

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO, CANADA, JAPAN, NEW ZEALAND OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO MAY RESULT IN THE CONTRAVENTION OF ANY REGISTRATION OR OTHER LEGAL REQUIREMENT OF SUCH JURISDICTION OR OF THE UK.

This announcement is not an offer to sell, or a solicitation of an offer to acquire, securities in any jurisdiction in which the same would be unlawful. Neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

12 January 2026

For immediate release

**HERALD INVESTMENT TRUST PLC
(the "Company" or "Herald")**

Publication of Circular in relation to the proposed Tender Offer for Eligible Shareholders to sell up to 100% of their Shares

The Company announces that it has today published a Circular in connection with the proposed Tender Offer announced on 9 January. As announced that day, and with further details from the Circular now included:

Andrew Joy, Chairman of Herald Investment Trust plc, commented

"We are pleased to have now published a circular in connection with the Board's decisive action to initiate a full and fair choice for shareholders to continue with the current manager and mandate or to receive cash at close to net asset value. The proposals are subject to, amongst other things, shareholder approval which will be sought at a general meeting of the Company to be held at 10.00 a.m. on 5 February 2026 at 60 Victoria Embankment, London EC4Y 0JP.

As announced on 9 January 2026, the Board has assessed that it is not sustainable to do nothing given that a process of attrition may eventually see Saba able to win a simple majority vote even though it itself is a minority shareholder. Accordingly, the Board has carefully considered a wide range of options, including during lengthy discussions with Saba.

The Board has concluded that the best available alternative is to put forward proposals for a Tender Offer, which will provide shareholders with the opportunity to realise up to 100% of their shares for cash at close to net asset value through a realisation pool mechanism. This proposal will enable long-term shareholders to remain invested with the current successful manager and mandate they have chosen, while also providing a full exit route to short-term shareholders.

Should Saba block the Tender Offer, which they can given they own more than 25% of the Company, the Board will launch a further tender offer (the "Backstop Tender Offer") on terms which cannot be blocked by Saba alone. The Backstop Tender Offer would, if approved, ensure shareholders can at least receive cash rather than automatically remaining in a vehicle which is likely to become effectively controlled by Saba, an outcome shareholders have already voted against twice in the last year.

Herald Investment Management Limited led by Katie Potts has an outstanding long-term investment track record, with Herald delivering a NAV total return of 2,956% since inception, and the Company has continued to perform strongly delivering a NAV total return of 31% over the last three years. Herald has outperformed the Saba Capital Master Fund over 1, 3, 5, 10 years and over the period since Saba's inception. For comparison, since the inception of

the Saba Capital Master Fund strategy in April 2009 it has returned 151%. In contrast, Herald has returned 907% over the same period.⁽¹⁾

Shareholders are being asked to approve the Tender Offer and decide whether they wish to tender their shares. Through the Tender Offer, the Board aims to restructure the shareholder base, allowing Herald to focus on its proven investment approach and future growth. The Tender Offer is conditional on Saba tendering all (or materially all) of its holding. We urge all shareholders, including Saba, to vote in favour of the proposals at the general meeting, in person or by proxy, following the instructions set out in the circular. My fellow directors and I have each confirmed that we do not intend to tender our shares in the Tender Offer, but will in the Backstop Tender Offer should the first Tender Offer be blocked by Saba."

Highlights

- The Board and the Manager continue to have confidence in the Company's strategy, believing there to be attractive long-term investment opportunities within quoted smaller companies in the global technology and communications sectors.
- The Board intends to offer all Eligible Shareholders, including Saba, the option to sell up to 100% of their Shares pursuant to the Tender Offer.
- The Board believes the Tender Offer will, if implemented, enable the Company to focus on delivering strong investment returns with a supportive and stable Shareholder base.
- At the same time, the Tender Offer will make the Company more attractive to new investors and provide a fair exit opportunity for short-term Shareholders.
- None of the Directors or the Manager intend to tender their own Shares pursuant to the Tender Offer.
- Unless Shareholders actively take steps to participate in the Tender Offer (in accordance with the procedures set out in the Circular), none of their Shares will be tendered and their investment in the Company will continue.
- Shareholders remaining invested in the Company will not bear any of the costs of the Tender Offer, assuming it proceeds.
- The Tender Price will be based on the pro rata realised value of the Tender Pool created following receipt of all valid elections for the Tender Offer (from which all of the costs associated with making the Tender Offer will be deducted).
- The Tender Offer is conditional upon, amongst other things, Saba tendering all (or materially all) of its Shares, amounting to a holding of approximately 30.7%.

The Tender Offer is also conditional upon, amongst other things, Shareholder approval. The Board urges all Shareholders to vote in favour of the Resolutions at the General Meeting to be held at 60 Victoria Embankment, London EC4Y 0JP on 5 February 2026 at 10.00 a.m. Notice of the General Meeting is set out at the end of the Circular.

Introduction

The Board of Herald Investment Trust plc (the "**Company**" or "**Herald**") announced on 9 January 2026 that it is putting forward proposals for the Company to offer Eligible Shareholders a cash exit by way of a tender offer for up to 100 per cent. of their Shares in the Company (the "**Tender Offer**"). The Board announces that it has today published a circular to Shareholders in connection with the Tender Offer (the "**Circular**").

The Board has also set out contingency plans should the Tender Offer not proceed. If Saba chooses not to support the Tender Offer or declines to tender its holding, the Tender Offer will not be able to proceed and the Board will propose an alternative tender offer (the "**Backstop Tender Offer**"), which will require a lower Shareholder approval threshold and could therefore be implemented without Saba's support. The purpose of the Backstop Tender Offer is to ensure that Shareholders have the opportunity to exit at close to the NAV per Share, at a time before Saba might gain control of the Board or the management of the Company.

Background to and reasons for the Tender Offer

On 18 December 2024, Saba Capital Management L.P. ("**Saba**", including funds, accounts and investment vehicles managed, advised or sub-advised by Saba or any of its affiliates where applicable), acting through its nominee, requisitioned a general meeting of the Company at which it sought to remove the Board and replace it with its own proposed directors (the "**Requisitioned General Meeting**"), with the aim of changing the Company's strategy and appointing itself as investment manager, thereby increasing Saba's assets under management. This attempt to take control of the Board was firmly rejected by Shareholders at the Requisitioned General Meeting held on 22 January 2025, with only 0.15% of non-Saba votes cast in favour of Saba's proposals.⁽²⁾

At the Company's annual general meeting held on 24 March 2025, Saba voted against the continuation of the Company and the re-election of the directors. Once again, non-Saba Shareholders, following the Board's

recommendations, almost unanimously voted the opposite way to Saba. Both attempts to oust the Board were therefore resoundingly defeated.

The Board wishes to serve the interests of all Shareholders, while recognising that differing groups of Shareholders have very different objectives for their investments. This disparity, and apparent lack of alignment in Shareholders' investment horizons, has proven disruptive for the Company's Manager, which feels inhibited in committing to new long-term investments with promising technology and communications companies, particularly given the relative illiquidity of smaller quoted companies' shares. These challenges within the Company's Shareholder base are also an obstacle to attracting new investors.

If the Board does not act, there is a real risk that Saba may succeed at a future vote in changing the Board and taking effective control of the Company. Although Saba might seek to appoint directors who are nominally independent, the Board believes that Saba continues to aspire to take effective control of the Company and its assets under management, with the risk of leaving other Shareholders stranded in a company with a different manager and strategy that they did not choose to invest in. The outcomes of the two previous meetings, as well as recent discussions with the larger non-Saba Shareholders, demonstrate that the wider Shareholder base remains resolutely opposed to being in a Saba-controlled and managed vehicle. In light of this, the Board has concluded that it must act now to ensure a fair outcome for all Shareholders.

The Board has reviewed a wide range of possible options, bearing in mind that Saba, with more than 25% of the Company's Shares, can block any proposal requiring a special resolution where a 75% majority is needed (such as a scheme of reconstruction or a members' voluntary liquidation). These options have included constructive discussions with Saba, where the Board has sought to reconcile Saba's continuing ambition to take effective control of Herald with its understanding that non-Saba Shareholders would generally prefer to continue being invested with the current Manager and mandate but, if they cannot, to have the opportunity to realise their shareholding at close to net asset value ("NAV").

After thorough consideration, the Board has reluctantly concluded that it is not possible to reconcile the objectives of Saba with those of the remainder of the shareholder base. As a result, the Board is launching the Tender Offer, providing Saba and any shareholder who wishes to realise their investment the opportunity to do so, while also enabling those non-Saba shareholders who wish to remain with the current Manager and mandate to continue their investment.

The Board continues to believe that there are attractive long-term investment opportunities within quoted smaller companies, in particular those companies in the global technology and communications sectors. The Manager believes that many smaller companies are currently attractively valued and often have fewer professional investors considering them for investment. Some investors are forced sellers reflecting net redemptions from funds that invest in smaller companies in a number of jurisdictions. The technology sector is undergoing a dynamic period, driven in part by rapid advances in artificial intelligence and large investments in cybersecurity and defence due to geopolitical tensions. This tailwind has helped drive the Company's strong performance, with Herald delivering a NAV total return of 2,956% since inception. The Company has continued to perform strongly, delivering a NAV total return of 31% over the last three years, and a NAV total return of 8.6% over the twelve months to 31 December 2025.

The Board notes that Herald's performance has been superior to that of the Saba Capital Master Fund over each of the relevant periods set out below. The Saba Capital Master Fund, with 1.9bn under management, is believed to be Saba's longest established fund, holds shareholdings in nearly all the UK listed investment trusts in which Saba has a meaningful stake and is believed to be the biggest Saba holder of Herald Shares. For comparison, since the Saba Capital Master Fund's inception in April 2009 it has returned a total return of 151%⁽¹⁾. In contrast, Herald has returned a NAV total return of 907% over the same period.

Performance since	Herald NAV Total Return (£, to 21 November 2025)	Saba Capital Master Fund (£, to 21 November 2025)
January 2025	5.2%	(10.6)%
January 2023	24.6%	(26.1)%
January 2021	14.5%	0.8%
January 2016	196.8%	106.0%
April 2009 (inception of Saba Capital Master Fund strategy)	907.3%	150.9%

Note: All performance, which is on a like for like basis, measured until 21 November 2025, which is the latest date for which information is available for the Saba Capital Master Fund. For clarity the Herald NAV total return in the twelve months to 31 December 2025 was 8.6%.

The total return for Saba Capital Master Fund, which is USD denominated, is converted into GBP equivalent return.⁽¹⁾

The Tender Offer will provide Eligible Shareholders who wish to exit with the opportunity to do so. Accordingly, the Board urges all Shareholders, particularly Saba, to vote in favour of the proposed Tender Offer, thereby allowing all shareholders the choice of remaining with the current mandate and Manager or realising their investment at close to the NAV per Share. To prevent the Company from inadvertently falling under Saba's control, the Tender Offer is conditional upon Saba (or accounts through which Saba holds an economic interest) validly electing to tender all (or materially all) of their shareholdings in the Company.

Tender Offer summary

- Eligible Shareholders, including Saba, will be able to tender up to 100% of their Shares in the Company.
- Following receipt of all valid elections for the Tender Offer, and if the Resolution to approve the Tender Offer is passed at the General Meeting and the Tender Offer is not otherwise terminated, the Company will notionally allocate its assets and liabilities between two pools as follows:
 - o a pool of investments, cash, other assets and liabilities attributable to the Shares that are validly tendered pursuant to the Tender Offer (the "**Tender Pool**"); and
 - o a pool of investments, cash, other assets and liabilities attributable to the Shares that are not tendered (the "**Continuation Pool**").
- A *pro rata* portion of the Company's assets and liabilities will be allocated to the Tender Pool corresponding to the proportion of Shares validly tendered. The balance of the Company's assets and liabilities will be allocated to the Continuation Pool. As far as practicable, all holdings within the Company's portfolio will be split between the Tender Pool and the Continuation Pool in proportion to the Shares validly tendered or not tendered respectively.
- The Tender Pool will be realised for cash in a disciplined manner in order to maximise value for Exiting Shareholders.
- The Tender Price at which validly tendered Shares will be sold by Eligible Shareholders under the Tender Offer will be based on the *pro rata* realised value of the Tender Pool (from which all of the costs associated with making the Tender Offer will be deducted).
- Accordingly, Shareholders remaining invested in the Company will not bear any of the costs of the Tender Offer (assuming it proceeds).
- Assuming the Tender Offer proceeds, the Board will review, in the light of the take up of the Tender Offer, how the Company can best continue serving the Shareholders who have chosen to remain invested.

Conditions for the Tender Offer

The Tender Offer will be conditional upon, amongst other things, Shareholder approval by way of a special resolution, which will be sought at a general meeting of the Company (the "**General Meeting**").

In order for the Tender Offer to proceed, at least 75% of votes cast at the General Meeting will be required to be in favour of the resolution to approve the Tender Offer. So that control does not pass to a single shareholder and so that the interests of Shareholders can be protected, the Tender Offer will also be conditional on Saba (or accounts through which Saba holds an economic interest) validly electing to tender all (or materially all) of their shareholdings in the Company. Saba has currently indicated that they will not support the Tender Offer. However, the Board believes all shareholders should have the opportunity to express their support for the Tender Offer, which the Board sees as the best solution for the Company and Shareholders as a whole, and the Board will endeavour to persuade Saba to support the Tender Offer (and satisfy the Saba Tender Condition and the Standstill Condition) before it closes.

Expected timetable for the Tender Offer

General Meeting timetable

Latest time and date for receipt of Forms of Proxy and electronic proxy appointment instructions (including through CREST and Proxymity) for the General Meeting	10.00 a.m. on 3 February 2026
Record time and date for entitlement to vote at the General Meeting	6.00 p.m. on 3 February 2026
General Meeting	10.00 a.m. on 5 February 2026
Results of General Meeting announced	5 February 2026

Tender Offer timetable

Tender Offer opens	12 January 2026
Record Date and time for the Tender Offer	6.00 p.m. on 13 January 2026
Tender Offer Closing Date: latest time and date for receipt of PINK Tender Forms and submission of TTE Instructions in respect of the Tender Offer	1.00 p.m. on 12 February 2026
Calculation Date for the Tender Offer	close of business on 13 February 2026
Results of the Tender Offer elections announced and confirmation that the Tender Offer will proceed	16 February 2026
Tender Price and payment date announced	as soon as reasonably practicable but expected to be in or around week commencing 11 May 2026
CREST settlement date: payments through CREST made in respect of the Tendered Shares held in uncertificated form	Within 10 Business Days from the announcement of the Tender

respect of the Tendered Shares held in uncertificated form:

Cheques despatched in respect of the Tendered Shares held in certificated form

the announcement of the Tender

Price for the Tender Offer
Within 10 Business Days from
the announcement of the Tender
Price for the Tender Offer

Notes: All references to time in this document are to London (UK) time, unless otherwise stated. The times and dates set out in the expected timetable above and mentioned throughout this document may (subject to legal requirements) be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and to Shareholders (including by announcement through an RIS). In particular, the realisation period for the assets allocated to the Tender Pool will depend on market conditions. