment objective, that the Company will generate any returns for Shareholders on their investment, or that investors will get back the full value of their investment. The success of the Company is dependent upon the continued ability of the Investment Manager to pursue the Company's investment objective and policy successfully. There can be no assurance that the Board would be able to find a replacement manager or investment manager if the AIFM or the Investment Manager were to resign or the Management Agreement were to be terminated.
- The financial performance of the Company may differ materially from that of the Benchmark Index and there may be periods of underperformance.
- The Company is exposed to risks associated with investment in equities, including market risks, macroeconomic factors and geopolitical risks, and the value of its investments may decline.
- The Company's performance may be adversely affected by the unfavourable performance of particular sectors or industries if they affect the underlying investments in the Portfolio.
- The Company invests in smaller companies which increases the volatility of its Portfolio and may limit the liquidity of the Portfolio.
- The Company is expected to invest primarily in stocks listed in Europe (excluding the UK) and will therefore be particularly influenced by changes in market practices, taxation legislation and/or macroeconomic factors in that region.
- The Company may use borrowings to seek to enhance investment returns, which exposes the Company to risks associated with borrowings.
- The Company has investments denominated in currencies other than Sterling. It is, therefore, and will continue to be, exposed to foreign exchange risk.

- Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company. Loss of investment trust status may adversely affect the Company and the tax treatment for Shareholders.

3 Key information on the securities

(a) What are the main features of the securities?

(i) Type, class and ISIN of the securities being admitted to trading on a regulated market

The securities that are in issue at the date of this Prospectus and may be issued under the Issue are ordinary shares of 1.5625 pence each in the capital of the Company.

The ISIN of the New Shares is GB00BMCF8689.

(ii) Currency, denomination, par value, number of securities issued and term of the securities

The Shares are denominated in Sterling and have a nominal value of 1.5625 pence each.

The issue price of the New Shares will be determined on the Calculation Date and will be released by way of a RIS announcement on or around 15 October 2025. The issue price will be equal to the ESCT FAV per Share.

As at the Latest Practicable Date, the issued share capital of the Company comprised 279,246,204 fully paid Shares, of which 51,733,676 Shares were held in treasury.

(iii) Rights attached to the securities

The New Shares will rank *pari passu* in all respects (including voting rights) with each other and the Existing Shares (other than in respect of dividends or other distributions declared, made or paid on the Existing Shares by reference to a record date prior to the Effective Date). In summary, the rights attaching to the Shares are:

Dividends

Subject to the provisions of the Companies Act, the Company may from time to time declare dividends and make other distributions on the Shares.

Capital

On a winding-up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Shareholders in proportion to their shareholdings.

Voting rights

Holders of Shares are entitled to attend, speak and vote at general meetings of the Company. Each Shareholder present in person or by proxy at a general meeting of the Company shall on a show of hands have one vote and, on a poll, have one vote for each Share held.

(iv) Relative seniority of the securities in the event of insolvency

On a winding-up or a return of capital by the Company, the holders of Shares shall be entitled to all the Company's remaining net assets after taking into account any creditors' claims.

(v) Restrictions on free transferability of the securities

At their absolute discretion, the Directors may refuse to register the transfer of a Share in certificated form which is not fully paid provided that, if the Share is listed on the Official List of the FCA, such refusal does not prevent dealings in the Shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a Share in certificated form (whether fully paid or not) unless the instrument of transfer:

- is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the Share) is accompanied by the certificate for the Share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer;
- is in respect of only one class of share; and
- is not in favour of more than four transferees.

The Directors may also refuse to register a transfer of a Share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the CREST Regulations to register the transfer.

(vi) Dividend policy

ESCT currently pays an interim dividend in April/May and a final dividend in November each year. In line with the investment objective, the Company's focus is on prioritising capital growth, with the annual dividend payable being subject to the level of net income from the Company's portfolio. On 9 September 2025, the Company announced a second interim dividend of 3.45 pence per Ordinary Share for the financial year ended 30 June 2025. This will be paid on 8 October 2025 to Shareholders on the Register at 19 September 2025. Along with the first interim dividend of 1.45 pence which was paid on 2 May 2025, this brings the total dividends for the financial year to

30 June 2025 to 4.90 pence, an increase of 2.1% on the total dividend paid for the last financial year.

If the Proposals are implemented, the Company will maintain its investment focus on capital growth but will introduce a new dividend policy with the intention of paying quarterly dividends in respect of each financial year targeting a total of at least 5% of its NAV per Share as at the end of the preceding financial year (i.e. 1.25% of the NAV per Share in respect of each quarter). It is expected that the dividend will be paid out of both income and capital returns and reserves.

Subject to the Scheme becoming effective, it is expected that under the revised dividend policy, quarterly dividends will be paid in November, February, May and August of each financial year, with the first dividend pursuant to the new dividend policy due to be paid in February 2026 in respect of the second quarter of the financial year to 30 June 2026. No dividend will be paid in respect of the first quarter for the financial year to 30 June 2026. Based on a NAV per Share of 224.4 pence as at 30 June 2025 (unaudited), it is expected that dividends of at least 2.81 pence per Share will be paid in February 2026, May 2026 and August 2026, resulting in total dividends of at least 8.43 pence per Share in respect of the financial year to 30 June 2026. There is no change to the Company's investment strategy as a result of the revised dividend policy.

The Company intends to conduct its business so as to continue to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) intend to retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.

(b) *Where will the securities be traded?*

Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admission will become effective, and dealings in the New Shares will commence, at 8.00 a.m. on 16 October 2025.

(c) *What are the key risks that are specific to the securities?*

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Shares:

- The Shares may trade at a discount to NAV per Share and the price that can be realised for Shares will be subject to market fluctuations.
- It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.
- Investors may lose money by investing in the Company and may not recover the full amount of their investment in the Shares.

4 Key information on the offer of securities to the public and the admission to trading on a regulated market

(a) *Under which conditions and timetable can I invest in this security?*

(i) *General terms and conditions*

The New Shares proposed to be issued pursuant to the Issue are only available to eligible EAT Shareholders pursuant to the terms of the Scheme and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an eligible EAT Shareholder) or otherwise to the public.

The Issue and the Scheme are conditional upon the:

- passing of the Issue Resolution and such resolution becoming unconditional in all respects;
- passing of the EAT Resolutions to approve the Scheme and the winding-up of EAT at the EAT General Meetings and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- FCA agreeing to admit the New Shares to listing in the closed-ended investment funds category of the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- Directors and the EAT Directors resolving to proceed with the Scheme.

If any of the above conditions are not satisfied by 28 November 2025, unless such date is extended by mutual agreement between the Company and EAT, the Scheme will not become effective and no New Shares will be issued to EAT Shareholders.

(ii) *Expected Timetable of Principal Events*

General Meeting

Latest time and date for receipt of forms of proxy and electronic proxy appointments for the General Meeting 11.00 a.m. on 1 October 2025

General Meeting 11.00 a.m. on 3 October 2025

Announcement of results of the General Meeting 3 October 2025

ESCT second interim dividend

Ex-dividend date for the second interim dividend 18 September 2025

Record date for the second interim dividend 19 September 2025

Date of payment of the second interim dividend 8 October 2025

Scheme

First EAT General Meeting 12.00 p.m. on 3 October 2025

Record Date 6.00 p.m. on 8 October 2025

EAT Shares disabled in CREST (for settlement) 6.00 p.m. on 8 October 2025

Trading in EAT Shares on the London Stock Exchange suspended 7.30 a.m. 9 October 2025

Calculation Date close of business on 9 October 2025

Reclassification of EAT Shares 8.00 a.m. on 14 October 2025

Suspension of listing of EAT Shares 7.30 a.m. on 15 October 2025

Second EAT General Meeting 9.00 a.m. on 15 October 2025

Effective Date 15 October 2025

Announcement of results of elections under the Scheme, the 15 October 2025

EAT Rollover FAV per Share, the EAT Cash FAV per Share and the ESCT FAV per Share

Admission 8.00 a.m. on 16 October 2025

CREST accounts credited with, and dealings commence in, 16 October 2025

New Shares

Certificates despatched by post in respect of New Shares in certificated form within ten Business Days of Admission

Cancellation of listing of Reclassified EAT Shares as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

(iii) *Details of admission to trading on a regulated market*

The Existing Shares are currently listed in the closed-ended investment funds category of the Official List and traded on the Main Market. Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that the New Shares will be admitted to listing in the closed-ended investment funds category of the Official List, and dealings in the New Shares will commence on the Main Market, at 8.00 a.m. on 16 October 2025.

(iv) *Plan for distribution*

The New Shares proposed to be issued pursuant to the Issue are available only to eligible EAT Shareholders pursuant to the terms of the Scheme and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an eligible EAT Shareholder) or otherwise to the public.

The Company will notify EAT Shareholders of the number of New Shares to which each eligible EAT Shareholder is entitled and the results of the Issue will be announced by the Company on or around 15 October 2025 via a RIS announcement.

The New Shares will be available to be issued in either certificated form or uncertificated form. Where applicable, share certificates are expected to be dispatched by post within ten Business Days of Admission.

(v) *Amount and percentage of immediate dilution resulting from the Issue*

Existing Shareholders are not entitled to participate in the Issue (unless they are also eligible EAT Shareholders at the Record Date) and will suffer a dilution to their voting rights based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 135,262,113 New Shares were to be issued (being the estimated number of New Shares that would be issued pursuant to the Issue, assuming that: (i) no EAT Shareholders exercised their right to dissent from participation in the Scheme; (ii) 15% of the total EAT Shares were elected for the Cash Option; and (iii) the ratio between the ESCT FAV per Share and the EAT Rollover FAV per Share was 0.441948) then, based on the issued share capital of the Company as at the Latest Practicable Date, and assuming that: (a) an Existing Shareholder

was not an eligible EAT Shareholder and was therefore not entitled to participate in the Issue; and (b) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1% of the Company's issued share capital (excluding Shares held in treasury) as at the Latest Practicable Date would then hold approximately 0.63% of the Company's issued share capital (excluding Shares held in treasury) following the Issue.

The AIFM has agreed to make a contribution to the costs of the Transaction (the "**JHI Costs Contribution**"). Existing Shareholders are not expected to suffer any material NAV dilution from the direct costs of a successful Transaction.

(vi) *Estimate of the total expenses of the issue*

Subject as noted below, if the Scheme is implemented, the Company and EAT have each agreed to bear their own costs associated with the Proposals. The Direct Transaction Costs payable by the Company are expected to be approximately £1.1 million, inclusive of VAT, where applicable. In addition, the enlarged Company will incur listing fees in respect of the listing of the New Shares issued under the Scheme and any transaction costs, stamp duty or similar transaction taxes incurred by the enlarged Company in connection with the acquisition of the Rollover Pool.

Contingent on the Transaction being fully implemented, the AIFM will make a contribution to the costs of the Proposals for an amount equal to nine months of the New Management Fee that would otherwise be payable on the value of the Rollover Pool as at the Calculation Date (the "**Maximum JHI Costs Contribution**"), such amount to be reduced in accordance with a prescribed formula in light of any Shares repurchased from CT Savings Plans participants (the "**JHI Costs Contribution**"). The AIFM may elect to settle the JHI Costs Contribution by way of offset against the management fees payable to the AIFM under the Management Agreement.

The financial value of the Maximum JHI Costs Contribution is currently estimated at £1.1 million based on EAT's NAV as at the Latest Practicable Date, and assuming that there are no Dissenting Shareholders, and that the Cash Option is taken up in full.

The benefit of the Cash Exit Discount shall be apportioned between the EAT Rollover FAV and the ESCT FAV such that the impact of the costs of the Scheme, net of the Cost Contributions, on the value of the holdings of the EAT Shareholders that are deemed to elect for the Rollover Option and Existing Shareholders, will be equivalent, or very nearly equivalent and such EAT Shareholders and Existing Shareholders will be largely insulated from the costs of the Scheme. The JHI Costs Contribution will be applied for the benefit of the enlarged Company.

(b) *Why is this prospectus being produced?*

- (i) The Company announced on 23 June 2025 that it had agreed heads of terms with EAT in respect of a proposed combination of the Company with EAT. The combination, if approved by Shareholders and EAT Shareholders, will be effected by way of the Scheme and the associated transfer of substantially all cash and other assets of EAT (after making necessary deductions, including the sums required in connection with the Liquidator's Retention, the Cash Option and the repayment of the existing EAT debt facility) to the Company in exchange for the issue of New Shares.

Under the terms of the proposed Scheme, subject to the passing of the Issue Resolution and subject to the satisfaction of the other conditions (including the passing of the EAT Resolutions), EAT will be placed into members' voluntary liquidation and substantially all of its cash and other assets (after making necessary deductions, including the sums required in connection with the Liquidator's Retention, the Cash Option and the repayment of the existing EAT debt facility) transferred to the Company in consideration for the issue of New Shares in the Company of an equivalent value to EAT Shareholders who are deemed to elect for the Rollover Option. Each EAT Shareholder may elect to receive cash in respect of part or all of their holding of EAT Shares, subject to an aggregate limit of 15% of EAT's issued share capital (excluding any treasury shares) at the Calculation Date (the "**Cash Option**").

Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market.

(ii) *The use and estimated amount of proceeds*

The New Shares will be issued to EAT Shareholders who are deemed to elect for the Rollover Option in consideration for the transfer of the Rollover Pool from EAT to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment objective and policy.

(iii) *Underwriting*

The Issue has not been underwritten.

(iv) *Material conflicts of interest*

There are no conflicts of interest that are material to the Issue or Admission.

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in, or otherwise acquire, the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares as at the date of this Prospectus but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise a profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns or pay any dividends. It should be remembered that the price of securities, and the income from them, can go down as well as up. In addition, inflation may affect the future buying power of any money that is invested in the Shares.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below.

EAT Shareholders should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors and Proposed Directors believe to be the most essential to an assessment by an EAT Shareholder as to whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, EAT Shareholders should consider not only the information on the key risks summarised in the section of this Prospectus headed “Summary” but also, among other things, the risks and uncertainties described in this “Risk Factors” section of this Prospectus. Additional risks and uncertainties not currently known to the Company, the Directors or the Proposed Directors or that the Company or the Directors or the Proposed Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s NAV and/or returns to Shareholders and/or the market price of the Shares.

EAT Shareholders should review this Prospectus carefully, and in its entirety, and consult with their professional advisers before making an election for the New Shares.

Risks relating to the Company

The Company has no employees and is reliant on the performance of third-party service providers. Any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects.

The Company has no employees and the Directors have been, and the Proposed Directors will be, appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive functions. In particular, the AIFM, the Investment Manager, the Registrar and the Depositary will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares. Similarly, each of the AIFM and the Investment Manager is reliant on third-party service providers and a failure by any of these service providers to fulfil their obligations could materially affect the AIFM’s ability to meet its obligations to the Company, which would, in turn, affect the ability of the Company to meet its investment objective and potentially have an adverse impact on returns to Shareholders and/or the market value of the Shares.

In the event that it is necessary for the Company or the AIFM or the Investment Manager to replace any third-party service provider, it may be that the transition process takes time, increases costs and adversely impacts the AIFM’s or the Investment Manager’s operations and/or the Company’s investments and performance.

The Company is subject to the risk of failure to deliver services and errors in services provided in respect of its service providers.

The information and technology systems of the Company's service providers (including, in particular, the AIFM and Investment Manager) may be vulnerable to operational, information security and related risks resulting from failures of, or breaches in, cybersecurity, including damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

A failure of the information and technology services, or errors in the delivery of services may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Company's NAV, impediments to trading, the inability of Shareholders to subscribe for, exchange or sell Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the AIFM and the Investment Manager, along with other service providers, have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the AIFM or the Investment Manager and/or the other service providers can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

The Company is subject to a continuation vote every three years. If such a vote fails to pass, the Company may be wound up.

In accordance with the Articles, every three years the Directors propose an ordinary resolution at the Annual General Meeting to approve the continuation of the Company, with the next such vote due at the Annual General Meeting to be held in November 2025.

If any such ordinary resolution is not passed, under the Articles the Directors are required to call a further general meeting for a date not more than three months after the date of the meeting at which Shareholders declined to approve the continuation of the Company, at which the Directors shall put forward proposals for the liquidation or reconstruction of the Company.

Risks relating to the investment objective and policy

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment. In the event that the Company does not achieve its investment objective, the price of the Shares may fall and Shareholders may not get back their original investment.

The success of the Company is dependent upon the continued ability of the Investment Manager to pursue the Company's investment objective and policy successfully. There can be no assurance that the Investment Manager will continue to be successful in pursuing the Company's investment objective and policy or that the Investment Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors, pay a dividend or avoid investment losses.

The investments of the Company are subject to the risk of changes in market prices and/or macroeconomic factors. Downward movements in the value of the investments held by the Company will adversely affect the Company's financial performance.

The Company is dependent upon the Investment Manager's successful implementation of the Company's investment policy and ultimately on the Investment Manager's ability to create an investment portfolio capable of generating attractive returns. The Company's investments are primarily in equities and, accordingly, the success of the Company will depend on the performance of equity markets in continental Europe, and the Company will be at risk due to changes in market prices and/or macroeconomic factors.

The Company invests in the securities of smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK) and it will therefore be particularly influenced by changes in market practices and/or macroeconomic factors in developed Europe, the

performance of other currencies relative to Sterling as well as changes that impact the global economy more generally. Emerging markets (which may include certain European markets including, without limitation, European nations such as the Czech Republic, Greece, Hungary and Poland) may be more volatile than more developed markets. The risks of political and economic instability are greater in emerging markets and this could have a greater impact on the value of shares in those markets.

While the Company holds and will continue to hold a diversified portfolio, there are certain general market conditions in which any investment strategy is unlikely to be profitable. The Investment Manager does not have the ability to control or predict such market conditions.

The financial performance of the Company may differ materially from that of the Benchmark Index.

The Benchmark Index is a recognised index of stocks, which should not be taken as wholly representative of the Company's investment universe. The Portfolio is the result of the Investment Manager's investment process and as a result is not correlated with the Benchmark Index. The financial performance of the Company may differ materially from that of the Benchmark Index and there may be periods of underperformance with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles. Higher performance may mean greater risk.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and regulations, trade barriers, the imposition of tariffs, currency exchange controls and national and international political circumstances may affect the price level, dividends received, volatility and liquidity of securities and result in losses for the Company. Inflation may affect the Portfolio adversely in a number of ways. For example, during periods of rising inflation the market value of investee companies in the Portfolio may decline in value as a direct result of inflation or as a consequence of monetary and fiscal measures implemented to reduce the level of inflation, such as increased borrowing costs. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Given that the majority of the Company's investments are in listed or quoted securities in Europe, the Company's NAV is inherently sensitive to the performance of European stock markets.

In certain circumstances, the Company may hold fixed income securities (including cash equivalents) up to 20% of its total assets. Fixed income securities are affected by trends in interest rates, inflation, the creditworthiness of the issuer of the security and their ability to repay their debt.

The due diligence process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments. Any failure by the Investment Manager to identify relevant facts through the due diligence process may have an adverse effect on the value of the Portfolio, with a consequential adverse effect on the market value of the Shares.

Before making investments in accordance with the Company's investment policy, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no guarantee that all relevant information will be available, or that the Investment Manager, its employees and/or agents will be able to obtain all relevant information. Accordingly, there can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity and the Investment Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that it is impossible or impractical for the Investment Manager to verify fully. The due diligence process may not reveal all potential risks of a particular investment.

Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions being made, or investments being made at a higher

value than their fair value, which could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company's investments may be adversely affected by poor performance of a particular sector or industry. Downward movements in the value of the investments held by the Company will adversely affect the Company's financial performance.

The Company's investments are intended to be diversified by sector and industry. The Company will not invest more than 7% of its total assets, calculated as at the time of investment, in any one holding. The diversification of its investments is intended to mitigate the Company's exposure to adverse events associated with specific investments and sectors. However, the Company's returns may still be adversely affected by the unfavourable performance of particular sectors or industries if they affect the performance or prospects of companies in the Portfolio and the dividends generated by those companies. This adverse effect may be amplified if more companies in the Portfolio are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company invests in smaller companies which increases the volatility of its Portfolio and may limit the liquidity of the Portfolio.

The Company invests in smaller companies in Europe. As smaller companies do not generally have the financial strength, diversification and resources of large companies they may find it more difficult to overcome periods of economic downturn or recession. In the event that smaller companies take a downturn, this may affect the performance of smaller companies in which the Company is invested. In addition, smaller companies may be less liquid than the securities of larger companies (i.e. such shares may trade infrequently and at small volumes), as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources. All of these factors may have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Stock concentration may carry more risk than funds whose portfolio is spread across a larger number of countries because an adverse event only impacting region-specific holdings can create significant volatility or losses for the Company.

The Company is expected to invest primarily in stocks listed in Europe (excluding the UK) and it will therefore be particularly influenced by changes in market practices, taxation legislation and/or macroeconomic factors in that region. As at the Latest Practicable Date, over 49% of the Portfolio by value was invested in stocks listed in Germany, Sweden, France and Spain. As a company which has a high exposure to particular countries and to Europe as a geographical region, an adverse event impacting those countries or that region may result in significant volatility or losses for the Company, which could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

Use of borrowings and the possibility that the gearing effect of borrowing can work against, as well as for, Shareholders.

The Company has a secured multi-currency overdraft arrangement with HSBC Bank plc that allows it to borrow up to the lesser of £160 million and 25% of custody assets as and when required. As at the Latest Practicable Date, approximately £37 million of the facility was drawn down. Interest on the overdraft is charged at the aggregate of 1.25% and the base rate and the facility has no fixed term.

Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Shares. As a result, the use of borrowings

by the Company may increase the volatility of the NAV per Share and exacerbate losses (which is likely to adversely affect the price of a Share).

Increased debt servicing costs may also impact the Company's ability to maintain its dividend. Any reduction in the number of Shares in issue (for example, as a result of share buybacks) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments. No assurance can be given that any sales of the Company's investments would realise proceeds which would be sufficient to repay any borrowings.

The borrowings which the Company uses contain certain covenants, being the accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; payment of a fee to the lender; or a sale of an asset. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

The Company will pay interest on any borrowings and, as such, the Company will be exposed to interest rate risk due to fluctuations in the prevailing market rates.

Nothing in this risk factor is intended to qualify the statement as to the sufficiency of the Company's working capital statement that is set out paragraph 4 of Part 5 (*Financial Information*) of this Prospectus.

The Company is, and will continue to be, exposed to foreign exchange risk. Such currency exposure could have an adverse effect on the Sterling value of the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company has investments denominated in currencies other than Sterling. The Company therefore is, and will continue to be, exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. The Company will also be exposed to foreign exchange risk as a result of non-Sterling borrowings and, in addition, there is further foreign exchange risk where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets.

Such currency exposure could have an adverse effect on the Sterling value of the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The use of efficient portfolio management strategies, whilst intended to reduce risk and/or costs, may result in the Company suffering losses.

Efficient portfolio management ("EPM") may be used by the Company to reduce risk and/or costs in the Company and to produce additional capital or income in the Company, while maintaining a level of risk consistent with the risk profile of the Company. The Company may in the future use derivatives (including options, futures, forward transactions and contracts for difference), borrowing, gilts and/or other fixed income securities for EPM. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the Company. In adverse situations, however, the Company's use of derivatives may become ineffective in hedging or EPM and the Company may suffer significant loss as a result. The Company's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by efficient portfolio management techniques will be paid to the Company.

Risks relating to the AIFM and the Investment Manager

The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments.

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are, and Proposed Directors will be, appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (and any of their delegates) and not by the Company. The Investment Manager is not required to, and generally does not, submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

The AIFM and the Investment Manager are not required to commit all their resources to the Company's affairs. Insofar as the AIFM and the Investment Manager devote resources to their responsibilities to other business interests, their ability to dedicate resources and attention to the Company's affairs will be limited.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company in the face of competition from other entities seeking to invest in investment opportunities identified for the Company. Competition can create significant upward pressure on pricing, thereby reducing the potential investment returns. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager, and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of their management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure from the AIFM or the Investment Manager of any key personnel, the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The past performance of investments made by the AIFM and the Investment Manager is not a guarantee or an indication of the future performance of the Company and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, EAT Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses. There may be periods of underperformance with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The AIFM and the Investment Manager may have conflicts of interest with the Company.

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including

ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company.

Operational risks may disrupt the AIFM's and the Investment Manager's businesses, result in losses and/or limit the Company's growth.

The Company relies heavily on the financial, accounting and other data processing systems of the AIFM and the Investment Manager who may delegate or otherwise appoint sub-agents to perform the services. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. A disaster or a disruption in the infrastructure that supports the Company, or a disruption involving electronic communications or other services used by the AIFM or the Investment Manager, their delegates or sub-agents or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by the AIFM or the Investment Manager, their delegates or sub-agents or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such disaster or disruption. As such, this may have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth.

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company or any of its Directors is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties, investee companies and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company may be adversely affected by errors or misjudgements made by the Investment Manager in the execution of its duties.

Errors in analysis, valuation, execution, or strategy by the Investment Manager may result in suboptimal investment decisions, misallocation of capital, or failure to identify or act on material risks. Such errors may arise from human judgement, reliance on inaccurate or incomplete information, or limitations in systems and processes. Any such errors in managing the Portfolio may have an adverse effect on the Company's financial position and results of operations with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Risks relating to regulation, taxation and the Company's operating environment

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company.

Any change in the Company's tax status in the UK, or in taxation legislation or practice in the European countries in which it invests or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based), could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders.

Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may adversely affect the business and performance of the Company.

The Company, the AIFM and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company, as a closed-ended investment company incorporated in England and Wales, is subject to various laws and regulations in such capacity, including the UK Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive, the AIC Code of Corporate Governance and the Companies Act. The Company will be subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing in the closed-ended investment funds category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company is operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

Any changes to the rules, laws and regulations affecting the Company, the AIFM and the Investment Manager could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Loss of investment trust status may adversely affect the Company and the tax treatment for Shareholders investing in the Company.

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

The Company's income may be reduced by exchange controls or withholding taxes.

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, and the Company is unable to recover any taxes imposed, the effect will generally be to reduce the income received by the Company on such investments.

Shareholders may be subject to withholding tax under FATCA and there may also be reporting of Shareholders under other exchange of information arrangements.

The UK has concluded an intergovernmental agreement ("IGA") with the US (the "US-UK IGA"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA, a Financial Institution that is resident in the UK (a "Reporting FI") is not subject to withholding tax under FATCA (i.e. at 30%) provided that it complies with the terms of the US-UK IGA, including documentation requirements, requirements to register with the IRS to obtain a Global Intermediary Identification Number and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the US-UK IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with current HMRC practice, comply with

the conditions set out in the US-UK IGA to be “regularly traded on an established securities market” meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding its Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

Risks relating to the Shares

Investors may not recover the full amount of their investment in the Shares.

The Company's ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this “Risk Factors” section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a medium to long term investment.

As with any investment, the price of the Shares may fall. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any gains or subsequent investments made. EAT Shareholders therefore may not recover the full amount invested in the Shares, or any amount at all.

The Shares may trade at a discount to NAV per Share and the price that can be realised for Shares will be subject to market fluctuations.

It is unlikely that the price at which the Shares trade will be the same as their NAV per Share (although they are related). The shares of an investment company such as the Company may trade at a discount to their NAV per share. This could be due to a variety of factors, including market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the NAV per Share was distributed.

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this “Risk Factors” section of this Prospectus, such as: changes in the Company's financial performance and prospects, or in the financial performance and market prospects of the Company's investments or those which are engaged in businesses that are similar to the Company's business; increases in the cost of borrowing arising as a result of high inflation; a cut in the Company's dividend; the termination of the Management Agreement or the departure of some or all the AIFM's or the Investment Manager's key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; general economic trends and other external factors, including those resulting from war (in particular, the current conflicts in Ukraine and the Middle East and any potential future conflicts), incidents of terrorism, pandemics or responses to such events; poor performance in any of the Investment Manager's activities or any event that affects the Company's or the Investment Manager's reputation; speculation in the press or investment community regarding the Company's

business or investments, or factors or events that may directly or indirectly affect the Company's business or investments; and foreign exchange risk as a result of making and selling investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment. Any unrealised gains on subsequent investments made may also be lost.

It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.

Admission should not be taken as implying that there will be an active and liquid market for the Shares. Limited liquidity in the Shares may affect: (i) an investor's ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Act, the Directors retain the right to effect repurchases of Shares. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers. Shareholders wishing to realise their investment in the Company may therefore have to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or continue, or that the Shares will trade at prices close to their underlying NAV. Accordingly, Shareholders may be unable to realise their investment at such NAV, or at all.

The Company may in the future issue new Shares which may dilute Shareholders' equity or have a detrimental effect on the market price of the Shares.

The Company seeks authority on an annual basis to issue up to 10% of its issued share capital on a non-pre-emptive basis, where such issuance would typically be expected to take place on an ad hoc basis to meet excess demand in the market, with Shares being issued at a premium to NAV. Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non-pre-emptive basis. Any such issue may dilute the percentage of the Company held by existing Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

Potential future Share buybacks (including tender offers) undertaken by the Company may make the residual Shares less liquid or increase the Company's level of gearing.

Any reduction in the issued share capital of the Company as a result of any Share buyback(s) undertaken by the Company or any tender offer undertaken by the Company, may, depending on the size and nature of such buyback(s) or tender offer, reduce the liquidity of the remaining Shares in issue and will reduce the Shareholder base over which fixed costs are spread. In addition, as noted above, any reduction in the number of Shares in issue will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

The Shares are subject to certain provisions that may cause the Board to require the transfer of Shares

Pursuant to the Articles, the Directors may give notice in writing to the holder of any Share which appears to them to be a Prohibited Share requiring him within twenty-one days (or such extended time as in all the circumstances the Directors shall consider reasonable) to transfer (and/or procure the disposal of interests in) such Share to another person so that it will cease to be a Prohibited Share.

Risks relating to the Scheme

Implementation of the Scheme is subject to certain conditions which, if not satisfied, would result in the Company and EAT remaining as separate investment trusts.

Implementation of the Scheme is conditional, amongst other things, upon: (i) the passing of the Issue Resolution; and (ii) EAT Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will be borne by the Company. In the event the Scheme is not implemented, the costs of the Scheme to be borne by the Company are expected to be approximately £1.1 million inclusive of VAT, where applicable. In the event the Scheme does not proceed, the Company and EAT would remain as separate investment trusts. Shareholders and EAT Shareholders would not therefore realise the benefits which may be associated with the Proposals.

Existing Shareholders are not entitled to participate in the Issue (unless they are also eligible EAT Shareholders at the Record Date) and will suffer a dilution to their voting rights based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 135,262,113 New Shares were to be issued under the Scheme (being the estimated number of New Shares that would be issued pursuant to the Issue, assuming that: (i) no EAT Shareholders had exercised their right to dissent from participation in the Scheme; (ii) 15% of the total EAT Shares were elected for the Cash Option; and (iii) the ratio between the ESCT FAV per Share and the EAT Rollover FAV per Share was 0.441948 as outlined in paragraph 2 of *(Details of the Scheme and the Issue)* of this Prospectus) then, based on the issued share capital of the Company as at the Latest Practicable Date and assuming that: (a) an Existing Shareholder was not an eligible EAT Shareholder at the Record Date and was therefore not entitled to participate in the Issue; and (b) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1% of the Company's issued share capital (excluding Shares held in treasury) as at the Latest Practicable Date would then hold 0.63% of the Company's issued share capital (excluding Shares held in treasury) following the Issue.

IMPORTANT INFORMATION

General

This Prospectus should be read in its entirety. EAT Shareholders should rely only on the information contained in this Prospectus or any supplementary prospectus published by the Company prior to the date of Admission. No person has been authorised to give any information or make any representations in connection with the Issue other than the information contained in, or incorporated by reference into, this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) and, if given or made, such information or representations about the Company or the Issue must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, Winterflood or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the Company's obligations under the UK Prospectus Regulation, the UK Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR, neither the delivery of this Prospectus nor the issue of New Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein, including any forward-looking statements, is correct as at any time subsequent to the date of this Prospectus.

The Shares are designed to be held over the long term and may not be suitable as a short-term investment. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Shares is suitable only for long-term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). The Directors and Proposed Directors believe that the Company's shares are intended for investors, including retail investors, professionally-advised private clients and institutional investors who are seeking capital growth and income over the long-term from investment in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK) and who understand and are willing to accept the risks of exposure to listed equities and who view their investment in the Company as long term in nature.

EAT Shareholders should carefully consider all the information contained in this Prospectus. However, EAT Shareholders should not treat the contents of this Prospectus or any subsequent communication from the Company, the AIFM, the Investment Manager, Winterflood or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters.

Winterflood Securities Limited ("**Winterflood**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as sponsor and financial adviser to the Company only and for no-one else in connection with the Issue, the Scheme, Admission and the other arrangements referred to in this Prospectus. Winterflood will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, the Scheme, Admission and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Scheme, Admission the contents of this Prospectus or any other transaction or arrangement referred to in this Prospectus. This does not exclude any responsibilities that Winterflood may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, that may be imposed on Winterflood by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Winterflood, its affiliates, officers, directors, employees and agents make no representations or warranties, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Admission) nor for any statement made or purported to be made by it or on its behalf or by any other party in connection with the Company, the Issue, the Scheme, the Shares, Admission or any other transaction or arrangement referred to in this Prospectus. Winterflood, its affiliates, officers, directors, employees and agents accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles. A summary of the provisions in the Articles relating to the rights attaching to the Shares is set out in paragraph 5 of Part 7 (*Additional Information*) of this Prospectus.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other professional or financial adviser.

Selling restrictions

The New Shares are only available to eligible EAT Shareholders and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an eligible EAT Shareholder) or otherwise to the public.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation; or (iv) or which would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or Winterflood.

The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted by law. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of New Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for New Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for in the United Kingdom, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of New Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors who are located outside the United Kingdom

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken, nor will any action be taken, by the Company or Winterflood that would permit an offer of the New Shares or possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the New Shares) in any jurisdiction where action for that purpose is required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the New Shares) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdictions.

Notice to prospective investors with respect to United States federal securities law

The New Shares have not been and will not be registered under the US Securities Act and the New Shares may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act, and under circumstances that would not result in the Company being in violation of the US Investment Company Act. There has not been and there will not be any public offer or sale of the New Shares in the United States.

The New Shares are being offered and sold solely (i) outside the United States to persons who are not US Persons in “offshore transactions” as defined in and pursuant to Regulation S under the US Securities Act; and (ii) within the United States to persons that are, or to US Persons that are, both “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the US Securities Act and “qualified purchasers” (“QPs”) as defined in Section 2(a)(51) of the US Investment Company Act, pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US Investor Representation Letter and returned it to the addressees.

The Company will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of such legislation.

Notice to prospective investors in the EEA

In relation to each EEA Member State, no New Shares have been offered or will be offered pursuant to the Issue to the public in that EEA Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that the New Shares may be offered to the public in that EEA Member State at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in that EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any offer of New Shares in any EEA Member State means a communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares.

Further, the AIFM has not made any notifications or applications or received approvals for the marketing of the New Shares to “professional investors” (as defined in the EU AIFM Directive) in any EEA Member State (other than Ireland). Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any EAT Shareholder (or any other person) domiciled in any EEA Member State. EAT Shareholders domiciled in the EEA that have received the Prospectus in any EEA Member State are not, save as otherwise agreed with the Company, entitled to receive New Shares in connection with the Scheme (and the Company reserves the right to reject any application so made or deemed made, without explanation).

Notwithstanding that the AIFM may confirm, from time to time, that it is able to market New Shares to EAT Shareholders who are professional investors in an EEA Member State, the New Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the New Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. As at the date of this Prospectus, the New Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, no retail investor in any EEA Member State is entitled to receive New Shares in connection with the Scheme and, as such, the New Shares

may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such New Shares may be distributed or made available to retail investors in any EEA Member State.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK's implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended ("**UK MiFID II**") and (b) the UK's implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and, in particular, Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: (i) the price of the New Shares may decline and investors could lose all or part of their investment; (ii) the New Shares offer no guaranteed income and no capital protection; and (iii) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the New Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors who may have basic or no knowledge and experience of investing in financial markets who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

Key information document

The AIFM prepares a key information document ("**KID**") in respect of the Company. This KID is made available by the AIFM to retail investors prior to them making any investment decision and is available on the Company's website. Neither the Company nor Winterflood is responsible for the information contained in the KID. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Non-mainstream pooled investments status and UK MiFID II

As the Company is a closed-ended investment company which is an investment trust domiciled in the United Kingdom, the New Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Board has reviewed UK MiFID II and the ESMA guidance published in relation thereto and has concluded that the Shares constitute a "non-complex" product for the purposes of UK MiFID II.

Data protection

The information that EAT provides to the Company or its agents in relation to the Issue or subsequently, by whatever means, which relates to the EAT Shareholders who are individuals or a third-party individual (“**personal data**”) will be held and processed by the Company in compliance with relevant data protection legislation and regulatory requirements. Such personal data may include:

- personal details such as name, title, date of birth, addresses, telephone numbers and email addresses;
- identification and verification information and documents, such as signatures, passports, driving licences, birth/marriage certificates and tax/credit references; and
- financial and transactional information, and instructions, relating to an investment.

By electing (or being deemed to have elected) to receive the New Shares each EAT Shareholder acknowledges that such information will be held and processed by the Company for the following purposes:

- the performance of the Company's contract with an EAT Shareholder;
- acting in a way that is necessary for the Company's legitimate interests, including carrying out the business of the Company and the administering of interests in the Company;
- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere, including verifying the identity of an EAT Shareholder to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each EAT Shareholder acknowledges that, where appropriate, it may be necessary for the Company to:

- disclose personal data to third-party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to the EAT Shareholder; and
- transfer personal data outside of the UK to countries or territories which may not offer the same level of protection of personal data provided that, in each case, adequate safeguards are in place for the protection of such personal data in accordance with the relevant data protection legislation and regulatory requirements in the United Kingdom.

Personal data relating to EAT Shareholders shall be retained by the Company for as long as necessary to fulfil the purposes it was collected for, including for the purposes of satisfying any legal or regulatory requirements.

Individuals have certain rights in relation to their personal data – specifically, the right to be informed, the right of access, the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object to processing and the right to complain to the relevant supervisory authority (which, in the United Kingdom, is the UK Information Commissioner's Office).

EAT Shareholders acknowledge that each of the AIFM and the Investment Manager will be a separate controller of the personal data and such personal data shall be held and processed by the AIFM and/or Investment Manager in compliance with relevant data protection legislation and regulatory requirements, and the AIFM's and Investment Manager's privacy policy (available at www.janushenderson.com/corporate/privacy-policy/). EAT Shareholders are responsible for informing and obtaining any required consent of any third-party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and

include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM or the Investment Manager concerning, amongst other things, the Company's investment performance, financial condition, prospects and dividend policy, and the markets in which the Company invests and/or operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. The Company's actual investment performance, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, financial condition of the Company and its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the "Risk Factors" section of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company's view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. The Company, the AIFM, the Investment Manager and Winterflood undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the UK Listing Rules, UK MAR, the Disclosure Guidance and Transparency Rules or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the AIFM's or the Investment Manager's, or Winterflood's expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through a RIS following the date of this Prospectus.

Given these uncertainties, EAT Shareholders are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the section of this Prospectus titled "Risk Factors" for a discussion of additional factors that could cause the Company's actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 4 of Part 5 (*Financial Information*) of this Prospectus.

Tax reporting, FATCA and Common Reporting Standard ("CRS")

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Defined terms

Capitalised terms contained in this Prospectus have the meanings ascribed to them in Part 8 (*Definitions*) of this Prospectus, save where the context indicates otherwise.

No incorporation of website information

Save for the incorporation by reference of the 2024 Annual Report and 2024 Half Year Report, without limitation, neither the content of the Company's website nor JHI's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or JHI's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision as to whether or not to invest in the New Shares on the contents of this Prospectus (and any supplementary prospectus published by the Company prior to Admission) alone.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Enforcement of civil liabilities

The Company is organised as a public limited company incorporated under the laws of England and Wales. All the Company's current Directors, officers and Proposed Directors are citizens and residents of jurisdictions outside the United States. In addition, the majority of the Company's assets and the assets of the Directors and officers are located outside the United States. As a result, it may not be possible for US investors to effect service of process within the United States upon the Company or the Directors and officers located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

Available information

For so long as any of the Company's securities are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Exchange Act, nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

EXPECTED TIMETABLE

General Meeting

Latest time and date for receipt of forms of proxy and electronic proxy appointments for the General Meeting 11.00 a.m. on 1 October 2025

General Meeting 11.00 a.m. on 3 October 2025

Announcement of results of the General Meeting 3 October 2025

ESCT second interim dividend

Ex-dividend date for the second interim dividend 18 September 2025

Record date for the second interim dividend 19 September 2025

Date of payment of the second interim dividend 8 October 2025

Scheme

First EAT General Meeting 12.00 p.m. on 3 October 2025

Record Date 6.00 p.m. on 8 October 2025

EAT Shares disabled in CREST (for settlement) 6.00 p.m. on 8 October 2025

Trading in EAT Shares on the London Stock Exchange suspended 7.30 a.m. 9 October 2025

Calculation Date close of business on 9 October 2025

Reclassification of EAT Shares 8.00 a.m. on 14 October 2025

Suspension of listing of EAT Shares 7.30 a.m. on 15 October 2025

Second EAT General Meeting 9.00 a.m. on 15 October 2025

Effective Date 15 October 2025

Announcement of results of elections under the Scheme, the EAT Rollover FAV per Share, the EAT Cash FAV per Share and the ESCT FAV per Share 15 October 2025

Admission 8.00 a.m. on 16 October 2025

CREST accounts credited with, and dealings commence in, New Shares 16 October 2025

Certificates despatched by post in respect of New Shares in certificated form within ten Business Days of Admission

Cancellation of listing of Reclassified EAT Shares as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

ISSUE STATISTICS

Number of New Shares to be issued 135,262,113*

**Based on the following assumptions:*

- (1) a ratio between the ESCT FAV per Share and EAT Rollover FAV per Share of 0.441948 (which in turn, is based on the Company's NAV and the EAT NAV (each as at the Latest Practicable Date and taking into account the Company's second interim dividend in respect of the financial year to 30 June 2025 of 3.45 pence per Share and EAT's declared fourth quarterly interim dividend of 1.38 pence per EAT Share);*
- (2) 15% of EAT's issued share capital (excluding treasury shares) being elected for the Cash Option; and*
- (3) no EAT Shareholders exercising their right to dissent from participation in the Scheme.*

DEALING CODES

ISIN	GB00BMCF8689
SEDOL	BMCF868
Ticker code	ESCT
Legal Entity Identifier (LEI) of the Company	213800N1B1HCQG2W4V90

DIRECTORS, AIFM, INVESTMENT MANAGER AND OTHER ADVISERS

Directors	James Williams (Chairman) Simona Heidempergher Daniel Burgess Ann Grevelius Nadia Meier-Kirner
Proposed Directors* <i>* Conditional on the Scheme becoming effective and with effect from Admission, Stuart Paterson and Kate Cornish-Bowden will be appointed to the Board.</i>	Stuart Paterson Kate Cornish-Bowden
Registered office	201 Bishopsgate London EC2M 3AE
AIFM	Janus Henderson Fund Management UK Limited 201 Bishopsgate London EC2M 3AE
Investment Manager	Janus Henderson Investors UK Limited 201 Bishopsgate London EC2M 3AE
Corporate Secretary	Janus Henderson Secretarial Services UK Limited 201 Bishopsgate London EC2M 3AE
Financial adviser and sponsor to the Company	Winterflood Securities Limited Riverbank House 2 Swan Lane London EC4R 3GA
Legal adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Legal adviser to the Company (as to US securities law)	Proskauer Rose (London) LLP 8 Bishopsgate London EC2N 4BQ
Legal adviser to the sponsor and financial adviser	Dentons UK and Middle East LLP 1 Fleet Place London EC4M 7WS
Depository	HSBC Bank plc 8 Canada Square London E14 5HQ
Reporting Accountant	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY
Registrar and Receiving Agent	Equiniti Limited Highdown House Yeoman Way Worthing West Sussex BN99 3HH

Part 1

The Company

1 Introduction

The European Smaller Companies Trust PLC (the “**Company**”) is a closed-ended public limited company incorporated on 10 July 1990 in England and Wales with registered number 02520734. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws, is registered as an investment company under section 833 of the Companies Act and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act. Its Shares are listed in the closed-ended investment funds category of the Official List of the FCA and traded on the Main Market.

The Company’s investment objective is to seek to provide capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

As at the Latest Practicable Date, the Company had a Net Asset Value (unaudited) of approximately £516.6 million and the Net Asset Value per Share (unaudited) was 227.10 pence.

Janus Henderson Fund Management UK Limited (the “**AIFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated investment management services to Janus Henderson Investors UK Limited (the “**Investment Manager**”). Both the AIFM and the Investment Manager are wholly owned subsidiaries of Janus Henderson Group plc and are authorised and regulated by the FCA.

2 Overview of the Proposals

The Company announced on 23 June 2025 that it had agreed heads of terms with EAT in respect of a proposed combination of the Company with EAT.

The combination, if approved by Shareholders and EAT Shareholders, will be effected by way of a scheme of reconstruction and members’ voluntary winding-up of EAT under section 110 of the Insolvency Act (the “**Scheme**”) and the associated transfer of cash and other assets of EAT to the Company in exchange for the issue of New Shares. The New Shares will be issued on the basis of the ratio between the ESCT FAV per Share and the EAT Rollover FAV per Share.

EAT Shareholders (including eligible CT Savings Plans holders) will be entitled to elect to receive cash in respect of part or all of their shareholding, subject to an aggregate limit of 15% of EAT’s issued share capital (excluding any treasury shares) at the Calculation Date (the “**Cash Option**”). Any EAT Shareholders who do not make a valid election for the Cash Option (including to the extent any elections for the Cash Option are scaled back as a result of the Cash Option being oversubscribed) will be issued New Shares in the Company (the “**Rollover Option**”) on the basis of the conversion ratio, subject to the separate arrangements for Overseas EAT Shareholders detailed in paragraph 4 below.

Implementation of the Scheme is conditional upon, amongst other things, approval by Shareholders at the General Meeting and the approval of EAT Shareholders at the EAT General Meetings.

3 Benefits of the Proposals

The combination is expected to result in the following benefits for EAT Shareholders who are deemed to elect for the Rollover Option and Existing Shareholders:

- **Attractive opportunity in European small and mid cap companies:** The Directors and the AIFM believe that the outlook for the enlarged ESCT is compelling and provides investors with exposure to dynamic European small and medium sized businesses within a portfolio run by an experienced team, led by Ollie Beckett, whose strategy has delivered long-term outperformance over the Benchmark Index.
- **Strong investment performance:** ESCT has generated estimated NAV total return per share of 17.14%, 49.76%, 83.68%, and 238.79%, respectively, over the one, three, five

and 10 years to 31 August 2025 with outperformance over the Benchmark Index over the corresponding periods. This compares to EAT's NAV total return per share of 6.65%, 27.24%, 21.36%, and 78.11%, respectively, over the same periods¹.

- **Larger scale:** ESCT is expected to have net assets of approximately £810 million on completion of the Transaction (based on the last published Net Asset Values of the two companies as at the Latest Practicable Date, and assuming that the Cash Option is taken up in full). This would make ESCT the largest constituent of the AIC's European Smaller Companies sector. It is also expected that Existing Shareholders and EAT Shareholders who are deemed to elect for the Rollover Option will benefit from improved secondary market liquidity.
- **Improved share rating:** EAT Shareholders have benefitted from an uplift in value of over 3.8% given the relative ratings of the two companies, with EAT trading on a discount of 10.2% (as at 20 June 2025, being the Business Day before the announcement of the proposed Scheme) compared to 6.4% as at the Latest Practicable Date.
- **Discount control mechanisms:** ESCT has stated its intention to use Share repurchases to target a mid-single digit discount in normal market conditions. ESCT has also previously stated its intention to make a three-yearly performance related conditional tender offer to Shareholders for up to 15% of ESCT's issued share capital (excluding Shares held in treasury), at a price equal to the prevailing NAV per Share less 2% less costs, in the event ESCT's NAV total return does not exceed the Benchmark total return over each relevant performance period. This additional liquidity mechanism will provide Shareholders of the enlarged ESCT with a partial exit at close to NAV should there be periods of underperformance in the future.
- **New dividend policy:** subject to completion of the Scheme, ESCT has committed to a new dividend policy with the intention of paying quarterly dividends in respect of each financial year targeting a total of at least 5% of its NAV per Share as at the end of the preceding financial year (i.e. 1.25% of the NAV per Share in respect of each quarter).
- **Reduced management fee:** subject to completion of the Scheme, the Board has agreed with the AIFM a reduced management fee for ESCT which will result in a more competitive blended fee rate for the combined entity and its Shareholders than is currently afforded to ESCT's and EAT's respective shareholders.
- **Lower ongoing charges²:** the new reduced management fee structure and the economies of scale, which the combination will bring, will result in an estimated annual ongoing charge of approximately 0.68% on a normalised basis, which is materially more competitive for EAT Shareholders compared with EAT's latest reported ongoing charge of 1.01%.
- **JHI Costs Contribution:** the AIFM has agreed to make a contribution to the costs of the Transaction, such that EAT Shareholders who are deemed to elect for the Rollover Option and Existing Shareholders will be largely insulated from the costs of the Scheme.

4 Overview of the Scheme

The Scheme will be implemented on a formula asset value ("**FAV**") to FAV basis. FAVs for the purposes of the Scheme will be calculated in accordance with ESCT's and EAT's normal accounting policies and will take into account the adjustments outlined below. FAVs will be calculated based on the NAVs (cum income) of the respective companies, on the Calculation Date.

Under the Scheme, EAT Shareholders will be entitled to elect to receive cash in respect of part or all of their shareholding, subject to an aggregate limit of 15% of EAT's issued share capital (excluding shares held in treasury) at the Calculation Date at a 2.0% discount to the EAT FAV per Share. EAT Shareholders are entitled to elect for the Cash Option in respect of more than their *pro rata* entitlement to the Cash Option under the terms of the Scheme (the

¹ Based on the published and estimated net asset value of ESCT and the published net asset value of EAT as at and up to 31 August 2025.

² As calculated in accordance with the principles set out in the AIC's recommended methodology for the calculation of ongoing charges, which excludes any performance fees.

“Basic Entitlement”, such excess amount being an **“Excess Application”**). However, if aggregate elections have been made for the Cash Option which exceed 15% of the EAT Shares in issue (excluding shares held in treasury) at the Calculation Date, EAT Shareholders who have made an election for the Cash Option in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pari passu* and *pro rata* among all EAT Shareholders who have made such Excess Applications.

Subject to the separate arrangements for Overseas EAT Shareholders detailed below, New Shares will be issued as the default option under the Scheme in the event that either no election, or a partial election, for the Cash Option is made by an EAT Shareholder or because an election for the Cash Option is scaled back in accordance with the Scheme.

Pursuant to the Scheme, EAT will be put into liquidation and its assets split notionally into three pools in respect of: (i) the interests of EAT Shareholders who are deemed to elect to roll over into the enlarged ESCT (the **“Rollover Pool”**); (ii) the interests of EAT Shareholders who elect, or are deemed to elect, for the Cash Option (the **“Cash Pool”**); and (iii) the value of EAT’s assets that are not suitable for either the Cash Pool or the Rollover Pool, including the right to receive any and all interest and assets representing withholding tax expected to be recoverable by EAT (estimated at approximately £2.5 million as at the Latest Practicable Date) plus a provision sufficient to meet any current and future, actual and contingent liabilities of EAT (the **“Liquidation Pool”**).

The EAT FAV shall be equal to the gross assets of EAT as at the Calculation Date less: the value of the cash and other assets appropriated to the Liquidation Pool (which includes any assets attributable to any Dissenting EAT Shareholders, any costs of the Proposals yet to be paid, any dividends declared but not yet paid to EAT Shareholders or accounted for in the EAT NAV as at the Calculation Date, any amount required to repay any outstanding EAT debt facility and the value of the Liquidators’ Retention).

The EAT FAV per Share shall be equal to the EAT FAV divided by the number of EAT Shares in issue (excluding shares held in treasury) at the Calculation Date.

The EAT Cash FAV per Share shall be equal to the EAT FAV per Share less a discount of 2.0% (the aggregate value of such discount being the **“Cash Exit Discount”**). The value of the Cash Pool at the Calculation Date will be equal to the EAT Cash FAV per Share multiplied by the total number of EAT Shares elected or deemed to have elected for the Cash Option (subject to an aggregate limit of 15% of EAT’s issued share capital (excluding shares held in treasury) at the Calculation Date).

Subject to scaling back, each EAT Shareholder who elects, or is deemed to elect, for the Cash Option will receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled which is expected to be equal to the EAT Cash FAV per Share multiplied by the total number of EAT Shares held by such shareholder that have been elected, or are deemed to have been elected, for the Cash Option.

The EAT Rollover FAV shall be equal to the EAT FAV per Share multiplied by the total number of EAT Shares not elected (or not deemed to have been elected) for the Cash Option, plus an agreed amount reflecting the benefit of the relevant proportion of the Cash Exit Discount (as described in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus). The EAT Rollover FAV per Share shall be equal to the EAT Rollover FAV divided by the number of EAT Shares in respect of which EAT Shareholders have not elected (or are not deemed to have elected) for the Cash Option.

The ESCT FAV shall be equal to the ESCT NAV (cum income) as at the Calculation Date: (i) less any costs of the Scheme not already paid or accrued in the ESCT NAV (but not any listing fees to be borne by the enlarged ESCT in respect of the listing of the New Shares or any stamp duty, SDRT or other transaction tax or investment costs to be incurred by the enlarged ESCT in connection with the transfer of the Rollover Pool); (ii) less the value of any dividends declared as at the Calculation Date but not yet paid to Shareholders, and not accounted for in the ESCT NAV; and (iii) plus an agreed amount reflecting the benefit of the relevant proportion of the Cash Exit Discount (as described in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus).

The ESCT FAV per Share shall be equal to the ESCT FAV divided by the number of Shares in issue (excluding Shares held in treasury) at the Calculation Date.

EAT Shareholders who are deemed to elect for the Rollover Option shall have New Shares issued to them based on the ratio of the EAT Rollover FAV per Share to the ESCT FAV per Share, multiplied by the total number of EAT Shares in respect of which they have not elected (or are not deemed to have elected) for the Cash Option.

Each of ESCT and EAT intends to bear its own costs incurred in relation to the Transaction which will be reflected in the FAV for each company. The benefit of the Cash Exit Discount shall be apportioned between the EAT Rollover FAV and the ESCT FAV, as described in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus, such that the impact of the costs of the Scheme, net of the Cost Contributions, on the value of the holdings of the EAT Shareholders that are deemed to elect for the Rollover Option and Existing Shareholders, will be equivalent, or very nearly equivalent and such EAT Shareholders and Existing Shareholders will be largely insulated from the costs of the Scheme. The JHI Costs Contribution will be applied for the benefit of the enlarged Company.

Overseas EAT Shareholders

Overseas EAT Shareholders will not be able to access this Prospectus or participate in the Issue unless they have satisfied the Directors, the EAT Directors and the Liquidators (taking appropriate advice) that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or EAT with any overseas laws, regulations, filing requirements or the equivalent.

Excluded EAT Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares for the remainder of their EAT Shares. Such New Shares will be issued to the Liquidators (as nominees on behalf of such Excluded EAT Shareholders) who will arrange for the New Shares to be sold in the market as soon as practicable by a market maker (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded EAT Shareholders or the value of the New Shares held by the relevant Excluded EAT Shareholders).

US EAT Shareholders that do not provide a US Investor Representation Letter will be treated as Excluded EAT Shareholders. US EAT Shareholders should see the "Notice to US EAT Shareholders" (on page 63).

Use of proceeds

The New Shares will be issued to EAT Shareholders who are deemed to elect for the Rollover Option in consideration for the transfer of the Rollover Pool from EAT to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and investment policy, together with cash and cash equivalents. The Company currently expects that on the transfer of the Rollover Pool, cash and cash equivalents may account for more than 20% of its total assets. However, any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment objective and policy as soon as reasonably practicable following the Effective Date and no changes to the investment objective and policy of the Company are being proposed in connection with the Scheme.

5 Investment objective and policy

The assets to be transferred to the Company by EAT in connection with the Scheme will fall within the scope of the Company's existing investment objective and policy.

The Company's investment objective and policy are as follows:

Investment objective

The Company seeks capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

Investment policy

The Company may invest in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK). Smaller and medium sized companies are defined as those whose market capitalisation is equal to or below the largest member of the MSCI Europe ex UK Small Cap Index at the time of investing.

The Company's investments may include shares, securities and related financial instruments, including derivatives. Unquoted investments are permitted only with prior Board approval. The following investment ranges apply:

- **Equities:** 80% to 100%.
- **Fixed income and cash:** 0% to 20%.

The Company may not invest more than 7% of its assets, calculated at the time of investment, in any single holding. The Company can, but normally does not, invest up to 15% of its gross assets in investment companies (including listed investment trusts). The Company will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed investment companies.

The Company may use derivatives for the purpose of efficient portfolio management while maintaining a level of risk consistent with the risk profile of the Company.

Borrowing policy

Net gearing (defined as all borrowings less cash balances and investments in cash funds) is limited by the Board to a maximum of 30% of Net Asset Value at the time of investment.

With appropriate Board approval, the Company may, but currently does not, hedge against currency movements.

No material change will be made to the investment policy without the prior approval of the FCA and Shareholders by ordinary resolution.

6 Dividend policy

ESCT currently pays an interim dividend in April/May and a final dividend in November each year. In line with the investment objective, the Company's focus is on prioritising capital growth, with the annual dividend payable being subject to the level of net income from the Company's portfolio. The Company paid total dividends of 4.80 pence per Share for the financial year ended 30 June 2024. On 9 September 2025, the Company announced a second interim dividend of 3.45 pence per Ordinary Share for the financial year ended 30 June 2025. This will be paid on 8 October 2025 to Shareholders on the Register at 19 September 2025. Along with the first interim dividend of 1.45 pence which was paid on 2 May 2025, this brings the total dividends for the financial year to 30 June 2025 to 4.90 pence, an increase of 2.1% on the total dividend paid for the last financial year.

If the Proposals are implemented, the Company will maintain its investment focus on capital growth but will introduce a new dividend policy with the intention of paying quarterly dividends in respect of each financial year targeting a total of at least 5% of its NAV per Share as at the end of the preceding financial year (i.e. 1.25% of the NAV per Share in respect of each quarter). It is expected that the dividend will be paid out of both income and capital returns and reserves.

Subject to the Scheme becoming effective, it is expected that under the revised dividend policy, quarterly dividends will be paid in November, February, May and August of each financial year, with the first dividend pursuant to the new dividend policy due to be paid in February 2026 in respect of the second quarter of the financial year to 30 June 2026. No dividend will be paid in respect of the first quarter for the financial year to 30 June 2026. Based on a NAV per Share of 224.4 pence as at 30 June 2025 (unaudited), it is expected that dividends of at least 2.81 pence per Share will be paid in February 2026, May 2026 and August 2026, resulting in total dividends of at least 8.43 pence per Share in respect of the financial year to 30 June 2026. There is no change to the Company's investment strategy as a result of the revised dividend policy.

The Company intends to conduct its business so as to continue to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) intend to retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.

7 Discount management policy

The Company has an active share buyback policy which seeks to mitigate discount volatility, manage the absolute discount relative to the peer group, provide liquidity to the market and generate NAV accretion for Shareholders. Following completion of the Transaction, the Board will maintain the Company's stated mid-single-digit discount target in normal market conditions, although the Directors are cognisant of the fact that the Company's share rating at any given time will reflect a combination of various factors, a number of which are beyond the Board's control.

Shares are only repurchased at a discount to the prevailing Net Asset Value per Share, which increases the Company's Net Asset Value per Share on the remaining Shares.

The Directors have been granted authority at the 2024 AGM to purchase in the market up to 59,032,913 Shares (being 14.99% of the Company's issued share capital as at the date of the 2024 AGM). As at the Latest Practicable Date, the Company has purchased 7,257,573 Shares pursuant to this authority.

All Share repurchases will be conducted in accordance with the Companies Act and the UK Listing Rules. Shareholders and prospective Shareholders should note that such repurchases of Shares by the Company are entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Shares repurchased by the Company may be cancelled or held in treasury (or a combination of both). Any Shares held in treasury may be subsequently cancelled or sold for cash. The sale of Shares from treasury will be subject to the Companies Act and the provisions relating to the rights of pre-emption contained therein to the extent not disappplied. Further, such sales will not, unless authorised by Shareholders, be at a price per Share which would be less than the Net Asset Value per Share at the relevant time, so the economic interests of existing Shareholders are not thereby diluted.

8 Performance related conditional tender offer

The Board has introduced a three-yearly performance related conditional tender offer for up to 15% of the Company's issued share capital (excluding Shares held in treasury), at a price equal to the prevailing NAV per Share less 2% less costs, in the event the Company's NAV total return does not exceed the Benchmark total return over each relevant performance period.

The initial performance period commenced on 5 February 2025 and shall end at the financial year-end on 30 June 2028, with subsequent performance periods being every three years thereafter.

This additional liquidity mechanism will provide Shareholders with a partial exit at close to NAV should there be periods of underperformance in the future.

9 Continuation vote

In accordance with the Articles, every three years the Directors propose an ordinary resolution at the Annual General Meeting to approve the continuation of the Company, with the next such vote due at the Annual General Meeting to be held in November 2025.

If any such ordinary resolution is not passed, under the Articles the Directors are required to call a further general meeting for a date not more than three months after the date of the meeting at which Shareholders declined to approve the continuation of the Company, at which the Directors shall put forward proposals for the liquidation or reconstruction of the Company.

10 2025 Tender Offer

On 18 December 2024, the Company received a requisition notice on behalf of Saba Capital Management, L.P. (“Saba”), requiring the Company to convene a general meeting to consider, and if thought fit approve, resolutions to remove all of the then current independent directors of the Company and to appoint two new directors proposed by Saba. At a requisitioned general meeting held on 5 February 2025, 62.1% of the total votes cast (or 99.5% of the Shares voted excluding the Shares held by Saba) were voted against those resolutions.

On 11 February 2025, the Company received a second requisition notice on behalf of Saba requiring the Company to call a general meeting to approve a proposal for the Company to implement a scheme or process by which Shareholders would become (or have the option to become) shareholders of a UK-listed open-ended investment company (or similar open-ended investment vehicle). The requisitioned general meeting process was disruptive for the Company and resulted in a financial cost to Shareholders. As a result, the Directors were of the view that convening a general meeting in response to the second requisition notice would not be in the best interests of all Shareholders. Whilst the Board anticipated the continued support from Shareholders, Saba’s ongoing significant holding in the Company also had the potential to represent an overhang on the Shares.

In order to protect the interests of those Shareholders that wished to continue their investment in the Company, the Board concluded that it would find a solution that would allow Shareholders, including Saba, that wished to exit their position in the Company the opportunity to do so. The Board conducted a review of several possible options and following discussions with Saba, decided to implement the 2025 Tender Offer. The structure of the 2025 Tender Offer, comprising a Tender Offer Cash Exit Option and a Tender Offer *In Specie* Consideration Option was designed to allow Shareholders to exit whilst safeguarding the interests of continuing Shareholders.

The Company received an irrevocable undertaking from Saba pursuant to which Saba gave undertakings, in respect of the Committed Shares, to use best endeavours: (i) to vote or procure a vote in favour of the special resolution proposed at a general meeting of the Company held on 7 May 2025 to authorise the Company to make market purchases of its Shares in connection with the 2025 Tender Offer; and (ii) to elect or procure an election for the Tender Offer *In Specie* Consideration Option. A summary of the provisions of the irrevocable undertaking is set out in paragraph 10.5 of Part 7 (*Additional Information*) of this Prospectus.

The Company also entered into the Standstill Agreement with Saba pursuant to which Saba agreed, amongst other things:

- (a) that Saba shall not, and shall procure that its affiliates shall not, during the Standstill Period, (i) require the Board to convene a general meeting of the Company pursuant to section 303 of the Companies Act, or (ii) exercise any voting rights available to remove, or publicly propose the removal of, any member of the Board; and
- (b) that Saba shall use best endeavours to, and shall use best endeavours to procure that its affiliates shall, procure that the registered holder of any Shares in respect of which it or any of its affiliates is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights shall, during the Standstill Period, exercise such voting rights in respect of specified ordinary course resolutions to be proposed at any general meeting of the Company, including any resolution for the continuation of the Company, in line with the Board’s recommendation.

Saba has also agreed to make a payment to the Company of a prescribed sum in circumstances in which, on or before 31 December 2025, a specified transaction, implemented by any other specified investment trust in which Saba Investment Vehicles have participated, has completed and pursuant to which any Saba Investment Vehicles are able to exit not less than 15% of the issued share capital of such specified investment trust (excluding shares held in treasury) at a discount of more than 1% to the per share net asset value of such specified investment trust (provided, however, that any deduction from the per share net asset value to take account of costs, stamp duty, transfer taxes or other taxes associated with the specified transaction shall in no event be considered to have resulted in a discount of more than 1%) (but, for the avoidance of doubt, any deduction for costs, stamp duty, transfer taxes or other

taxes associated with the specified transaction shall count towards the discount of 1%). The “prescribed sum” in these circumstances is 2.0% of the amount equal to the Tender Price per *In Specie* Exit Share multiplied by the number of Shares that the Company repurchased from Saba pursuant to the 2025 Tender Offer.

A summary of the provisions of the Standstill Agreement is set out in paragraph 10.5 of Part 7 (*Additional Information*) of this Prospectus.

On 29 May 2025, the Company repurchased 115,386,122 Shares pursuant to the Tender Offer *In Specie* Consideration Option at a price per Share of 210.40 pence and on 26 June 2025, the Company repurchased 50,710,953 Shares pursuant to the Tender Offer Cash Exit Option at a price per Share of 213.80 pence.

Part 2

Investment Strategy and Process, Performance, Market Outlook and Portfolio

1 Investment team and structure

ESCT is managed by Ollie Beckett, Rory Stokes and Julia Scheufler who collectively manage £2.7 billion of assets (as at 31 August 2025). These professionals are integral members of the Janus Henderson Pan European Equities Team, through their specialisation in Mid Cap and Small Cap investments. This collaborative environment empowers the team to leverage diverse insights for portfolio management.

The team also collaborates with Janus Henderson's in-house Responsibility Team, a specialised group dedicated to Environmental, Social, and Governance (ESG) data analysis and research.

The Pan European Equities Team is composed of specialists across various equity segments, including Smaller Companies, Pan European Equities, Mid Cap, UK Small Cap, and UK Long/Short strategies. Each member brings a wealth of experience and expertise, contributing to the comprehensive management of the Portfolio.

European Smaller Companies Trust – £553.3M assets under management*



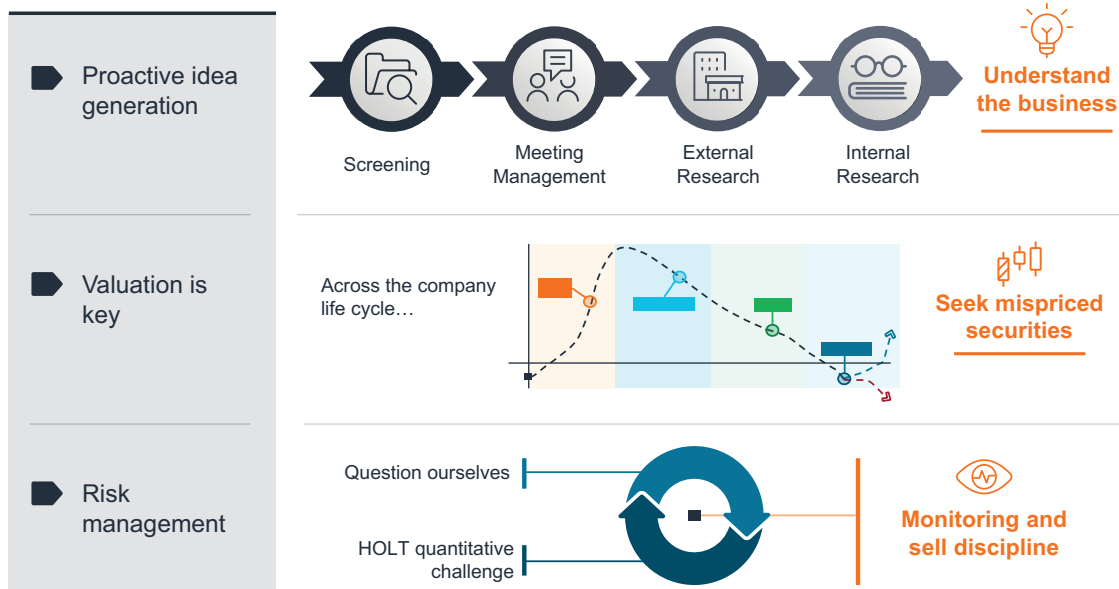
* As at the Latest Practicable Date.

** Neil Hermon retires from Janus Henderson in Sept 2025. A replacement will be announced.

2 Investment philosophy and strategy

The portfolio managers aim to deliver long-term capital growth by outperforming the Benchmark Index through investment in small and medium sized companies in Europe (excluding the UK).

The investment philosophy centres on the corporate economic lifecycle, focusing on undervalued companies. The portfolio managers believe that smaller companies consistently outperform larger ones over the long term. This belief is rooted in the market's premium for holding less liquid stocks, and the relative ease of growing smaller companies, which can yield attractive returns.



The strategy emphasises the intrinsic value driven by executive management's value creation behaviours. It considers the growth potential and profitability of young companies, the market position entrenchment of established companies, and the cost management and cash generation focus of mature companies. For late lifecycle businesses, divesting loss-making assets and improving return on capital employed are crucial.

The portfolio managers believe that the smaller company sector is less efficiently priced, presenting numerous opportunities to find attractively priced stocks. With fewer investors and analysts covering these stocks, there is potential to uncover mispriced stocks in mature and turnaround companies. The stages of the company life cycle are described below, and the portfolio managers believe that there is material investor benefit to investing across the different stages, not only in terms of total shareholder return, but also for style diversification, allowing the Portfolio to navigate strong growth led markets such as in 2020.

Company life cycle



The strategy leverages the mispricing of individual stocks relative to their cash-generating capabilities, focusing on valuation as a key factor in Portfolio decisions.

3 Investment process and research

The investment process is comprehensive, involving idea generation, research, and Portfolio construction. Company meetings are the main source of idea generation, with the team conducting over 450 meetings annually. These engagements with senior management provide invaluable insights, identifying attractive investment opportunities.

Quantitative filters complement idea generation, utilising metrics such as Cash Flow Return on Investment and enterprise value/earnings before interest and taxes. The team employs thematic screens and analyses share price performance to uncover contrarian ideas, leveraging broader insights from the Pan European Equities and UK Equities Teams.

Fundamental analysis begins with assessing the robustness of a company's business model. The team evaluates the company's strategy within its external environment, considering factors like the economic cycle, competitive landscape, supplier strength, customer profitability, and technological threats.

The research focuses on barriers to entry, differentiation, management quality, and capital efficiency. The portfolio managers add value through their expertise, relationships with management, and flexible investment approach. They ensure strict valuation discipline, avoiding emotional attachments to investments and maintaining objective decision-making.

Companies are valued on an absolute and relative basis, using pragmatic approaches depending on market conditions. Cash flow generation is emphasised over earnings as a reliable metric, guiding the sustainability of investment decisions.

4 Portfolio construction and ESG guidelines

The Portfolio is constructed from the bottom up, with allocations driven by stock selection as well as broader macroeconomic and geopolitical considerations. It features a diverse range of stocks, with position sizes ranging from 0.08% to 5%. The portfolio managers have the ability to engage in currency hedging and derivative use for efficient portfolio management. The Portfolio can gear up to 30% of net assets at the time of investment and is usually geared to enhance long term Shareholder returns.

Knowing when to sell is crucial, with holdings reviewed constantly. Stocks are sold if they reach fair value estimates or if the investment thesis is undermined. The team focuses on valuation, earnings momentum, cash flow, liquidity, and opportunity cost, ensuring a disciplined approach to portfolio management.

The portfolio managers monitor environmental and social characteristics and the JHI Firmwide Exclusions Policy is adhered to.

5 About European smaller companies

European smaller companies are businesses that have a smaller market capitalisation compared to larger companies which are more established and often more diversified in their activities within the European market and globally. While the specific definition of "small-cap" can vary, it generally includes companies with market capitalisations ranging from approximately €300 million to €7 billion.

European smaller companies generally have the following characteristics:

Growth potential: Smaller companies often have significant growth opportunities, as they are usually in earlier stages of development compared to larger companies. They may operate in niche markets or have innovative products and services that can drive rapid expansion.

Market position: These companies might not yet be fully established in their industries, providing opportunities for aggressive growth strategies. They might be leaders in emerging sectors or have unique competitive advantages.

Volatility: Small-cap stocks can be more volatile than large-cap stocks, as they might be more susceptible to market fluctuations, economic cycles, and company-specific risks. However, this volatility can also present opportunities for substantial returns.

Limited analyst coverage: Smaller companies often receive less attention from analysts and institutional investors, which can lead to inefficiencies in their stock pricing. This lack of coverage can provide opportunities for active managers to identify undervalued investments.

Diverse sectors: European smaller companies are spread across various sectors and countries within Europe, offering diversification benefits to investors. This diversity can help mitigate sector-specific or country-specific risks.

Liquidity: These companies generally have lower trading volumes compared to larger companies, which can impact the ease of buying and selling shares. Investors should be aware of potential liquidity constraints.

Investing in European smaller companies can offer investors exposure to dynamic and potentially high-growth businesses within Europe. However, it also requires careful analysis and risk management due to the unique challenges and characteristics associated with small-cap investing.

6 Performance

Over the 10 years to 31 August 2025, ESCT's estimated NAV total return had grown 238.79%, compared to 164.90% for its Benchmark Index. An investment in the Company 10 years ago would have therefore more than tripled in value (on a NAV total return basis), comfortably outpacing the Benchmark's performance. ESCT's share price (market price) total return was even higher, 250.96% over the decade amplifying Shareholder gains.

This indicates that ESCT has delivered on its objective of long-term capital growth, significantly beating the market standard for European smaller companies. This strong track record underscores the Company's success in adding value above and beyond the broader small-cap market.

The table below summarises the cumulative performance of the Company against its Benchmark over various time horizons up to 31 August 2025. It highlights that ESCT has outperformed across 1, 3, 5, and 10-year periods:

ESCT Performance vs Benchmark (total returns to 31 August 2025)

Period	Share Price TR	Estimated NAV TR	Benchmark TR (MSCI Europe ex-UK Small Cap)
1 Year (2024–2025)	23.24%	17.14%	14.98%
3 Years (2022–2025)	70.01%	49.76%	37.69%
5 Years (2020–2025)	102.98%	83.68%	52.27%
10 Years (2015–2025)	250.96%	238.79%	164.90%

Source: JHI / Morningstar (NAV and price total returns).

Past performance is not a reliable indicator of future results.

Note: TR = Total Return (including reinvested dividends). Figures are in GBP. The Company's share price returns can differ from NAV returns due to changes in the discount/premium (market price vs underlying NAV).

7 Market outlook

Europe as a hub for structural growth and innovation

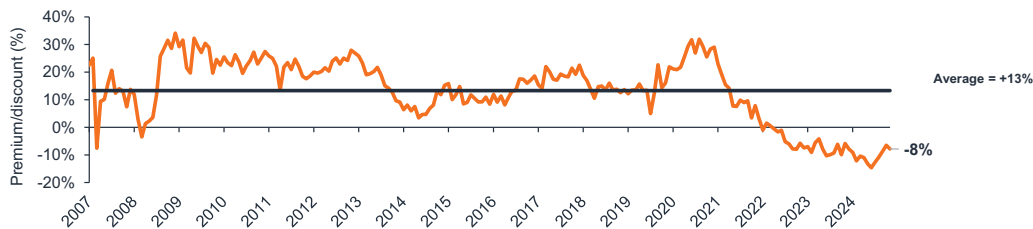
Europe remains a pivotal region for driving significant structural growth trends. Small businesses within Europe are at the forefront of innovation, providing essential components and fresh ideas to develop novel solutions. Additionally, the sector is attractively valued, trading at close to the widest discount compared to European large-cap stocks in the past 15 years, having seen this start to narrow in 2025.

The Investment Manager believes it is an interesting time for Europe with external pressures leading to some meaningful political action. Germany is moving from an extremely conservative

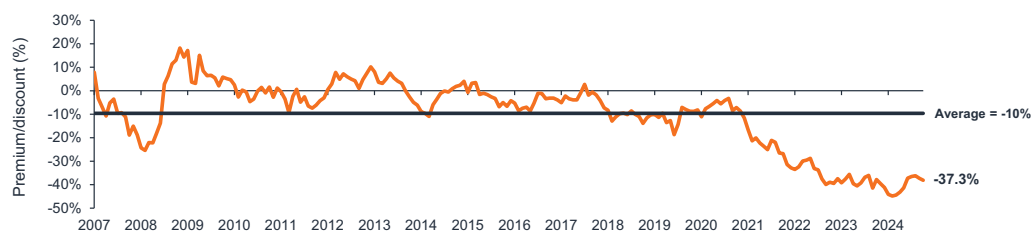
fiscal position to one that is far more pro-growth (as shown in the graphic below). A substantial acceleration in Germany would be a boost to the continent as a whole. Also, in response to the current US administration, there is a large deregulation drive designed to increase the availability of capital and make Europe's businesses more competitive internationally. These are seismic moves, the scale of which has not been seen for a number of decades in Europe. The Investment Manager is hopeful this will see European GDP accelerate, resulting in greater earnings growth for European small caps.

Relative valuations at an extreme

European small cap valuation Premium/Discount versus European Large caps



European small cap Premium/Discount versus US Large caps



Source: Bloomberg, Janus Henderson Investors Analysis, as at 31 July 2025.

Note: Index: MSCI Europe Small Cap, MSCI Europe Large Cap, S&P 500. There is no guarantee that past trends will continue, or forecasts will be realised. Past performance does not predict future returns.

Powerful wave of fiscal stimulus in Germany



Friedrich Merz became Germany Chancellor on 6 May and has announced several key reforms and priorities:

Incentives for new investments 30% annual depreciation booster for equipment investments - Allows companies to deduct 30% of the acquisition costs in the year of purchase, with additional 30% deductions in subsequent years	Reduction in corporate tax - Corporate tax will be gradually reduced starting in 2028, decreasing by 1% annually over five years - Overall tax burden will be approximately 25%, down from the current 30%	Corporate e-mobility - An investment booster for corporate e-mobility will promote the use of electric vehicles in businesses - Companies can depreciate 75% of the acquisition costs for electric vehicles	Expansion of research allowance - Research allowance will be expanded - Upper limit for determining the tax research allowance will increase from 10 to 12 million euros	13.6x German Small Caps 12m forward P/E
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Source: BNP Exane, as at 4 June 2025. Bloomberg, as at 11 August 2025.

Note: There is no guarantee that past trends will continue, or forecasts will be realised. Past performance does not predict future returns.

Challenges facing European markets

Despite these opportunities, European markets are not without uncertainties. Economic growth has been weak for a prolonged period, and potential challenges such as a resurgence of inflation or external shocks – including geopolitical events or global economic downturns – could disproportionately impact small cap companies. The Company's substantial exposure to the continent means it must navigate risks such as energy price fluctuations, currency shifts (principally Euro versus Sterling), and regional political changes. Short-term volatility is

expected to persist, characteristic of the asset class, with potential impacts like softened exports to the US affecting some European companies in the near term. Investors should be prepared for possible downturns even if the long-term outlook remains positive.

Positive indicators and investment strategy

However, positive indicators such as falling interest rates and potential further easing of monetary policy in 2025, along with a robust labour market, are favourable to smaller companies, often overlooked – especially in a recessionary environment – present exciting opportunities with groundbreaking innovations at attractive valuations. ESCT's balanced investment strategy, coupled with a disciplined focus on valuation, enables the portfolio managers to continue identifying strong investment returns in this dynamic landscape.

8 Portfolio

As at the Latest Practicable Date, the Portfolio comprised 122 investments, with an aggregate unaudited value of approximately £553.3 million. The information in this section, which has not been audited, has been sourced from information supplied by the Investment Manager.

As at the Latest Practicable Date, the Company's top 41 investments, representing over 50% of the value of the Portfolio, were as follows:

Security description	Country	Sector	Percentage of value of total Portfolio (%)
Van Lanschot Kempen	Netherlands	Financials	2.59
TKH	Netherlands	Industrials	2.12
IG Group	UK	Financials	2.01
KSB	Germany	Industrials	1.92
Alzchem	Germany	Basic Materials	1.76
R&S Group	Switzerland	Industrials	1.67
U-Blox	Switzerland	Technology	1.65
Andritz	Austria	Industrials	1.54
Stroeer	Germany	Consumer Discretionary	1.46
Metlen Energy & Metals	Greece	Utilities	1.41
Elmos Semiconductor	Germany	Technology	1.40
Avolta	Switzerland	Consumer Discretionary	1.36
Gaztransport et Techniga	France	Energy	1.35
Banco Comercial Portugues	Portugal	Financials	1.25
Merlin Properties	Spain	Real Estate	1.23
Karnov	Sweden	Consumer Discretionary	1.19
Acerinox	Spain	Basic Materials	1.17
Optima Bank	Greece	Financials	1.13
Mycronic	Sweden	Technology	1.10
eDreams ODIGEO	Spain	Consumer Discretionary	1.10
Grupo Catalana Occidente	Spain	Financials	1.07
BHG Group	Sweden	Consumer Discretionary	1.06
Criteo	France	Technology	1.05
Alpha Bank	Greece	Financials	1.01

Security description	Country	Sector	Percentage of value of total Portfolio (%)
Recticel	Belgium	Industrials	1.00
JcDecaux	France	Consumer Discretionary	0.96
Ionos	Germany	Technology	0.96
Koninklijke BAM	Netherlands	Industrials	0.94
HBX Group	Spain	Consumer Discretionary	0.93
Palfinger	Austria	Industrials	0.93
Quadiant	France	Technology	0.93
Viscofan	Spain	Consumer Staples	0.93
PVA Tepla	Germany	Technology	0.92
Enity Holding	Sweden	Financials	0.90
Nordnet	Sweden	Financials	0.89
Flatexdegiro	Germany	Financials	0.89
Trigano	France	Consumer Discretionary	0.88
Suss Microtec	Germany	Technology	0.88
Mersen	France	Industrials	0.86
Ipsos	France	Consumer Discretionary	0.86
Modern Times	Sweden	Consumer Discretionary	0.85
Total			50.11

As at the Latest Practicable Date, the breakdown of the Portfolio by country was:

Country	Percentage of value of total Portfolio (%)
Germany	20.13
Sweden	15.26
France	11.39
Spain	9.11
Switzerland	9.08
Netherlands	8.91
Norway	4.72
Greece	4.23
Austria	3.87
Italy	3.26
Belgium	3.0
United Kingdom	2.01
Denmark	1.72
Portugal	1.66

Country	Percentage of value of total Portfolio (%)
Finland	0.95
Luxembourg	0.7
	100.0

As at the Latest Practicable Date, the breakdown of the Portfolio by sector was:

Sector	Percentage of value of total Portfolio (%)
Industrials	29.37
Consumer Discretionary	20.14
Technology	16.43
Financials	13.22
Basic Materials	6.83
Health Care	5.55
Real Estate	4.10
Utilities	2.08
Energy	1.35
Consumer Staples	0.93
	100.0

Part 3

Directors, Management and Administration of the Company

1 Directors

The Directors, each of whom is non-executive and independent of the AIFM and the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company, including the review of the Company's investment activity and performance and the control and supervision of the AIFM and the Investment Manager's activities in relation to the Company. The Company operates with an experienced Board of Directors, bringing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors are as follows:

James Williams (Chairman): James Williams was appointed as a Director in 2023 and became Chairman in 2024. James has over 30 years' international business experience, including nearly 20 years in the investment banking industry, having held senior roles in Asia and Europe at ING Barings, ABN AMRO and Commerzbank. Following his departure from Commerzbank, he became a partner at Saginaw Capital LLP until 2008. James brings a wealth of strong knowledge of the investment trust sector and financial markets.

Simona Heidempergher (Senior Independent Director): Simona Heidempergher was appointed as a Director in 2014, became the Senior Independent Director in 2021 and Chair of the Nomination and Remuneration Committee in 2022. Simona is a Managing Director of Merifin Capital, a privately owned European investment company with offices in Europe, Asia and the USA, which has successfully invested in traditional and alternative asset classes for more than 30 years. Simona has a wealth of asset management experience and her knowledge of European markets provides useful context to the Company.

Daniel Burgess (Chairman of the Audit Committee): Daniel Burgess was appointed as a Director in 2019. Daniel was a partner at KPMG LLP for 23 years. He initially led the statutory audits of a number of large public limited companies and public interest entities before specialising in due diligence and regulatory services on mergers and acquisitions and capital market transactions. He brings with him significant accounting, auditing, corporate governance and listed companies experience.

Ann Grevelius: Ann Grevelius was appointed as a Director in 2019. Ann has more than 30 years' experience in the asset management sector and has been active in the venture capital industry as partner and senior advisor at GP Bullhound, a technology advisory and investment firm. Ann has held positions as Chief Investment Officer and Global Head of Investment Strategy at SEB Wealth Management and prior to that, Ann was head of Swedish and Nordic Equities at SEB Investment Management and Handelsbanken Asset Management. Ann has extensive asset management experience, and her input gives greater insight on market sentiment and conditions in continental Europe.

Nadia Meier-Kirner: Nadia Meier-Kirner was appointed as a Director in 2025. Nadia has 18 years' experience in European mid-market private equity with Triton Partners in Germany, where she currently serves as the Head of Strategic Investments. Prior to this, Nadia held Sector Co-Head roles in Business Services and Healthcare. Nadia has considerable private board expertise across the DACH region (Germany, Austria and Switzerland), and in Belgium and Sweden.

Conditional on the Scheme becoming effective and with effect from Admission, Stuart Paterson and Kate Cornish-Bowden (together, the "**Proposed Directors**") will be appointed to the Board. The Proposed Directors' biographies are set out below:

Stuart Paterson: Stuart was appointed to the EAT Board in July 2019 and became Chairman in May 2024. Stuart is a co-founder and partner of Scottish Equity Partners, one of Europe's leading technology growth equity investors with a strong investment performance track record, managing more than £1 billion of institutional capital over two decades. Stuart has over 25 years of equity investing experience in European private companies and has served on boards in numerous sectors over the years. Stuart trained with EY and is a member of the Institute of Chartered Accountants of Scotland. He worked in corporate finance for EY before moving into equity investment.

Kate Cornish-Bowden: Kate was appointed to the EAT Board and became Senior Independent Director in January 2024. Kate is the Chair of International Biotechnology Trust plc, a non-executive director of Finsbury Growth & Income Trust plc and a non-executive director and Chair of the Audit Committee of CC Japan Income & Growth Trust plc. Kate's executive roles include several years as a fund manager for Morgan Stanley Investment Management, where she was managing director and head of the global equity team. Prior to this, she worked as a research analyst at M&G. Kate is a member of the Chartered Financial Analyst Institute, holds a master's degree in business administration, and has completed the Financial Times Non-Executive Director Diploma.

The Board of the enlarged Company will therefore comprise seven directors immediately following implementation of the Scheme. In keeping with the Board's succession planning, Simona Heidempergher is anticipated to retire from the Board at the conclusion of the annual general meeting to be held in November 2025, reducing the number of Directors to six. Ann Grevelius will replace Simona as Senior Independent Director.

Directors' remuneration

Each Director is entitled to receive a fee from the Company. As at the date of this Prospectus, James Williams, as Chairman of the Board, is entitled to receive £53,200 per annum, Daniel Burgess, as Chair of the Audit Committee, is entitled to receive £42,500 per annum, Simona Heidempergher, as Senior Independent Director, is entitled to receive £40,500 and all other Directors (including the Proposed Directors once they have been appointed to the Board) are entitled to receive £37,500 per annum.

At present, under the Articles the aggregate cap on Directors' fees per annum is £250,000 (or such higher amount as the Company may by ordinary resolution determine). Given the recent addition of a Director to the Board, the further increased size of the Board if the Scheme becomes effective and to provide ample headroom for the future, the Directors consider it appropriate to increase the aggregate cap on Directors' fees from £250,000 to £500,000. This increase would bring the aggregate cap on Directors' fees in line with directors' fee caps applicable to other investment trusts of a similar size to the Company. Therefore, subject to the Resolution to be proposed at the General Meeting to increase the cap on the Directors' fees being passed, the aggregate annual fee cap will be increased to £500,000 (or such higher amount as the Company may by ordinary resolution determine).

All the Directors are also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses may include those associated with attending general meetings, Board or committee meetings. If the Board requests one or more of the Directors to perform services outside of those considered to be ordinary course on behalf of the Company, the Board may determine that additional remuneration may be paid to the Director.

2 Managerial, corporate secretarial, administration and depositary arrangements

2.1 Managerial arrangements

Janus Henderson Fund Management UK Limited (the "**AIFM**") has been appointed as the Company's alternative investment fund manager. The AIFM has delegated responsibility for the provision of investment management services to Janus Henderson Investors UK Limited (the "**Investment Manager**"). Both the AIFM and the Investment Manager are wholly owned subsidiaries of Janus Henderson Group plc and are authorised and regulated by the FCA.

The AIFM

Janus Henderson Fund Management UK Limited is registered under the UK AIFMD Laws as a full scope authorised UK AIFM and under the terms of the Management Agreement has acted as the Company's alternative investment fund manager since 2014.

The AIFM is currently entitled to annual management fees equal to 0.55% of the NAV up to £800 million and 0.45% of the NAV in excess of £800 million. In addition, a performance fee is payable measured over a three-year rolling period and determined as 15% of the positive difference (if any) between the average annual NAV total return and the average annual total return of the Benchmark and a hurdle over the Benchmark of 1.0% must be reached before

any performance fee can be earned. The management fee and performance fee are capped at 2.0% of the NAV at the last day of the relevant calculation period.

A summary of the Management Agreement is set out in paragraph 10.1 of Part 7 (*Additional Information*) of this Prospectus.

Reduction in fees payable for enlarged asset base under the Management Agreement

The Company and the AIFM have agreed, pursuant to a side letter dated 9 September 2025, a new management fee structure pursuant to which, if the Scheme becomes effective, the AIFM shall be entitled to receive reduced annual management fees, calculated as follows:

- i. 0.50% on the first £800 million of ESCT's NAV (reduced from 0.55%); and
- ii. 0.45% on ESCT's NAV over £800 million,

(the "**New Management Fee**").

The new management fee structure will apply immediately upon completion of the Scheme and will result in a more competitive blended fee rate for the enlarged Company and for Shareholders than is currently afforded to EAT's and ESCT's respective shareholders. There will be no change made to the performance fee arrangements, or to the payment frequency or other payment terms in respect of the management fee payable to the AIFM.

The Investment Manager

The AIFM entered into a sub-investment management agreement with the Investment Manager on 21 July 2014 pursuant to which the AIFM has delegated the day-to-day management of the Portfolio to the Investment Manager. The costs of these services are included in the fee payable by the Company to the AIFM under the terms of the Management Agreement.

Portfolio managers

ESCT is managed by Ollie Beckett with the support of Rory Stokes and Julia Scheufler, supported by the wider Janus Henderson European Equities team. Ollie Beckett will continue to be responsible for the management of the Portfolio following completion of the Transaction.

Ollie Beckett first joined Henderson as an assistant portfolio manager for European equities upon the firm's merger with AMP Asset Management in 1998 and was named fund manager in 1999. He moved to the Global Technology Team in 2000. He left Henderson in 2003 to pursue other interests before returning to his current role with the firm in 2005.

Ollie received a BA degree (Hons) in economics and government from the University of Manchester. He has 30 years of financial industry experience.

Further information on the portfolio managers and wider investment team at JHI is set out in Part 2 (*Investment Strategy and Process, Performance, Market Outlook and Portfolio*) of this Prospectus.

2.2 Corporate secretarial and administration arrangements

Corporate secretarial and general administration services are provided by the AIFM, the Investment Manager and their affiliates. The costs of these services are included in the fee payable by the Company to the AIFM under the terms of the Management Agreement. Some of the administration and accounting services are carried out on behalf of the AIFM and/or the Investment Manager by BNP Paribas S.A.

Janus Henderson Secretarial Services UK Limited acts as the Company's Corporate Secretary.

2.3 Depositary arrangements

HSBC Bank plc has been appointed as the depositary to the Company pursuant to the Depositary Agreement entered into with the Company and the AIFM. The Depositary's responsibilities include cash monitoring, safekeeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. HSBC Bank plc also undertakes the function of custodian in respect of the Company. The Depositary delegates the safe-keeping of certain non-UK investments to agents where the jurisdiction of the investment

necessitates this. The annual fee contains a fixed element of £15,000, in addition to fees payable of up to 0.75% of the NAV, a variable element for custody charges based on the value and location of the assets to which the custody charge relates and a variable element for transaction settlement instructions received based on the value and location of the assets to which the settlement instruction relates.

A summary of the Depositary Agreement is set out in paragraph 10.2 of Part 7 (*Additional Information*) of this Prospectus.

2.4 Registrar

Equiniti Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement. The Registrar is responsible for, among other things, the maintenance of the Register and for the transfer and settlement of Shares. The Registrar is entitled to a fee of £32,000 plus disbursements for its services to the Company.

A summary of the Registrar Agreement is set out in paragraph 10.3 of Part 7 (*Additional Information*) of this Prospectus.

2.5 Auditor

The statutory auditor to the Company is Ernst & Young LLP ("**EY**") of 25 Churchill Place, London, E14 5EY. EY is independent of the Company and is registered to carry on audit work in the United Kingdom and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales. EY's responsibility, as statutory auditor, is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. EY was first appointed as auditor of the Company in 2017 following a formal tender process and has been re-appointed as auditor at each of the Company's AGMs since that date.

3 Corporate governance

The Board is required to report on how the principles of the UK Corporate Governance Code (the "**UK Code**") have been applied. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations. The Board has therefore considered the principles and recommendations of the AIC Code published by the Association of Investment Companies, of which the Company is a member. The AIC Code addresses the principles set out in the UK Code as well as additional principles and recommendations on issues that are of specific relevance to investment companies. The Financial Reporting Council has endorsed the AIC Code and confirmed that, by following it, the boards of investment companies should meet fully their obligations under the UK Code and associated disclosure requirements under the UK Listing Rules.

The Company applies the principles and adheres to the provisions of the AIC Code.

It is expected that the Proposed Directors will, following their appointment, become members of each committee listed below.

3.1 Audit Committee

The Audit Committee comprises all the Directors (except the Chairman of the Board who is invited and usually attends as permitted) and is chaired by Daniel Burgess. The role of the Audit Committee is to ensure the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management, and monitoring the effectiveness and objectivity of the external auditor. The Audit Committee usually meets formally five times per year and its effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process. The Auditor, the AIFM and the Investment Manager's Financial Reporting Senior Manager are invited to attend meetings as appropriate.

3.2 Management Engagement Committee

The Management Engagement Committee comprises all the Directors and is chaired by James Williams, the Chairman of the Board. The Management Engagement Committee is responsible for formally evaluating the overall performance of the AIFM, the Investment Manager and other

third-party service providers engaged by the Company. In fulfilling its responsibilities, the Management Engagement Committee annually reviews the level of services delivered by each service provider and the terms on which they are engaged to ensure that these remain in line with market practice.

3.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises all the Directors and is chaired by Simona Heidempergher, the Senior Independent Director. The Nomination and Remuneration Committee is responsible for ensuring Board composition remains balanced, ensuring a transparent approach is used in the appointment of Directors and that appropriate plans are in place for succession planning. The Nomination and Remuneration Committee further considers the overall policy and approach to the remuneration of the non-executive Directors and makes recommendations to the Board on the level of remuneration for individual roles.

The Nomination and Remuneration Committee meets at least once a year to consider the composition of the Board, succession planning, to review the outcome of the Board evaluation and to consider the remuneration of individual Directors. The Nomination and Remuneration Committee meets more frequently when the recruitment process for new Directors is underway.

Following the AGM to be held in November 2025, the Nomination and Remuneration Committee will revert to being the Nomination Committee and will be chaired by James Williams. The Board as a whole will consider Directors' remuneration.

4 Conflicts of interest

The AIFM and the Investment Manager and their respective officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

As the AIFM's management fees are based on a percentage of the Company's NAV and the AIFM is responsible for valuing the Portfolio under the Management Agreement, there is the potential for conflict in any valuations it proposes in relation to the Company's investments as higher valuations will increase the NAV and, therefore, the fees payable. However, the Portfolio comprises listed securities in respect of which there is ordinarily little or no judgement as to valuation. In addition, the AIFM has sub-delegated the responsibility for valuing the Portfolio to BNP Paribas S.A., which follows an agreed valuation/pricing policy and process. Where there is any element of judgement by the AIFM or its affiliates as to valuation, this conflict is managed through the use of a written valuation policy and through Board review and approval of valuations.

The AIFM and the Investment Manager will have regard to their respective obligations under the Management Agreement and delegated portfolio management agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should actual potential conflicts of interest arise.

The Investment Manager has established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of its clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company.

5 Annual running expenses

In addition to the management, performance, depositary and registrar fees referred to in paragraph 2 of this Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- Directors' fees and expenses;
- fees and expenses of its corporate broker, legal, audit and other professional services;

- any borrowing costs;
- Directors' and officers' insurance premiums; and
- costs of printing the Company's financial reports and posting them to Shareholders.

If the Scheme becomes effective, the new reduced management fee structure and the economies of scale, which the combination will bring, will result in an estimated annual ongoing charge of approximately 0.68% on a normalised basis³, materially more competitive compared with EAT's latest reported ongoing charge of 1.01%. Investors should note, however, that some expenses are inherently unpredictable and, depending on circumstances, ongoing expenses may exceed this estimation.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring or otherwise selling Shares.

Each of ESCT and EAT intends to bear its own costs incurred in relation to the Transaction which will be reflected in the FAV for each company. The benefit of the Cash Exit Discount will be apportioned between the EAT Rollover FAV and the ESCT FAV, such that the impact of the total costs of the Scheme, net of the Cost Contributions, on the value of the holdings of continuing EAT Shareholders and Existing Shareholders shall, as far as possible, be equivalent or very nearly equivalent and such EAT Shareholders and Existing Shareholders will be largely insulated from the costs of the Scheme.

6 NAV calculations and valuation policy

Under the Management Agreement, the AIFM is responsible for calculating the Company's NAV per Share. The AIFM has sub-delegated this responsibility to BNP Paribas S.A. The unaudited NAV per Share is calculated on each dealing day by BNP Paribas S.A. and is announced by the Corporate Secretary through a RIS. Such RIS announcements confirm the Company's NAV. Unless otherwise disclosed in such RIS announcements, the NAV is calculated in accordance with the recommendations of the AIC. In particular: (a) financial assets are valued on a fair value basis using bid prices, or, if more appropriate, a last trade basis; (b) debt is valued at par; (c) diluted NAVs are disclosed where applicable (for this purpose, treasury shares are excluded for the purposes of calculation); and (d) provisions for performance fees are included where applicable.

The Board may determine that the Company should temporarily suspend the determination of the NAV per Share when the prices of any investments owned by the Company cannot be promptly, accurately or without undue expenditure, ascertained. Any suspension in the calculation of the NAV per Share will be notified to Shareholders through a RIS as soon as practicable after such suspension occurs.

The Company may delay public disclosure of the NAV to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

For the purposes of valuing its investments, the Company uses UK adopted International Accounting Standards. The Portfolio is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the Portfolio is provided on that basis to the Directors. Accordingly, upon initial recognition the investments are included initially at fair value, which is taken to be their cost. Subsequently, the investments are valued at fair value, which is deemed to be the bid market prices or the last traded price as at close of business on the last business day of the accounting period depending on the convention of the exchange on which the investment is quoted. All fair value movements in investments are taken to the income statement. In accordance with the AIC Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts, the Company's profit and loss account is split between revenue and capital return columns. This is reflected in the Company's income statement. Fair value movements on investments are taken to the capital column in the income statement.

³ As calculated in accordance with the principles set out in the AIC's recommended methodology for the calculation of ongoing charges, which excludes any performance fees.

7 UK MAR and the Disclosure Guidance and Transparency Rules

As a company whose shares are admitted to trading on the Main Market, the Company complies with all provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 3% and each 1% thereafter up to 100%.

Part 4

Details of the Scheme and the Issue

1 Introduction

The Issue is being undertaken pursuant to the proposed scheme of reconstruction and members' voluntary winding-up of EAT under section 110 of the Insolvency Act (the "**Scheme**"), which the EAT Board has resolved to recommend to EAT Shareholders. The Scheme involves EAT being placed into members' voluntary liquidation and EAT Shareholders receiving New Shares issued by the Company in exchange for the transfer to the Company of the Rollover Pool. EAT Shareholders may elect to receive cash, in respect of some or all of their holdings of EAT Shares under the terms of the Scheme up to a maximum of 15% in aggregate of the total number of EAT Shares in issue (excluding EAT Shares held in treasury) as at the Calculation Date. The Issue has not been underwritten.

The New Shares are only available to eligible EAT Shareholders who are deemed to elect for the Rollover Option under the Scheme. The New Shares are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an eligible EAT Shareholder) or otherwise to the public.

2 Details of the Scheme

Subject to the passing of the Issue Resolution, and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 5 of this Part 4), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, EAT and the Liquidators, which provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares. Further details of the Transfer Agreement are provided in paragraph 10.9 of Part 7 (*Additional Information*) of this Prospectus.

In advance of the Calculation Date, EAT will have, to the extent practicable, realised part of its assets, undertaking and business carried on by EAT in accordance with the Scheme and the elections made, or deemed to have been made, thereunder in order to repay its debt facility, fund the Liquidation Pool and the Cash Pool and exit any assets not consistent with ESCTs investment policy and/or so as to minimise any costs associated with the transfer of the Rollover Pool to ESCT.

On or shortly after the Calculation Date, the EAT Board, in consultation with the proposed liquidators of EAT, shall finalise the division of EAT's assets into three separate and distinct pools (the Liquidation Pool, the Cash Pool and the Rollover Pool). After allocating to the Liquidation Pool: (i) assets that are not suitable for either the Cash Pool or the Rollover Pool, including the right to receive any and all interest and assets representing withholding tax expected to be recoverable by EAT (estimated at approximately £2.5 million as at the Latest Practicable Date); and (ii) cash and other assets to meet all known and unknown liabilities of EAT and other contingencies, including the costs of the Proposals to be borne by EAT, any dividends declared as at the Calculation Date but not yet paid to EAT Shareholders, the Liquidator's Retention and the entitlements of any Dissenting EAT Shareholders, the remaining assets of EAT will be appropriated to the Cash Pool and the Rollover Pool.

Elections under the Scheme

Under the Scheme:

- (a) EAT Shareholders will be entitled to elect to receive cash in respect of some or all of their EAT Shares (subject to an overall limit of 15% in aggregate of the EAT Shares in issue at the Calculation Date, excluding treasury shares) at a 2.0% discount to the EAT FAV per Share (the "**Cash Option**"). EAT Shareholders are entitled to elect for the Cash Option in respect of more than their *pro rata* entitlement to the Cash Option under the terms of the Scheme (the "**Basic Entitlement**", such excess amount being an "**Excess Application**"). However, if aggregate elections have been made for the Cash Option which exceed 15% of the EAT Shares in issue at the Calculation Date, excluding treasury

shares, EAT Shareholders who have made an election for the Cash Option in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pari passu* and *pro rata* among all EAT Shareholders who have made such Excess Applications; and

- (b) eligible EAT Shareholders will by default receive New Shares (the “**Rollover Option**”) to the extent that they do not make a valid election for the Cash Option in respect of some or all of their EAT Shares or to the extent that their elections for the Cash Option are scaled back in accordance with the Scheme.

For illustrative purposes only, had the Calculation Date been close of business on the Latest Practicable Date and assuming that no EAT Shareholders had exercised their right to dissent from participation in the Scheme, assuming that the maximum number of EAT Shares is elected for the Cash Option, taking into account EAT’s declared fourth quarterly interim dividend of 1.38 pence per EAT Share and the Company’s second interim dividend in respect of the financial year to 30 June 2025 of 3.45 pence per Share:

- the EAT Rollover FAV per Share would have been 98.645013 pence and the ESCT FAV per Share would have been 223.204900 pence which, for the Rollover Option, would have produced a conversion ratio of 0.441948 and, in aggregate, 135,262,113 New Shares would have been issued to EAT Shareholders who were deemed to have elected for the Rollover Option under the Scheme; and
- the EAT Cash FAV per Share would have been 96.414804 pence.

The above figures are for illustrative purposes only and do not represent forecasts. The EAT Rollover FAV per Share, ESCT FAV per Share, EAT Cash FAV per Share and EAT Shareholders’ entitlements under the Scheme may materially change up to the Effective Date as a result of, *inter alia*, changes in the value of investments. For the avoidance of doubt, the illustrative EAT Rollover FAV per Share does not take into account any portfolio realisation costs as they are unquantified as at the Latest Practicable Date.

Subject to scaling back, each EAT Shareholder who elects, or is deemed to elect, for the Cash Option will receive the net realisation proceeds of such portion of the Cash Pool to which they are entitled which is expected to be equal to the EAT Cash FAV per Share multiplied by the total number of EAT Shares held by such shareholder that have been elected, or are deemed to have been elected, for the Cash Option.

The New Shares will be issued on a non-pre-emptive basis and will rank equally in all respects with the existing issued Shares other than in respect of any dividends which have a record date prior to the Effective Date.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the EAT Rollover FAV per Share, the ESCT FAV per Share, the EAT Cash FAV per Share and the number of New Shares to be issued under the Scheme, through a RIS announcement as soon as reasonably practicable following the Calculation Date and prior to the Issue.

3 Costs and expenses of the Proposals

Subject as noted below, if the Scheme is implemented, the Company and EAT have each agreed to bear their own costs associated with the Proposals. The Direct Transaction Costs payable by the Company are expected to be approximately £1.1 million, inclusive of VAT, where applicable. In addition, the enlarged Company will incur listing fees in respect of the listing of the New Shares and any transaction costs, stamp duty or similar transaction taxes incurred by the enlarged Company in connection with the acquisition of the Rollover Pool.

The Liquidators’ Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of EAT. To the extent some or all of the Liquidators’ Retention remains when the Liquidators decide to close the liquidation, this will be returned to EAT Shareholders on the EAT Register as at the Record Date, provided that if any such amount payable to any EAT Shareholder is less than £5.00, it shall not be paid to the EAT Shareholder but instead shall be retained by EAT and sent to charity.

Contingent on the Transaction being fully implemented, the AIFM will make a contribution to the costs of the Proposals for an amount equal to nine months of the New Management Fee that would otherwise be payable on the value of the Rollover Pool as at the Calculation Date (the “**Maximum JHI Costs Contribution**”), such amount to be reduced in accordance with the formula set out below in light of any Shares repurchased from CT Savings Plans participants (the “**JHI Costs Contribution**”). The AIFM may elect to settle the JHI Costs Contribution by way of offset against the management fees payable to the AIFM under the Management Agreement.

The financial value of the Maximum JHI Costs Contribution is currently estimated at £1.1 million based on EAT’s NAV as at the Latest Practicable Date, and assuming that there are no Dissenting Shareholders, and that the Cash Option is taken up in full.

The benefit of the Cash Exit Discount shall be apportioned between the EAT Rollover FAV and the ESCT FAV such that the impact of the costs of the Scheme, net of the Cost Contributions, on the value of the holdings of the EAT Shareholders that are deemed to elect for the Rollover Option and Existing Shareholders, will be equivalent, or very nearly equivalent and such EAT Shareholders and Existing Shareholders will be largely insulated from the costs of the Scheme. The JHI Costs Contribution will be applied for the benefit of the enlarged Company.

If the Scheme becomes effective, the Company understands that participants in the CT Savings Plans that receive New Shares under the Scheme will not be permitted to hold New Shares within the CT Savings Plans beyond the date (currently expected to be 14 January 2026) falling three months after the Effective Date and, in such circumstances, these New Shares may be sold in the market by the administrator to the CT Savings Plans.

Where ESCT repurchases Shares from CT Savings Plans holders following the Effective Date in accordance with its share buyback policy, the JHI Costs Contribution will be determined by reducing the Maximum JHI Costs Contribution by an amount equal to:

Maximum JHI Costs Contribution x A / B

Where:

A = the number of Shares repurchased by ESCT from CT Savings Plans holders following the Effective Date; and

B = the total number of New Shares.

In the event that implementation of the Scheme does not proceed each party will bear its own costs.

4 Details of the Issue

New Shares are being issued to EAT Shareholders in consideration for the transfer of the Rollover Pool to the Company in connection with the recommended proposals to combine the Company and EAT pursuant to the Scheme. The number of New Shares to be issued under the Scheme is not known at the date of this Prospectus as it will be calculated in accordance with the formula set out in paragraph 4 of Part 1 (*The Company*) of this Prospectus as at the Calculation Date and will depend on the elections and deemed elections made under the Scheme. The number of New Shares to be issued will be announced through a RIS announcement as soon as practicable following the Calculation Date.

5 Conditions of the Issue and the Scheme

The Issue and the Scheme are conditional upon the:

- passing of the Issue Resolution and such resolution becoming unconditional in all respects;
- passing of the EAT Resolutions to approve the Scheme and the winding-up of EAT at the EAT General Meetings and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- FCA agreeing to admit the New Shares to listing in the closed-ended investment funds category of the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and

- Directors and the EAT Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived by both the Company and EAT on or before 28 November 2025, the Scheme will not become effective and the New Shares will not be issued.

6 Dissenting EAT Shareholders

Provided that an EAT Shareholder does not vote in favour of the EAT Resolutions to be proposed at the First EAT General Meeting, such EAT Shareholder may, within seven days following the First EAT General Meeting, express his or her dissent to the Liquidators in writing at EAT's registered office and require the Liquidators to purchase the EAT Shareholder's interest in EAT. The Liquidators will offer to purchase the interests of the Dissenting EAT Shareholders at the realisation value, this being an estimate of the amount an EAT Shareholder would receive per EAT Share in an ordinary winding-up of EAT if all assets of EAT had to be realised and distributed to EAT Shareholders after repayment of the liabilities of EAT. The realisation value of an EAT Share is expected to be below the unaudited cumulative NAV per EAT Share and the Liquidators will not purchase the interests of Dissenting EAT Shareholders until all other liabilities of EAT have been settled or provided for.

In order to purchase the interests of any Dissenting EAT Shareholders, the EAT Board, in consultation with the Liquidators, will appropriate an amount of the cash and other assets of EAT to the Liquidation Pool which it believes will be sufficient to purchase the interests of such EAT Shareholders. Save as otherwise provided in this paragraph 6, any EAT Shares held by persons who validly exercise their rights to dissent under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those EAT Shares were not in issue.

7 Dilution

Existing Shareholders are not entitled to participate in the Issue (unless they are also eligible EAT Shareholders at the Record Date) and will suffer a dilution to their voting rights based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 135,262,113 New Shares were to be issued under the Scheme (being the estimated number of New Shares that would be issued pursuant to the Issue, assuming that: (i) no EAT Shareholders had exercised their right to dissent from participation in the Scheme; (ii) 15% of the total EAT Shares were elected for the Cash Option; and (iii) the ratio between the ESCT FAV per Share and the EAT Rollover FAV per Share was 0.441948 as outlined in paragraph 2 of this Part 4) then, based on the issued share capital of the Company as at the Latest Practicable Date, and assuming that: (a) an Existing Shareholder was not an eligible EAT Shareholder at the Record Date and was therefore not entitled to participate in the Issue; and (b) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1% of the Company's issued share capital (excluding Shares held in treasury) as at the Latest Practicable Date would then hold 0.63% of the Company's issued share capital (excluding Shares held in treasury) following the Issue.

8 Admission and dealings

Applications will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market, respectively. If the Scheme becomes effective, it is expected that the New Shares will be admitted to listing in the closed-ended investment funds category of the Official List, and dealings on the Main Market will commence, at 8.00 a.m. on 16 October 2025. The Company will notify EAT Shareholders of the number of New Shares to which each eligible EAT Shareholder is entitled and the results of the Issue will be announced by the Company on or around 15 October 2025 via a RIS announcement.

The ISIN of the New Shares will be GB00BMCF8689. The ticker symbol is ESCT. The New Shares will be in registered form and may be held in either certificated or uncertificated form. EAT Shareholders who are deemed to elect for the Rollover Option and who hold their relevant EAT Shares in certificated form at the Record Date will receive their New Shares in

certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to such EAT Shareholders will be despatched within ten Business Days of Admission.

EAT Shareholders who are deemed to elect for the Rollover Option and who hold their relevant EAT Shares in uncertificated form as at the Record Date will receive their New Shares in CREST on 16 October 2025, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

Fractional entitlements to New Shares will not be issued under the Scheme and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments will be made or returned in respect of any fractional entitlements, which will be retained for the benefit of the Company.

9 Overseas EAT Shareholders

The terms of the Scheme, as they relate to Overseas EAT Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas EAT Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Overseas EAT Shareholders to satisfy themselves (and the Directors) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Overseas EAT Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Scheme on them.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, the Republic of South Africa or any EEA Member State. No offer is being made, directly or indirectly, under the Scheme in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), Australia, Canada, Japan, the Republic of South Africa or any EEA Member State.

Overseas EAT Shareholders who wish to participate in the Issue should contact EAT directly if they are able to demonstrate, to the satisfaction of the Directors, the EAT Directors and the Liquidators (taking appropriate advice) that they can be issued New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or EAT with any overseas laws, regulations, filing requirements or the equivalent.

Overseas EAT Shareholders will not be able to access this Prospectus or participate in the Issue unless they have satisfied the Directors, the EAT Directors and the Liquidators (taking appropriate advice) that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or EAT with any overseas laws, regulations, filing requirements or the equivalent.

Excluded EAT Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares for the remainder of their EAT Shares. Such New Shares will be issued to the Liquidators (as nominees on behalf of such Excluded EAT Shareholders) who will arrange for the New Shares to be sold in the market as soon as practicable by a market maker (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded EAT Shareholders or the value of the New Shares held by the relevant Excluded EAT Shareholders).

Notice to US EAT Shareholders

The New Shares have not been and will not be registered under the US Securities Act, and the New Shares may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act, and under circumstances that would not result in the Company being in violation of the US Investment Company Act. There has not been and there will not be any public offer or sale of the New Shares in the United States.

The New Shares are being offered and sold solely (i) outside the United States to persons who are not US Persons in “offshore transactions” as defined in and pursuant to Regulation S under the US Securities Act; and (ii) within the United States to persons that are, or to US Persons that are, both “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the US Securities Act and “qualified purchasers” (“QPs”) as defined in Section 2(a)(51) of the US Investment Company Act pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US Investor Representation Letter and returned it to the addressees.

The Scheme is being implemented subject to United Kingdom disclosure requirements, which are different from certain United States disclosure requirements. In addition, this Prospectus has been prepared in accordance with a United Kingdom format and style, which differs from the United States format and style. In particular, parts of this Prospectus contain information concerning the Scheme required by United Kingdom disclosure requirements, which may be material and may not have been summarised elsewhere in this Prospectus. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to settlement procedures and timing of payments that are different from those applicable under United States procedures and law.

The New Shares are not, and will not be, listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC. The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

It may be difficult for US EAT Shareholders to enforce their rights and any claims arising out of US federal securities laws, since the Company is located in a foreign country, and all its Directors, officers and Proposed Directors are citizens and residents of jurisdictions outside the United States. US EAT Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of US federal securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court’s judgment.

Whether located in the United States or elsewhere, US EAT Shareholders will receive any cash consideration in pounds sterling.

There are significant restrictions on the purchase and resale of the New Shares by persons that are located in the United States, that are US Persons, or who hold New Shares for the account or benefit of US Persons and on the resale of New Shares to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future an initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

The Company will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of such legislation.

US EAT Shareholders that do not provide a US Investor Representation Letter will be treated as Excluded EAT Shareholders.

10 Taxation

The attention of EAT Shareholders is drawn to the summary of tax matters set out in Part 6 (*UK Taxation*) of this Prospectus. This does not constitute and should not be relied upon as tax advice. **EAT Shareholders should seek tax advice from their own tax adviser about the taxation consequences of acquiring, holding or disposing of New Shares.**

11 Interests

There are no interests, including any conflicting interests, that are material to the Issue.

Part 5

Financial information

1 Historical financial information

The 2024 Annual Report was prepared in accordance with UK adopted International Accounting Standards and was audited by Ernst & Young LLP, whose report was unqualified. Ernst & Young LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales.

The 2024 Annual Report (audited) and the 2024 Half Year Report (unaudited) included, on the pages specified in the table below, the following information (which is incorporated into this document by reference):

Nature of information	2024 Annual Report Page No.	2024 Half Year Report Page No.
Performance Highlights	1	1
Investment Proposition	2-3	—
Chairman's Statement	4-5	2
Fund Manager's Report	6-9	3
Portfolio Information	10	4-5
Ten-year Historical Information	11	—
Business Model and Section 172 Statement	12-15	—
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2 Significant change

Save as disclosed below, there has been no significant change in the financial position of the Company since 31 December 2024, being the end of the last financial period for which financial information of the Company has been published:

- on 29 May 2025, the Company repurchased 115,386,122 Shares pursuant to the Tender Offer *In Specie* Consideration Option at a price per Share of 210.40 pence; and
- on 26 June 2025, the Company repurchased 50,710,953 Shares pursuant to the Tender Offer Cash Exit Option at a price per Share of 213.80 pence.

3 Documents incorporated by reference

The parts of the 2024 Annual Report and the 2024 Half Year Report referenced in this Part 5 have been incorporated into this Prospectus by reference. The parts of those reports not referenced in this Part 5 are either not relevant for investors or are covered elsewhere in this Prospectus.

Any statement contained in the 2024 Annual Report or the 2024 Half Year Report which is incorporated by reference herein, shall be deemed to be modified or superseded for the

purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of the 2024 Annual Report and 2024 Half Year Report are available online at www.europeansmallercompaniestrust.com.

4 Working capital

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).

5 Capitalisation and indebtedness

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 July 2025:

	<u>(£'000)</u>
Total current debt	
— Guaranteed	—
— Secured	15,740
— Unguaranteed/unsecured	—
	15,740
Total non-current debt (excluding current portion of non-current debt)	
— Guaranteed	—
— Secured	—
— Unguaranteed/unsecured	—
	—
Shareholders' equity	
— Called-up share capital	4,363
— Share premium account	120,364
— Capital redemption reserve	14,062
— Total	138,789

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 July 2025.

The following table shows the Company's total financial indebtedness as at 31 July 2025. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 July 2025.

	<u>(£'000)</u>
A. Cash	146
B. Cash equivalents	—
C. Other current financial assets	—
D. Liquidity (A+B+C)	146
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	15,740
F. Current portion of non-current financial debt	—
G. Current financial indebtedness (E+F)	15,740
H. Net current financial indebtedness/(liquidity) (G-D)	(15,594)
I. Non-current financial debt (excluding current portion and debt instruments)	—
J. Debt instruments	—
K. Non-current trade and other payables	—
L. Non-current financial indebtedness (I+J+K)	—
M. Net financial indebtedness (H+L)	(15,594)

As at 31 July 2025, the Company had no indirect or contingent indebtedness.

Part 6

UK Taxation

The following comments do not constitute tax advice. They are intended only as a general guide based on UK law and HMRC's published practice as at the date of this Prospectus. Both law and practice may change at any time (possibly with retrospective effect).

Except where express reference is made to the position of non-UK residents, these comments relate only to the Company and its Shareholders who are, and have at all relevant times been, resident for tax purposes solely in the UK. They apply only to Shareholders who are the absolute beneficial owners of their Shares and of any dividends payable on them and who hold their Shares as investments.

Certain categories of Shareholders may be subject to special tax rules. These include dealers in securities, financial institutions, insurance companies, collective investment schemes and Shareholders who are treated as having acquired their Shares by reason of any office or employment. The position of such Shareholders is not addressed in these comments. Nor is the position of any Shareholders who are involved in arrangements to avoid tax or obtain a tax advantage.

All Shareholders, including those who may be subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to seek their own professional tax advice.

1 The Company

The Directors intend to conduct the affairs of the Company so that it satisfies, and continues to satisfy, the conditions necessary for approval as an investment trust to be maintained. However, no assurance can be given that this approval will be maintained.

In respect of each accounting period for which the Company continues to be treated as an approved investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will however (subject to what follows) be liable to UK corporation tax on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would generally be expected to apply in respect of most dividends it receives.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under such treatment, the Company may designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays as an interest distribution, UK resident Shareholders would (broadly speaking) be taxed as if the dividend received were a payment of interest and the Company should be able to deduct the amount of the interest distribution from its income in calculating its taxable profit for the relevant accounting period. Given the nature of its investment portfolio, the Company does not expect to generate a significant amount of "qualifying interest income". The statements below regarding the taxation of dividends received by Shareholders from the Company assume that the streaming regime does not apply.

2 Taxation of dividends

No withholding

The Company is not required to withhold UK tax when paying a dividend on the Shares.

Individuals

UK resident individual Shareholders who receive dividends from the Company will generally pay UK income tax on those dividends at the following rates, to the extent in excess of the annual dividend allowance:

- 8.75% on dividend income within the basic rate band;
- 33.75% on dividend income within the higher rate band; and
- 39.35% on dividend income within the additional rate band.

Companies

Shareholders within the charge to UK corporation tax that receive dividends from the Company will be subject to corporation tax on those dividends unless the dividends qualify for exemption under Part 9A of the Corporation Tax Act 2009. It is likely that dividends paid by the Company will generally qualify for exemption, but it should be noted that the exemption is not comprehensive, requires a number of conditions to be met, and is subject to anti-avoidance rules. Shareholders should therefore seek professional tax advice where necessary.

3 Taxation of chargeable gains

A disposal of Shares by a UK resident Shareholder may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Shareholders that are not UK resident will not generally be subject to UK taxation of chargeable gains on a disposal of their Shares, provided that their Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

4 ISAs and SIPPS

On the basis that the Company has received and maintains approval by HMRC as an investment trust for the purposes of section 1158 Corporation Tax Act 2010 and its Shares are listed on the Official List, Shares should in principle be eligible for inclusion in an ISA, subject to the annual ISA investment allowance. Shares should also generally be eligible for inclusion in a SIPP, subject to the discretion of the trustees of the SIPP.

Individuals wishing to invest in Shares through an ISA or SIPP should contact their professional advisers.

5 UK stamp duty and stamp duty reserve tax ("SDRT")

The following comments in relation to UK stamp duty and SDRT apply to Shareholders wherever they are resident or domiciled. They are intended only as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected or involved with depository arrangements or clearance services, to whom special rules apply.

Issues of Shares

No UK stamp duty or SDRT should arise on an issue of Shares by the Company (including on the issue of New Shares pursuant to the Issue).

Transfers of Shares

Instruments transferring Shares will generally be subject to stamp duty at a rate of 0.5% of the consideration given for the transfer (rounded up to the nearest £5 of stamp duty, where relevant). Transfers with an aggregate consideration of £1,000 or less are generally exempt from stamp duty provided that the instrument of transfer contains an appropriate certificate stating that the transfer does not form part of a larger transaction or series of transactions with an aggregate consideration in excess of £1,000.

An unconditional agreement to transfer Shares will generally be subject to SDRT at a rate of 0.5% of the consideration given for the transfer. However, where an instrument of transfer is executed in pursuance of such an agreement and is duly stamped within six years, the charge to SDRT will generally be cancelled and any SDRT which has already been paid can generally be reclaimed.

Paperless transfers of Shares within CREST (i.e. effected without any instrument of transfer) will generally attract only SDRT and not stamp duty. The SDRT chargeable on such transactions will generally be collected through the CREST system.

The cost of any stamp duty or SDRT that arises in connection with a transfer of Shares would normally be borne by the purchaser.

6 Information reporting

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

Part 7

Additional Information

1 The Company

- 1.1 The Company was incorporated in England and Wales on 10 July 1990 with registered number 02520734 as a public company limited by shares under the Companies Act 1985. The Company is registered as an investment company under section 833 of the Companies Act. The Company's LEI is 213800N1B1HCQG2W4V90.
- 1.2 As a listed investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, as a company with its shares admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market, it is subject to the Prospectus Regulation Rules, the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, UK MAR and the rules of the London Stock Exchange. The Company is domiciled in England. The Company is an alternative investment fund pursuant to the UK AIFMD Laws. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 1.3 The address of the registered office and principal place of business of the Company is 201 Bishopsgate, London EC2M 3AE, with telephone number: 020 7818 1818.
- 1.4 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
 - 1.4.1 all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets (being shares in the case of the Company) with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - 1.4.2 the Company is not a close company at any time during the accounting period for which approval is sought;
 - 1.4.3 the Company is resident in the UK throughout that accounting period;
 - 1.4.4 the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period;
 - 1.4.5 the Company is not a venture capital trust or a real estate investment trust; and
 - 1.4.6 the Company may not retain in respect of the accounting period an amount greater than the higher of: (i) 15% of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, the Company may retain an amount equal to the amount of such losses.

2 The AIFM and the Investment Manager

- 2.1 Janus Henderson Fund Management UK Limited, a private limited company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02678531, is the Company's AIFM. The AIFM is authorised and regulated by the FCA. The registered office of the AIFM is at 201 Bishopsgate, London EC2M 3AE and its telephone number is 020 7818 1818.
- 2.2 Janus Henderson Investors UK Limited, a private limited company incorporated and registered in England and Wales under the Companies Act 1948 with registered number 00906355 is the Company's Investment Manager. The Investment Manager is authorised and regulated by the FCA. The registered office of the Investment Manager is at 201 Bishopsgate, London EC2M 3AE and its telephone number is 020 7818 1818.

3 The Depositary

HSBC Bank plc has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 10.2 of this Part 7 below). The Depositary is a public limited company incorporated in England and Wales under the Companies Acts 1862 to 1879 with company number 00014259. It is authorised by the PRA and regulated by the FCA and the PRA. The address of the registered office of the Depositary is 8 Canada Square, London E14 5HQ and its telephone number is 020 7991 8888. The Depositary's LEI is MP6I5ZYZBEU3UXPYFY54.

4 Share capital

- 4.1 As at the Latest Practicable Date the issued and fully paid share capital of the Company (excluding Shares held in treasury) consisted of 227,512,528 Shares of 1.5625 pence each.
- 4.2 As at the Latest Practicable Date the Company held 51,733,676 Shares in treasury. The Shares are admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market. The Company has no authorised share capital.
- 4.3 *For illustrative purposes only*, had the Calculation Date been close of business on the Latest Practicable Date, and assuming that 135,262,113 New Shares are issued (such numbers being based on the illustration provided in paragraph 2 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus), the issued and fully paid Share capital of the Company immediately following the Issue (excluding Shares held in treasury) would have been 362,774,641 Shares of 1.5625 pence each.
- 4.4 In addition to the ordinary business of the Company, resolutions were passed at the 2024 AGM to:
- 4.4.1 give authority to the Directors to allot Shares up to an aggregate nominal amount of £615,336 for a period expiring on the earlier of the date falling 15 months after the passing of the resolution, or from the conclusion of the next Annual General Meeting;
- 4.4.2 empower the Directors to allot equity securities or make offers or agreements to allot Shares for cash pursuant to the authority conferred by the resolution in paragraph 4.4.1 above or to sell Shares from treasury as if section 561 of the Companies Act did not apply to the allotment or sale. This power is limited to:
- (a) the allotment or sale from treasury of equity securities whether by way of a rights issue, open offer or otherwise to ordinary members and/or holders of any other shares in accordance with the rights of those shares where the shares respectively attributable to the interests of all ordinary members and/or such holders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares and such shares held by them (or are otherwise allotted in accordance with the rights attaching to such shares) subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever;
- (b) the allotment or sale from treasury (otherwise than pursuant to subparagraph (a) above) of shares up to a maximum aggregate nominal value of £615,336; and
- (c) the allotment or sale from treasury of shares at a price not less than the net asset value per share as at the latest practicable date before such allotment or sale as determined by the Directors in their reasonable discretion;
- and shall expire at the earlier of the date falling 15 months after the date of the passing of the resolution, or from the conclusion of the next Annual General Meeting;
- 4.4.3 authorise the Company to make market purchases of up to 59,032,913 Shares, such authority to expire at the earlier of the date falling 15 months after the passing of the resolution, or from the conclusion of the next Annual General Meeting.

- 4.5 At the General Meeting, the Directors will seek Shareholder authority, pursuant to section 551 of the Companies Act, to allot New Shares up to an aggregate nominal amount of £3,125,000 in connection with the Issue (such authority to expire on 31 December 2025). Such authority will be in addition to the authority referred to in paragraph 4.4.1 above.
- 4.6 At the General Meeting, the Company will also propose a special resolution to cancel, subject to the approval of the Court, the amount standing to the credit of its share premium account. The purpose of the proposed cancellation is to enhance the Company's distributable reserves position and thereby provide greater flexibility to the Company in future to make purchases of its Shares and other distributions to Shareholders, including the payment of dividends.
- 4.7 The provisions of section 561 of the Companies Act which, to the extent not disapplied pursuant to section 570 or section 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash, shall apply to any unissued share capital of the Company. As noted at sub-paragraph 4.4.2 above, the Company currently has authority to issue or sell from treasury up to 39,381,150 Shares on a non-pre-emptive basis.
- 4.8 As at the Latest Practicable Date:
- 4.8.1 no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
- 4.8.2 save in connection with the Issue, there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 4.9 As at the Latest Practicable Date there have been no public takeover bids in respect of the Company's equity, either during or since the financial year ended 30 June 2024.

5 Articles of Association

Below is a summary of the provisions in the Articles, including relating to the rights attached to the Shares, any limitation of those rights and procedures for the exercise of those rights.

5.1 Share capital

Without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.

In the event that rights and restrictions attaching to shares are determined by ordinary resolution, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the Companies Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in the Articles.

5.2 Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up:

5.2.1 in such manner (if any) as may be provided by those rights; or

5.2.2 in the absence of any such provision, with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of the Articles relating to general meetings shall apply, except that the necessary quorum shall be (i) at any such meeting other than an adjourned meeting, two persons together holding or representing by proxy at least one third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares); and (ii) at an adjourned

meeting, one person holding shares of the class in question (other than treasury shares) or his proxy.

5.3 Transfer of shares

Subject to such of the restrictions of the Articles as may be applicable, the instrument of transfer of a share in certificated form may be in any usual form or in any other form which the Directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

Where any class of shares is, for the time being, a participating security (within the meaning of the CREST Regulations), title to shares of that class which are recorded on an operator register of members as being held in uncertificated form may be transferred by means of the relevant system concerned. The transfer may not be in favour of more than four transferees.

The Directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. They may also refuse to register a transfer of a share in certificated form (whether fully paid or not) unless the instrument of transfer:

5.3.1 is lodged, duly stamped, at the registered office of the Company or at such other place as the Directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

5.3.2 is in respect of only one class of shares; and

5.3.3 is in favour of not more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the CREST Regulations to register the transfer.

If the Directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a transfer of a share in certificated form) or the date on which the operator instruction was received by the Company (in the case of a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form) send to the transferee notice of the refusal together with reasons for the refusal. The Directors shall send such further information about the reasons for the refusal to the transferee as the transferee may reasonably request.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.

5.4 Alteration of share capital

The Company may by ordinary resolution:

5.4.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

5.4.2 sub divide its shares, or any of them, into shares of smaller amount than its existing shares; and

5.4.3 determine that, as between the shares resulting from such a sub division, any of them may have any preference or advantage as compared with others,

and where any difficulty arises in regard to any consolidation or division, the Directors may settle such difficulty as they see fit. In particular, without limitation, the Directors may sell to any person (including the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members or retain such net proceeds for the benefit of the Company and:

- (a) in the case of shares in certificated form, the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (b) in the case of shares in uncertificated form, the Directors may, to enable the Company to deal with the share in accordance with the provisions of the Articles, require the operator of a relevant system to convert the share into certificated form; and after such conversion, authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer.

The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

Subject to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner permitted by, and in accordance with, the Companies Act.

Subject to the Companies Act and to any rights for the time being attached to any shares, the Company may purchase its own shares (including any redeemable shares) and may hold such shares as treasury shares or cancel them. On any purchase by the Company of its own shares neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any manner as between the holders of shares of the same class or as between them and the holders of shares of any other class.

5.5 General meetings

The Directors may call general meetings. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any member of the Company may call a general meeting. Any meeting of the Company other than an annual general meeting shall be called a general meeting. The provisions of the Articles that relate to a general meeting shall also apply to an annual general meeting where applicable.

The Board shall determine in relation to each general meeting (including a postponed or adjourned meeting) the means of attendance at and participation in the meeting, including whether persons entitled to attend and participate in the meeting shall be enabled to do so:

- 5.5.1 by means of an electronic platform or platforms pursuant to the Articles (but for the avoidance of doubt, the Board shall be under no obligation to offer or provide such platform, whatever the circumstances); and/or
- 5.5.2 by attendance and participation at one or more physical locations.

The Board may make whatever arrangements it considers fit to allow those entitled to do so to attend and participate in any general meeting. In this respect, the Board may authorise the use of or require any voting application, system or facility for electronic meetings as the Board considers appropriate.

Unless the notice of meeting says otherwise or the chairman of the meeting decides otherwise, a general meeting shall be treated as taking place where the chairman of the meeting is at the time of the meeting.

Two or more persons who may not be in the same place as each other attend and participate in a general meeting if they are able to exercise their rights to speak and vote at that meeting. A person is able to exercise the right to speak at a general meeting if the chair of the general meeting is satisfied that arrangements are in place so as to enable that person to communicate to all those attending the meeting while the meeting is taking place

(which communication may be by means of the submission of written communication through an electronic platform). A person is able to exercise the right to vote at a general meeting if that person can vote on resolutions put to the meeting (or, in relation to a poll, can vote within the required time frame) and that person's vote can be taken into account in deciding whether or not such resolutions are passed at the same time as the votes of others attending the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member (including for this purpose two persons who are proxies or corporate representatives of the same member), shall be a quorum. If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present; the meeting shall stand adjourned in accordance with the Articles.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are members. The chairman of the meeting may permit other persons who are not members of the Company or otherwise entitled to exercise the rights of members in relation to general meetings to attend and, at the chairman of the meeting's discretion, speak at a general meeting or at any separate class meeting.

All persons seeking to attend and participate in a general meeting by way of an electronic platform shall be responsible for maintaining adequate facilities to enable them to do so. Subject to the right of the chairman of the meeting to adjourn a general meeting under the Articles, any inability of a person to attend or participate in a general meeting by means of an electronic platform shall not invalidate the proceedings of that meeting.

5.6 Voting

A resolution put to the vote at an electronic meeting (including in relation to procedural matters) shall be decided on a poll, which poll votes may be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting. Any such poll on resolutions shall be deemed to have been validly demanded at the time fixed for the holding of the meeting to which it relates. Subject hereto, a resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is validly demanded. A poll on a resolution may be demanded either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

A poll on a resolution may be demanded by:

- 5.6.1 the chairman of the meeting;
- 5.6.2 a majority of the Directors present at the meeting;
- 5.6.3 not less than five members having the right to vote at the meeting;
- 5.6.4 a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- 5.6.5 a member or members holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).

Subject to any rights or restrictions attached to any shares, on a show of hands:

- 5.6.6 every member who is present in person has one vote;
- 5.6.7 every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or

more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and

- 5.6.8 every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to.

On a poll every member present in person or by duly appointed proxy or corporate representative shall have one vote for every Share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

5.7 Dividends

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

Subject to the provisions of the Companies Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non preferred rights.

Except as otherwise provided by the Articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. No account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets and in particular of fully paid shares or debentures of any other company. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think fit and in particular (but without limitation) may:

- 5.7.1 issue fractional certificates or other fractional entitlements (or ignore fractions) and fix the value for distribution of such specific assets or any part thereof;
- 5.7.2 determine that cash shall be paid to any member on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend; and
- 5.7.3 vest any such specific assets in trustees.

No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.

Subject to the provisions of the Articles, the Directors may, with the authority of an ordinary resolution of the Company, offer any holders of Shares the right to elect to receive Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution.

5.8 Capitalisation of profits

The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or account (including any share premium account, capital redemption reserve, merger reserve or special reserve arising on the cancellation or reduction of share premium account) or the profit and loss account whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amount for the time being unpaid on any shares in the Company held by those members respectively or in paying up in full unissued shares, debentures or other obligations of the Company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, a share premium account and a capital redemption reserve, merger reserve and any reserve or account representing unrealised profits, may be applied only in paying up in full unissued shares of the Company. The board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

5.9 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

5.10 Sanctions where non-disclosure of interest

If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the Companies Act 2006 and has failed in relation to any shares (the “**Default Shares**”) to give the Company the information thereby required within 14 days from the date of giving the notice, the following sanctions shall apply, unless the Directors otherwise determine:

5.10.1 the member shall not be entitled in respect of the Default Shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll; and

5.10.2 where the Default Shares represent at least 0.25% of their class (calculated exclusive of treasury shares):

- (a) any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to the Articles, to receive shares instead of that dividend;
- (b) no transfer, other than an excepted transfer, of any shares held by the member in certificated form shall be registered unless:
 - (i) the member is not himself in default as regards supplying the information required; and
 - (ii) the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; and
- (c) for the purposes of sub-paragraph (b) above, in the case of shares held by the member in uncertificated form, the Directors may, to enable the Company to deal

with the shares in accordance with the relevant provisions of the Articles, require the operator of a relevant system to convert the shares into certificated form.

5.11 Limitations on shareholdings

If at any time the Directors believe that the aggregate number of US residents who are beneficial owners of Shares is more than 50 or the holding or beneficial ownership of Shares is otherwise such that there are any Prohibited Shares, then the Prohibited Shares shall be dealt with in accordance with provisions of the Articles summarised below.

It shall be for the Directors to decide whether or not a Share is a Prohibited Share and, without prejudice to the generality of the foregoing, whether or not a Share the beneficial owner of which is a US resident ("**US held Share**") is an excess US held Share but, in making any decision as to whether a US held Share is an excess US held Share, the Directors shall, so far as practicable, have regard to the order of date (insofar as the Directors are able to determine) in which Shares became US held Shares and/or the relative numbers of US held Shares held or beneficially owned by each relevant US resident save:

5.11.1 in circumstances where such would in the opinion of the Directors be inequitable, when the Directors shall apply such other criterion or criteria as they consider appropriate; and

5.11.2 in the case of US held Shares which become US held Shares at or around the same time when the Directors shall be entitled to determine which of those US held Shares are to be treated as excess US held Shares in such manner (whether by scaling down or otherwise) as they shall in their absolute discretion decide.

Subject to the provisions of the Articles summarised herein, the Directors shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that all Shares are not US held Shares or Prohibited Shares. Nevertheless, the Directors may at any time give notice in writing to the holder (or to any one of the joint holders) of a Share requiring him to make a declaration (in such form as the Directors may prescribe) within such reasonable period as may be specified in the notice as to whether or not the Share is a US held Share. If such holder fails to comply with such notice, the Directors may, in their absolute discretion, treat any Share held by such holder as a Prohibited Share.

The Directors may give notice in writing to the holder (or to any one of joint holders) of any Share which appears to them to be a Prohibited Share requiring him within twenty-one days (or such extended time as in all the circumstances the Directors shall consider reasonable) to transfer (and/or procure the disposal of interests in) such Share to another person so that it will cease to be a Prohibited Share. On and after the date of such notice, and until registration of a transfer of the Share to which it relates pursuant to the provisions of the Articles such that it ceases to be a Prohibited Share, the Share shall not confer any right to receive notice of or to attend or vote at general meetings of the Company and of any class of shareholders and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll which would have attached to the Share had it not appeared to the Directors to be a Prohibited Share shall vest in the chairman of any such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Directors of any Share becoming or being deemed to be a Prohibited Share.

If within twenty one days after the giving of any notice pursuant to the paragraph immediately above (or such extended time as in all the circumstances the Directors shall consider reasonable) such notice is not complied with to the satisfaction of the Directors, the Directors shall arrange for the Company to sell such Share at the best price reasonably obtainable to any other person so that the Share will cease to be a Prohibited Share. For this purpose, the Directors may authorise in writing any officer or employee of the Company to execute on behalf of the holder or holders a transfer of the Share to the purchaser and may issue a new certificate to the Purchaser. The net proceeds of the sale of such Share shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid over by the Company to the former holder or holders (together with interest at such rate as the Directors consider appropriate) upon surrender by him or them of the certificate for the Share.

5.12 Duration of the Company

At every third Annual General Meeting, the members of the Company shall be asked to approve the continuation of the Company by ordinary resolution. If the ordinary resolution is not passed, the Directors shall call a further general meeting for a date not more than three months after the date of the meeting at which the members declined to approve the continuation of the Company, at which the Directors shall put forward proposals for the liquidation or reconstruction of the Company.

6 The City Code on Takeovers and Mergers

6.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- 6.1.1 any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30% or more of the voting rights in the Company; or
- 6.1.2 any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30% of the voting rights of the Company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months.

6.2 Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90% of a class of shares of a company (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of shares of that class indicating that it is desirous of acquiring such outstanding shares whereupon the offeror will become entitled and bound to acquire such shares. At the end of six weeks from the date of such notice it would execute a transfer of such outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of such outstanding shares subject to the transfer. The consideration offered to the holders whose outstanding shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90% of the shares of a company (in value and by voting rights, pursuant to a takeover offer that relates to all the shares in the company) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer ("**sell-out rights**").

The offeror would be required to give any relevant holder of shares notice of their right to be bought out within one month of that sell-out right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their sell-out rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7 Disclosures under UK MAR

The table below sets out a summary of the information disclosed by the Company under UK MAR over the 12-month period preceding the date of this Prospectus and which is relevant as at the date of this Prospectus:

Date	Title	Nature of information
23 June 2025	Combination with European Assets Trust PLC	Announcement of the intention to implement the Scheme

8 Directors, Proposed Directors, Major Shareholders and related party transactions

8.1 Directors' and Proposed Directors' other interests

8.1.1 Over the five years preceding the date of this Prospectus, the Directors and the Proposed Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

	Current directorships/ partnerships	Past directorships/ partnerships
James Williams (Chairman)	Net Zero One Ltd NT Asian Discovery Fund Schroder AsiaPacific Fund plc	—
Simona Heidempergher	Cafepod Limited Hansa Investment Company Limited Merifin Capital Stramongate Group	Aquafil
Daniel Burgess	JPMorgan Emerging Europe, Middle East & Africa Securities plc	1 Christchurch Road Clifton Management Company Limited
Ann Grevelius	Aura Group AB Optise AB Sareq AB Slatto Forvaltning AB Stena Sessan AB Stenvalvet AB Swedish Foundation for Strategic Research	Aktia Bank Abp Alecta Carneo AB GP Bullhound Limited OX2 Group AB
Nadia Meier-Kirner	Franz Haniel & Cie GMBH SITS Group AG	Polygon AB Ramudden Global Group AB
Stuart Paterson	Alice Charlotte Capital Limited Dohop ehf European Assets Trust plc Lesson Nine GmbH Scott-Weir Estates Ltd Steuart Advisory Ltd The Glasgow Academical War Memorial Trust Think Four Ltd	Lovecrafts Ltd Mister Spex SE Scottish Equity Partners LLP SEP II GP Limited SEP II Founder Partner GP Limited SEP III GP Limited SEP Ventures Limited

	Current directorships/ partnerships	Past directorships/ partnerships
Kate Cornish-Bowden	CC Japan Income & Growth Trust plc European Assets Trust plc Finsbury Growth & Income Trust plc International Biotechnology Trust plc	Schroder Oriental Income Fund Limited

8.1.2 As at the date of this Prospectus, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties.

8.1.3 There are no lock-up provisions regarding the disposal by any of the Directors or the Proposed Directors of any Shares.

8.1.4 None of the Directors or the Proposed Directors in the five years before the date of this Prospectus:

- (a) has any convictions in relation to fraudulent offences;
- (b) has been associated with any bankruptcies, receiverships or liquidations of any partnership or company or any companies put into administration through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; or
- (c) has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.1.5 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

8.2 Major Shareholders

8.2.1 As at the date of this Prospectus, in so far as it is known to the Company, the following persons held, directly or indirectly, 3.0% or more of the Existing Shares and voting rights.

Name	Number of Existing Shares held	Percentage of voting rights
Rathbones	9,340,678	4.11%

8.2.2 As at the date of this Prospectus the Company is not aware of any person who, immediately following the Issue, will directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

8.2.3 None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares. So far as is known to the Company, as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

8.3 Related party transactions

Save for: (i) the payment of fees to the Directors, which are summarised in paragraph 1 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus;

(ii) the payment of fees and expenses to the AIFM pursuant to the Management Agreement, which are summarised in paragraph 2.1 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus, the entry into of a side letter to the Management Agreement dated 15 April 2025 in connection with the 2025 Tender Offer, and the entry into of two side letters to the Management Agreement dated 9 September 2025 summarised in paragraph 10.1 below (both of which are conditional upon the Scheme becoming effective); and (iii) the entry into of the Share Sale Agreement in connection with the 2025 Tender Offer, the Company has not entered into any related party transaction (within the meaning of UK-adopted international accounting standards) at any time during the period from 30 June 2024 to the date of publication of this Prospectus.

9 Other investment restrictions

- 9.1 The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy and the investment restrictions set out therein as set out in Part 1 (*The Company*) of this Prospectus.
- 9.2 In the event of a material breach of the investment policy and/or restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via a RIS announcement.

10 Material contracts

Save as summarised below, the Company has not: (i) been party to any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the date of this Prospectus; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus:

10.1 Management Agreement

The Company entered into the Management Agreement with the AIFM on 22 July 2014. The Management Agreement was amended and restated effective on 24 November 2024 and further amended by a side letter dated 15 April 2025. Under the terms of the Management Agreement, the AIFM has been appointed by the Company with responsibility for the provision of discretionary portfolio management, risk management, corporate secretarial and administration services, subject to the overall supervision of the Directors in accordance with the policies laid down by the Directors from time to time. Corporate secretarial and general administration services are provided to the Company by the AIFM, the Investment Manager and their affiliates. The Management Agreement is terminable on not less than six months' prior written notice, save that in certain limited circumstances specified in the Management Agreement, either party may terminate the Management Agreement forthwith by notice in writing to the other party.

The AIFM is entitled to management and performance fees as consideration for performing its obligations under the Management Agreement, details of which are set out in paragraph 2.1 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus.

The Company and the AIFM have agreed, pursuant to a side letter dated 9 September 2025, a new management fee structure pursuant to which, if the Scheme becomes effective, the AIFM shall be entitled to receive reduced annual management fees, calculated as follows:

- i. 0.50% on the first £800 million of ESCT's NAV (reduced from 0.55%); and
- ii. 0.45% on ESCT's NAV over £800 million,

(the "**New Management Fee**").

The AIFM has further agreed, pursuant to an agreement dated 9 September 2025, that it shall make a contribution to the costs of the Proposals (the "**JHI Costs Contribution**") details of which are set out in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

The Company has given the AIFM an indemnity on an after-tax basis against all costs, losses, claims and reasonable expenses which may be incurred by it or made against it: (i) in consequence of any breach by the Company of the Management Agreement; (ii) arising out of any action properly taken by the AIFM (or anyone acting on its behalf) in accordance with the Management Agreement; or (iii) in consequence of any act or omission of the Company or any third party in relation to assets of the Company other than those comprised in the Portfolio.

The Management Agreement is governed by the laws of England and Wales.

10.2 Depositary Agreement

The Depositary Agreement is dated 18 July 2014, amended with effect from 1 July 2018, and entered into between the Company, the AIFM and the Depositary. Pursuant to the Depositary Agreement, the Depositary performs the customary services of a depositary in accordance with the UK AIFMD Laws. The Depositary may delegate its obligations in respect of the safekeeping of the Company's investments to third parties, subject to the UK AIFMD Laws and the certain conditions within the Depositary Agreement. The Depositary's liability shall not be affected by any delegation of its Article 21(8) Functions unless the Depositary has discharged itself of its liability in accordance with Article 21(13) or (14) of the AIFMD.

The Depositary is entitled to receive certain fees as consideration for performing its obligations under the Depositary Agreement, details of which are set out in paragraph 2.3 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus.

Any of the Company, the AIFM or the Depositary may terminate the Depositary Agreement by giving not less than 180 calendar days' written notice to the other parties provided that the Agreement shall not terminate until a replacement depositary is appointed.

The Depositary Agreement contains certain standard indemnities from the Company in favour of the Depositary and from the Depositary in favour of the Company.

The Depositary Agreement is governed by the laws of England and Wales.

10.3 Registrar Agreement

Equiniti Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement entered into between the Company and the Registrar dated 23 October 2024.

The Registrar is entitled to receive certain fees as consideration for performing its obligations under the Registrar Agreement, details of which are set out in paragraph 2.4 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus.

Either party may terminate the Registrar Agreement by giving not less than six months' written notice to the other party. Either party may terminate the Registrar Agreement with immediate effect upon written notice if the other party is subject to certain insolvency events or commits a material breach of the Registrar Agreement which (if capable of remedy) that party has failed to remedy within 30 days of written notice requiring it to do so, and material breach will include the Company being materially or persistently in default of its payment obligations under the Agreement.

The Registrar Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

10.4 Overdraft Facility Agreement

The Company and HSBC Bank plc entered into the Overdraft Facility Agreement, dated 3 July 2012, as amended and restated on 18 July 2014, as further amended on 21 December 2016, on 25 April 2018 and on 8 September 2021. Pursuant to the amended Overdraft Facility Agreement, HSBC Bank plc has made available to the Company a multi-currency overdraft facility in an aggregate amount equal to the lesser of: (i) £160,000,000; and (ii) 25% of custody assets from time to time. The overdraft facility is secured by a floating charge over the Company's assets.

The Overdraft Facility Agreement is governed by the laws of England and Wales.

10.5 Irrevocable undertaking and Standstill Agreement

The Company received an irrevocable undertaking from Saba Capital Management, L.P. (“Saba”) dated 15 April 2025 pursuant to which Saba agreed to use best endeavours, in respect of the Committed Shares: (i) to vote or procure a vote in favour of the special resolution proposed at a general meeting of the Company held on 7 May 2025 to authorise the Company to make market purchases of its Shares in connection with the 2025 Tender Offer; and (ii) to elect or procure an election for the Tender Offer *In Specie* Consideration Option.

The Company also entered into the Standstill Agreement with Saba on 15 April 2025 pursuant to which Saba has agreed, amongst other things:

- 10.5.1 that Saba shall not, and shall procure that its affiliates shall not, during the Standstill Period, (i) require the Board to convene a general meeting of the Company pursuant to section 303 of the Companies Act, or (ii) exercise any voting rights available to remove, or publicly propose the removal of, any member of the Board;
- 10.5.2 that Saba shall use best endeavours to, and shall use best endeavours to procure that its affiliates shall, procure that the registered holder of any Shares in respect of which it or any of its affiliates is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights shall, during the Standstill Period, exercise such voting rights in respect of specified ordinary course resolutions to be proposed at any general meeting of the Company, including any resolution to approve the continuation of the Company, in line with the Board’s recommendation;
- 10.5.3 that Saba shall, and shall procure that its affiliates shall, procure that the registered holder of any Shares in respect of which it or any of the Saba Investment Vehicles is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall not, during the Standstill Period, exercise such voting rights to vote against any resolution for the election or re-election of a Director; and
- 10.5.4 that Saba shall, and shall procure that its affiliates shall, procure that the registered holder of any Shares in respect of which it or any of the Saba Investment Vehicles is able (at the relevant record time for voting) to control the right to exercise (or procure the exercise of) any voting rights, shall not, following completion of the implementation of the 2025 Tender Offer, vote against the recommendation of the Board on any other resolution proposed at a general meeting of the Company.

Saba has also agreed to make a payment to the Company of a prescribed sum in circumstances in which, on or before 31 December 2025, a specified transaction, implemented by any other specified investment trust in which Saba Investment Vehicles have participated, has completed and pursuant to which any Saba Investment Vehicles are able to exit not less than 15% of the issued share capital of such specified investment trust (excluding shares held in treasury) at a discount of more than 1% to the per share net asset value of such specified investment trust (provided, however, that any deduction from the per share net asset value to take account of costs, stamp duty, transfer taxes or other taxes associated with the specified transaction shall in no event be considered to have resulted in a discount of more than 1%) (but, for the avoidance of doubt, any deduction for costs, stamp duty, transfer taxes or other taxes associated with the specified transaction shall count towards the discount of 1%). The “prescribed sum” in these circumstances is 2.0% of the amount equal to the Tender Price per *In Specie* Exit Share multiplied by the number of Shares that the Company repurchased from Saba pursuant to the 2025 Tender Offer.

The Standstill Agreement is subject to certain carve outs, including in respect of the Saba RICS, and will terminate at the end of the Standstill Period or earlier in the event of material and continuing breach of the Standstill Agreement.

The Standstill Period is the period from 15 April 2025 to the conclusion of the Annual General Meeting to be held in 2028.

The Standstill Agreement is governed by and construed in accordance with English law.

10.6 Repurchase agreements

The Company and Winterflood entered into a repurchase agreement on 15 April 2025 pursuant to which the Company agreed, subject to the satisfaction of certain conditions, to purchase from Winterflood, on the London Stock Exchange, such number of Shares as Winterflood shall purchase pursuant to the Tender Offer Cash Exit Option, at an aggregate price equal to the amount paid by Winterflood for its purchase of the Shares successfully tendered for purchase under the Tender Offer Cash Exit Option.

The agreement contains representations and warranties from the Company in favour of Winterflood and incorporates an indemnity in favour of Winterflood in respect of any liability which it or any of its associates may suffer in relation to its performance under the 2025 Tender Offer, subject to standard exclusions.

The agreement is governed by and construed in accordance with English law.

The Company and Winterflood entered into a second repurchase agreement on 15 April 2025 pursuant to which the Company agreed, subject to the satisfaction of certain conditions, to purchase from Winterflood, on the London Stock Exchange, such number of Shares as Winterflood shall purchase pursuant to the Tender Offer *In Specie* Consideration Option, at an aggregate price equal to the amount paid by Winterflood for its purchase of the Shares successfully tendered for purchase under the Tender Offer *In Specie* Consideration Option.

The agreement contains representations and warranties from the Company in favour of Winterflood and incorporates an indemnity in favour of Winterflood in respect of any liability which it or any of its associates may suffer in relation to its performance under the 2025 Tender Offer, subject to standard exclusions.

The agreement is governed by and construed in accordance with English law.

10.7 Share Sale Agreement

The Company and Saba entered into a Share Sale Agreement on 15 April 2025 pursuant to which Saba, in respect of all of the Committed Shares successfully tendered for purchase under the Tender Offer *In Specie* Consideration Option (the “**Accepted Saba Shares**”), agreed to procure the purchase of the relevant proportion of the Company’s portfolio of assets.

The consideration for the purchase of the relevant proportion of the Company’s portfolio of assets was the Tender Price per *In Specie* Exit Share multiplied by the number of Accepted Saba Shares. Under the Share Sale Agreement, Saba agreed to procure the payment of all transfer or registration taxes properly incurred in connection with the transfer of the relevant proportion of the Company’s portfolio of assets pursuant to the Share Sale Agreement.

The Share Sale Agreement contains customary warranties given by the Company to Saba and customary warranties given by Saba to the Company.

The Share Sale Agreement is governed by and construed in accordance with English law.

10.8 Receiving Agent Agreement

Equiniti Limited has been appointed as the Company’s receiving agent in connection with the Scheme pursuant to the Receiving Agent Agreement entered into between the Company and the Receiving Agent dated 8 September 2025.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a project fee and additional fees for the management of the General Meeting and the take-on of EAT’s register of members which are charged on an item-by-item basis, subject to an overall minimum fee in connection with the Scheme. The Receiving Agent is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Agreement.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent’s potential losses in carrying on its responsibilities under

the Receiving Agent Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

10.9 Transfer Agreement

Subject to the Scheme becoming unconditional, the Company will enter into the Transfer Agreement on the Effective Date pursuant to which the cash, undertaking and other assets of EAT comprising the Rollover Pool will be transferred to the Company in consideration for the allotment by the Company of the New Shares to the Liquidators, as nominees for the EAT Shareholders who are deemed to elect for the Rollover Option, which the Liquidators will renounce in favour of (i) such EAT Shareholders that are not Excluded EAT Shareholders and (ii) a market maker to sell on behalf of such EAT Shareholders that are Excluded Shareholders.

Under the terms of the Transfer Agreement, nothing in the Scheme or in any document executed under or in connection with the Scheme will impose personal liability on the Liquidators or any of them (save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties) and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of the Company.

The Transfer Agreement will be governed by the laws of England and Wales.

The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date.

10.10 Sponsor Agreement

The Company, the AIFM and Winterflood have entered into the Sponsor Agreement dated 9 September 2025 pursuant to which the Company has appointed Winterflood to act as sponsor and financial adviser to the Company, in each case in connection with the Proposals.

The Sponsor Agreement may be terminated by Winterflood in certain customary circumstances, including prior to Admission. The Company will pay Winterflood a sponsor and financial advisory fee pursuant to the Sponsor Agreement. Winterflood is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Sponsor Agreement.

The Company and the AIFM have each given warranties to Winterflood concerning, *inter alia*, the accuracy of certain information in this Prospectus. The Company has given a market standard indemnity in favour of Winterflood in respect of Winterflood's potential losses in carrying on its responsibilities under the Sponsor Agreement and in connection with the Proposals.

The Sponsor Agreement is governed by the laws of England and Wales.

11 Litigation

During the 12-month period prior to the date of this Prospectus, there are no, and have not been any, governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, which may have, or have had, in the recent past, a significant effect on the Company and/or the financial position or profitability of the Company.

12 Third-party information and consents

- 12.1 Where third-party information has been referenced in this Prospectus, the source of that third-party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information

published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 12.2 Winterflood has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.
- 12.3 The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.

13 Auditor

The auditor of the Company is Ernst & Young LLP of 25 Churchill Place, London, E14 5EY, which is a member firm of The Institute of Chartered Accountants in England and Wales.

14 Profile of typical investors

The Directors and Proposed Directors believe that the Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking capital growth and income from a portfolio of stocks listed in Europe, and who understand and are willing to accept the risks of exposure to listed equities and who view their investment in the Company as long term in nature.

15 Documents on display

- 15.1 The following documents will be available for inspection at the Company's website at www.europeansmallercompaniestrust.com from the date of this Prospectus until the date of Admission:
 - 15.1.1 this Prospectus;
 - 15.1.2 the 2024 Annual Report; and
 - 15.1.3 the 2024 Half Year Report.

Part 8

Definitions

In this Prospectus, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

“2024 AGM”	the Company’s annual general meeting held on 25 November 2024
“2024 Annual Report”	the annual report and audited financial statements of the Company for the financial year ended 30 June 2024
“2024 Half Year Report”	the half year report and unaudited financial statements of the Company for the six months ended 31 December 2024
“2025 Tender Offer”	the invitation by Winterflood to eligible Shareholders to tender Shares for purchase on the terms and subject to the conditions set out in, amongst other things, the circular to Shareholders dated 15 April 2025 and incorporating the Tender Offer Cash Exit Option and the Tender Offer <i>In Specie</i> Consideration Option
“Accepted Saba Shares”	has the meaning given in paragraph 10.7 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Admission”	the admission of the New Shares issued pursuant to the Issue to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market
“AGM” or “Annual General Meeting”	an annual general meeting of the Company
“AIC”	the Association of Investment Companies
“AIC Code”	the AIC Code of Corporate Governance, as revised or updated from time to time
“AIFM”	Janus Henderson Fund Management UK Limited
“Articles”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the committee of this name established by the Board and having the duties described in paragraph 3.1 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
“Auditor” or “EY”	Ernst & Young LLP
“Basic Entitlement”	subject to the Scheme becoming effective in accordance with its terms, the entitlement of each EAT Shareholder to elect for, and have accepted in full an election for, the Cash Option, subject to a limit on elections for the Cash Option not exceeding 15% in aggregate of the issued share capital of EAT (excluding shares held in treasury) at the Calculation Date
“Benchmark” or “Benchmark Index”	MSCI Europe ex UK Small Cap Index
“Board”	the board of Directors of the Company from time to time, including any duly constituted committee thereof
“Business Day”	a day on which the London Stock Exchange and banks in the UK are normally open for business
“Calculation Date”	the time and date to be determined by the Directors and the EAT Directors (but expected to be close of business on 9 October 2025) at which the value of EAT’s assets and liabilities will be determined for the creation of the Liquidation Pool, the Cash Pool

	and the Rollover Pool, and at which the EAT FAV, the EAT FAV per Share, the EAT Rollover FAV per Share, the ESCT FAV per Share and the EAT Cash FAV per Share will be calculated for the purposes of the Scheme
“Cash Exit Discount”	means the aggregate value of the 2.0% discount to be applied to the EAT FAV per Share, as set out in paragraph 4 of Part 1 (<i>The Company</i>) of this Prospectus
“Cash Option”	the option for EAT Shareholders to elect to receive cash under the terms of the Scheme
“Cash Pool”	the pool of cash and other assets attributable to the interests of EAT Shareholders who elect, or are deemed to elect, for the Cash Option
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form
“Committed Shares”	the 115,386,122 Shares in respect of which any Saba Investment Vehicle was, at the date of entering into the Standstill Agreement, entitled to instruct that all the votes in relation to such Shares were cast
“Companies Act”	the UK Companies Act 2006, as amended
“Company” or “ESCT”	The European Smaller Companies Trust PLC
“Corporate Secretary”	Janus Henderson Secretarial Services UK Limited
“Corporation Tax Act”	the UK Corporation Tax Act 2010, as amended
“Cost Contributions”	together: (i) the JHI Costs Contribution; and (ii) the benefit of the Cash Exit Discount
“Court”	the High Court of Justice in England and Wales
“CREST”	the Relevant System as defined in the Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form
“CREST Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time
“CREST Regulations”	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
“CRS” or “Common Reporting Standard”	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
“CT Savings Plans”	the savings plans managed and administered by Columbia Threadneedle Management Limited, specifically, the CT Individual Savings Account, the CT Junior Individual Savings Account, the CT Lifetime Individual Savings Account, the CT General Investment Account, the CT Junior Investment Account and the CT Child Trust Fund
“Depository”	HSBC Bank plc
“Depository Agreement”	the agreement dated 18 July 2014, as amended, entered into between the Company, the AIFM and the Depository, which is summarised in paragraph 10.2 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Direct Transaction Costs”	any costs, fees or other expenses incurred, or to be incurred, by ESCT in connection with the Proposals, including, but not limited to, paying legal advisers, corporate finance, broking or financial advisers, accountants, tax advisers, debt advisers, company

	secretaries, registrars, receiving agents, administrators, printers, PR agencies or Board fees, including any VAT payable thereon, but excluding any listing fees to be borne by the enlarged ESCT in respect of the listing of the New Shares or any stamp duty, SDRT or other transaction tax or investment costs incurred, or to be incurred, by the enlarged ESCT in connection with the transfer of the Rollover Pool
“Directors”	the directors of the Company, from time to time
“Disclosure Guidance and Transparency Rules”	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
“Dissenting EAT Shareholder”	an EAT Shareholder who validly dissents from the Scheme pursuant to section 111(2) of the Insolvency Act
“EAT”	European Assets Trust PLC
“EAT Board”	the board of directors of EAT from time to time, including any duly constituted committee thereof
“EAT Cash FAV per Share”	shall be equal to the EAT FAV per Share less a discount of 2.0% (expressed in pence and rounded down to six decimal places)
“EAT Directors”	the directors of EAT, from time to time
“EAT FAV”	shall be equal to the gross assets of EAT as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool (which includes any assets attributable to any Dissenting EAT Shareholders, any costs of the Proposals yet to be paid, any dividends declared but not yet paid to EAT Shareholders or accounted for in the EAT NAV as at the Calculation Date, any amount required to repay any outstanding debt facility and the value of the Liquidators’ Retention)
“EAT FAV per Share”	shall be equal to the EAT FAV divided by the number of EAT Shares in issue (excluding shares held in treasury) at the Calculation Date (expressed in pence and rounded down to six decimal places)
“EAT General Meetings”	the First EAT General Meeting and/or the Second EAT General Meeting, as the context requires
“EAT Register”	the register of members of EAT
“EAT Resolutions”	the resolutions to be proposed at the First EAT General Meeting and/or the Second EAT General Meeting, or any of them as the context may require
“EAT Rollover FAV”	shall be equal to the EAT FAV per Share multiplied by the total number of EAT Shares not elected (or not deemed to have been elected) for the Cash Option, plus an agreed amount reflecting the benefit of the relevant proportion of the Cash Exit Discount
“EAT Rollover FAV per Share”	shall be equal to the EAT Rollover FAV divided by the number of EAT Shares in respect of which EAT Shareholders have not elected (or are not deemed to have elected) for the Cash Option (expressed in pence and rounded down to six decimal places)
“EAT Shareholders”	holders of EAT Shares whose names are entered on the EAT Register as at the Record Date
“EAT Shares”	ordinary shares of 10 pence each in the capital of EAT
“EEA”	the European Economic Area
“EEA Member State”	any member state of the EEA from time to time

“Effective Date”	the date on which the Scheme becomes effective, which is expected to be 15 October 2025
“election”	the choice made by an EAT Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option or the Cash Option) and any reference to “elect”, “elected” or “election” shall, except where the context requires otherwise, mean “elect or deemed to elect”, “elected or deemed to have elected” or “election or deemed election”, respectively
“EPM”	efficient portfolio management
“ESCT FAV”	shall be equal to the ESCT NAV (cum income) as at the Calculation Date: (i) less any costs of the Scheme not already paid or accrued in the ESCT NAV (but not any listing fees to be borne by the enlarged ESCT in respect of the listing of the New Shares or any stamp duty, SDRT or other transaction tax or investment costs to be incurred by the enlarged ESCT in connection with the transfer of the Rollover Pool); (ii) less the value of any dividends declared as at the Calculation Date but not yet paid to Shareholders, and not accounted for in the ESCT NAV; and (iii) plus an agreed amount reflecting the benefit of the relevant proportion of the Cash Exit Discount
“ESCT FAV per Share”	shall be equal to the ESCT FAV divided by the number of Shares in issue (excluding Shares held in treasury) at the Calculation Date (expressed in pence and rounded down to six decimal places)
“ESG”	environmental, social and governance
“EU”	the European Union
“EU AIFM Delegated Regulation”	the Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
“EU AIFM Directive” or “AIFMD”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
“EU Market Abuse Regulation”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
“Euro” or “€”	euro, the lawful currency of the member states of the EU which have adopted it as their currency
“Euroclear”	Euroclear UK & International Limited
“Excess Application”	that portion of an election by an EAT Shareholder for the Cash Option that exceeds that EAT Shareholder’s Basic Entitlement
“Excluded EAT Shareholder”	(i) Overseas EAT Shareholders unless they have satisfied the Directors, the EAT Directors and the Liquidators (taking

	appropriate advice) that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or EAT with any overseas laws, regulations, filing requirements or the equivalent; (ii) Sanctions Restricted Persons; and (iii) a US Shareholder that does not return the US Investor Representation Letter to the addressees
“Existing Shareholders”	holders of Shares prior to the Effective Date
“Existing Shares”	the issued share capital as at the date of this Prospectus
“FATCA”	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
“FAV”	formula asset value
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority of the United Kingdom, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
“First EAT General Meeting”	the general meeting of EAT in relation to the Scheme convened for 12.00 p.m. on 3 October 2025 or any adjournment of that meeting
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“GDP”	gross domestic product
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 3 October 2025 or any adjournment of that meeting
“HMRC”	HM Revenue & Customs in the UK
“IGA”	intergovernmental agreement
“Insolvency Act”	the UK Insolvency Act 1986, as amended
“Investment Manager”	Janus Henderson Investors UK Limited
“Investment Trust Tax Regulations”	the UK Investment Trust (Approved Company) (Tax) Regulations 2011
“IRS”	the US Internal Revenue Service
“ISA”	an individual savings account operated in accordance with the UK Individual Savings Account Regulations 1998
“ISIN”	international securities identification number
“Issue”	the issue of New Shares to EAT Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme
“Issue Resolution”	Resolution 1 to be proposed at the General Meeting relating to the allotment of New Shares pursuant to the Issue
“Janus Henderson Investors” or “JHI”	the AIFM and/or the Investment Manager and/or their affiliates, as the context requires

“JHI Costs Contribution”	the commitment by the AIFM to make a contribution to the costs of the Transaction, as described in paragraph 3 of Part 4 (<i>Details of the Scheme and the Issue</i>) of this Prospectus, which will be applied for the benefit of all Shareholders of the enlarged ESCT following implementation of the Scheme, including those EAT Shareholders who are deemed to have elected for the Rollover Option
“KID”	key information document
“Latest Practicable Date”	close of business on 5 September 2025
“LEI”	legal entity identifier
“Liquidation Pool”	the pool of assets of EAT to be retained by the Liquidators to meet all known and unknown liabilities of EAT and other contingencies, as further described in paragraph 2 of Part 4 (<i>Details of the Scheme and the Issue</i>) of this Prospectus
“Liquidators”	the liquidators of EAT being, initially, the persons appointed jointly and severally upon the relevant resolution to be proposed at the Second EAT General Meeting becoming effective
“Liquidators’ Retention”	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of EAT, which is currently estimated by EAT at £100,000
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market for listed securities operated by the London Stock Exchange
“Management Agreement”	the amended and restated management agreement dated 6 February 2025 and having an effective date of 24 November 2024 between the Company and the AIFM summarised in paragraph 10.1 of Part 7 (<i>Additional Information</i>) of this Prospectus, as amended
“Management Engagement Committee”	the committee of this name established by the Board and having the duties described in paragraph 3.2 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
“Maximum JHI Costs Contribution”	has the meaning given in paragraph 3 of Part 4 (<i>Details of the Scheme and the Issue</i>) of this Prospectus
“MiFID II Product Governance Requirements”	has the definition given in the section titled “Information to Distributors” in the Part titled “Important Information” of this Prospectus
“NAV” or “Net Asset Value”	the net assets attributable to the Shares or the EAT Shares in issue, calculated in accordance with the respective company’s normal accounting policies
“Net Asset Value per Share” or “NAV per Share”	the NAV of the Company divided by the number of Shares in issue (excluding Shares held in treasury) at the relevant time
“New Management Fee”	has the meaning given in paragraph 2.1 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
“New Shares”	the Shares to be issued pursuant to the Scheme
“Nomination and Remuneration Committee”	the committee of this name established by the Board and having the duties described in paragraph 3.3 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus

“Official List”	the Official List of the Financial Conduct Authority
“Overdraft Facility Agreement”	the overdraft facility agreement between the Company and HSBC Bank plc, as summarised in paragraph 10.4 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Overseas EAT Shareholder”	an EAT Shareholder who has a registered address outside of, or who is a resident in, or citizen, resident or national of, any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man
“Panel”	the Panel on Takeovers and Mergers
“personal data”	has the meaning given in the subsection titled “Data protection” in the section titled “Important Information” of this Prospectus
“Portfolio”	the portfolio of investments held by ESCT from time to time
“Prohibited Share”	means (i) any US held Share which the Directors decide are US held Shares beneficially owned by US residents who are in excess of the permitted maximum; or (ii) any Share the holding or beneficial ownership of which would (whether on its own or when taken together with other Shares), in the opinion of the Directors, cause the assets of the Company to be considered “plan assets” within the meaning of Regulations adopted by the United States Department of Labor under the Employee Retirement Income Security Act of 1974 of the U.S.
“Proposals”	the proposals for the Company’s participation in the Scheme and the Issue as set out in further detail in this Prospectus
“Proposed Directors”	Stuart Paterson and Kate Cornish-Bowden
“Prospectus”	this document
“Prospectus Regulation Rules”	the UK prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
“QIB”	a “qualified institutional buyer” within the meaning of Rule 144A of the US Securities Act
“Qualified Purchaser” or “QP”	a “qualified purchaser” as defined in Section 2(a)(51)(A) of the US Investment Company Act
“Receiving Agent”, “Registrar” or “Equiniti”	Equiniti Limited
“Receiving Agent Agreement”	the agreement dated 8 September 2025 between the Company and the Receiving Agent, as summarised in paragraph 10.8 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Reclassified EAT Shares”	the EAT Shares reclassified for the purposes of the Scheme as EAT Shares with “A” rights or “B” rights
“Record Date”	6.00 p.m. on 8 October 2025 (or such other date as determined at the sole discretion of the EAT Directors) being the date for determining EAT Shareholders’ entitlements under the Scheme
“Register”	the register of members of the Company
“Registrar Agreement”	the agreement dated 23 October 2024 between the Company and the Registrar, as summarised in paragraph 10.3 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Regulation S”	Regulation S under the US Securities Act
“Regulatory Information Service” or “RIS”	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange

“Resolutions”	the resolutions to be proposed at the General Meeting to: (i) approve the issue of New Shares in connection with the Scheme; (ii) increase the limit on the total fees payable to the Directors; and (iii) approve the cancellation of the amount standing to the credit of the Company’s share premium account, and “Resolution” shall mean any one of them
“ROIC”	return on invested capital
“Rollover Option”	the option for EAT Shareholders to receive New Shares under the terms of the Scheme
“Rollover Pool”	the pool of cash, undertaking and other assets to be established under the Scheme to be transferred by EAT to the Company pursuant to the Transfer Agreement
“Saba”	Saba Capital Management, L.P.
“Saba Investment Vehicles”	any funds, accounts and investment vehicles managed, advised or sub-advised by Saba or any of its affiliates, excluding the Saba RICS
“Saba RICS”	any investment companies from time to time registered under the US Investment Company Act which are managed by Saba or any of its affiliates
“Sanctions Authority”	each of: (a) the United States government; (b) the United Nations; (c) the United Kingdom; (d) the European Union (or any of its member states); (e) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury
“Sanctions Restricted Persons”	each person or entity: (a) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or (b) that is, or is directly or indirectly owned or controlled by a person that is, described, or designated in (i) the current “Specially Designated Nationals” list (which as of the date hereof can be found at: https://sanctionslist.ofac.treas.gov/Home/SdnList); and/or (ii) the current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (iii) the current “Consolidated list of financial sanctions targets in the UK” (which as at the date hereof can be found at: https://sanctionssearchapp.ofsi.hmtreasury.gov.uk); or

	(c) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: https://ofac.treasury.gov/other-ofac-sanctions-lists) (the “ SSI List ”), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014 (the “ EU Annexes ”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes;
“Scheme”	the proposed scheme of reconstruction and members’ voluntary winding-up of EAT under section 110 of the Insolvency Act, pursuant to which the Issue shall be undertaken
“SDRT”	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
“SEC”	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
“Second EAT General Meeting”	the general meeting of EAT in relation to the Scheme convened for 9.00 a.m. on 15 October 2025 or any adjournment of that meeting
“Senior Independent Director”	the senior independent director of the Company from time to time
“SEDOL”	the Stock Exchange Daily Official List
“Share Sale Agreement”	the agreement entered into between the Company and Saba on 15 April 2025 relating to the acquisition by Saba of the relevant proportion of the Company’s portfolio of assets in connection with the Tender Offer <i>In Specie</i> Consideration Option, as summarised in paragraph 10.7 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Shareholder”	a holder of Shares, including a holder of New Shares if the context so requires
“Shares”	ordinary shares with a nominal value of 1.5625 pence each in the capital of the Company, including the New Shares following the Issue if the context so requires
“SIPP”	self-invested personal pension
“Sponsor Agreement”	the sponsor agreement entered into between the Company, the AIFM and Winterflood on 9 September 2025, as summarised in paragraph 10.10 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Standstill Agreement”	the agreement entered into between the Company and Saba on 15 April 2025 pursuant to which Saba has given certain commitments to the Company in respect of voting and other matters, as summarised in paragraph 10.5 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Standstill Period”	has the meaning given in paragraph 10.5 of Part 7 (<i>Additional Information</i>) of this Prospectus
“Sterling”, “GBP” or “£”	pounds sterling, the lawful currency of the UK
“Takeover Code”	the City Code on Takeovers and Mergers
“Target Market Assessment”	has the meaning given in the subsection titled “Information to distributors” in the section titled “Important Information” of this Prospectus

“Tender Offer Cash Exit Option”	the option for eligible Shareholders to elect to receive cash in respect of some or all of their Shares tendered under the 2025 Tender Offer
“Tender Offer <i>In Specie</i> Consideration Option”	the option for qualifying Shareholders to elect to receive an <i>in specie</i> transfer of assets of the Company in respect of some or all of their Shares tendered under the 2025 Tender Offer
“Tender Price per <i>In Specie</i> Exit Share”	210.40 pence
“Transaction”	together the Scheme and the Issue
“Transfer Agreement”	the agreement for the transfer of the cash, undertaking and other assets comprising the Rollover Pool from EAT to the Company pursuant to the Scheme to be dated on the Effective Date and entered into between the Company, EAT and the Liquidators, with the terms of the agreed form of such agreement being summarised in paragraph 10.9 of Part 7 (<i>Additional Information</i>) of this Prospectus
“TTE Instruction”	transfer to escrow instruction (as described in the CREST Manual)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK AIFMD Laws”	(a) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and (b) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time
“UK Code”	the UK Corporate Governance Code published by the Financial Reporting Council in July 2018
“UK Listing Rules”	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
“UK MAR”	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
“UK MiFID II”	the UK’s implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
“UK Prospectus Regulation”	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time)
“uncertificated” or “in uncertificated form”	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“Uncertificated Securities Regulations”	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the CREST Regulations, as amended from time to time
“US EAT Shareholder”	an EAT Shareholder who is located in the United States or is a US Person
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended
“US Investment Company Act”	the US Investment Company Act of 1940, as amended
“US Investor Representation Letter”	a representation letter that can be completed by US EAT Shareholders that are both Qualified Purchasers and QIBs
“US Person”	a “U.S. person” as such term is defined under Regulation S
“US Securities Act”	the US Securities Act of 1933, as amended
“US Tax Code”	the US Internal Revenue Code of 1986, as amended
“US-UK IGA”	the IGA between the UK and the US pursuant to which parts of FATCA have effectively been incorporated into UK law
“VAT”	UK value added tax
“Winterflood”	Winterflood Securities Limited

APPENDIX

US INVESTOR REPRESENTATION LETTER

The European Smaller Companies Trust PLC
201 Bishopsgate
London EC2M 3AE
(the “**Company**”)

Winterflood Securities Limited
Riverbank House
2 Swan Lane
London EC4R 3GA
(“**Winterflood**”)

[Date]

We are delivering this representation letter in connection with our election (or deemed election) to receive new ordinary shares (the “**New Shares**”) of the Company, to be issued pursuant to a scheme of reconstruction and members’ voluntary winding-up of European Assets Trust PLC (“**EAT**”) under section 110 of the Insolvency Act 1986 (the “**Scheme**”).

We hereby represent, warrant, acknowledge and agree as follows:

- 1 We are a “qualified institutional buyer” (or “**QIB**”), as defined in Rule 144A under the US Securities Act of 1933, as amended (the “**Securities Act**”).
- 2 We are a “qualified purchaser” (or “**QP**”), as defined in Section 2(a)(51) of the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”).
- 3 We are not a broker-dealer that owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers.
- 4 We are not formed for the purpose of investing in the New Shares.
- 5 We are a sole beneficial owner for the purposes of Section 3(c)(1) of the US Investment Company Act and related rules.
- 6 We understand that the New Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that the New Shares have not been and will not be registered under the Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States.
- 7 We are knowledgeable, sophisticated and experienced in business and financial matters and fully understand the limitations on ownership and transfer and the restrictions on sales of the New Shares.
- 8 We are able to bear the economic risk of our investment in the New Shares and are currently able to afford the complete loss of such investment and are aware that there are substantial risks incidental to our subscription for the New Shares.
- 9 We have had access to all information we believe necessary or appropriate in connection with our decision to subscribe for the New Shares.
- 10 We agree that (A) if in the future we decide to offer, resell, pledge or otherwise transfer any of the New Shares, such New Shares may be offered, resold, pledged or otherwise transferred only in an offshore transaction (as defined in Regulation S) complying with the provisions of Rule 903 or Rule 904 of Regulation S to a person outside the United States and not known to us to be a U.S. person, by pre-arrangement or otherwise and (B) we will notify any subsequent purchaser of the New Shares of the re-sale restrictions referred to in (A) above.

- 11 We understand and acknowledge that the Company has not registered, and does not intend to register, as an “investment company” (as such term is defined under the US Investment Company Act and related rules) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Company will qualify for the exemption provided under Section 3(c)(7) of the US Investment Company Act and will have no obligation to register as an investment company.
- 12 We understand that, subject to certain exceptions, to be a QP, entities must have at least US\$25 million in “investments” as defined in Rule 2a51-1 of the US Investment Company Act.
- 13 We understand and acknowledge as follows:
- (a) the Company and its agents will not be obligated to recognize any resale or other transfer of the New Shares made other than in compliance with the restrictions set forth in this certificate;
 - (b) if we breach any covenant or agreement herein or make any misrepresentation herein, the Company may require us to sell our New Shares to the Company or a person designated by the Company at the offering price; and
 - (c) if the obligation to sell is not met, the Company is irrevocably authorized, without any obligation, to sell the New Shares on an offshore stock exchange on such terms as the Company’s board directors think fit.
- 14 We acknowledge that any New Shares in certificated form may bear the legend set out below:

This security has not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws in the United States and has been initially placed pursuant to exemptions from the US Securities Act and the US Investment Company Act of 1940, as amended, and may not be reoffered, resold, pledged or otherwise transferred, except as permitted by this legend. The holder hereof, by its acceptance of this security, represents, acknowledges and agrees that it will not reoffer, resell, pledge or otherwise transfer this security, except (x) in compliance with the Securities Act and other applicable laws to a transferee outside the United States, that is not known to be a U.S. person (as defined in Regulation S under the US Securities Act (“**Regulation S**”)) and that is purchasing this security in an offshore transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S and (y) (1) upon delivery of any certifications, opinions and other documents that the Company may require and (2) in accordance with any applicable securities law of any state of the United States and any other jurisdiction. Further, no purchase, sale or transfer of this security may be made, unless such purchase, sale or transfer will not result in (i) the assets of the Company constituting “plan assets” within the meaning of the US Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), that are subject to Part 4 of Subtitle B of Title I of ERISA or Section 4975 of the US Internal Revenue Code of 1986, as amended (the “**US Tax Code**”) or (ii) the Company being required to register as an investment company under the US Investment Company Act. Each purchaser or transferee of this security will be required to represent or will be deemed to have represented that (i) it is not and is not using assets of a plan that is subject to Title 1 of ERISA or Section 4975 of the US Tax Code and (ii) if it is a U.S. person, that it is a “qualified purchaser”.

This security is not transferable, except in accordance with the restrictions described herein. Each transferor of this security agrees to provide notice of the transfer restrictions set forth herein to the transferee.

- 15 We are not a “**Plan**” (which term includes (i) employee benefit plans that are subject to part 4 of subtitle B of Title I of the US Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “**US Tax Code**”) and (ii) entities the underlying assets of which are considered to include “plan assets” under ERISA) and we are not purchasing the New Shares on behalf of, or with the “plan assets” of, any Plan. If we are a “governmental plan” (as defined in Section 3(32) of ERISA), a “church plan” (as defined in Section 3(33) of ERISA) that has not made an election under Section 410(d) of the US Tax Code, or a non-US plan that is subject to any federal, state, local or non-US law that regulates its investments (a “**Similar Law**”), we represent and warrant that our acquisition of the New Shares will not constitute or result in a violation of Similar Law.

[Name of Investor]

By:

Name:

Title:

Date:

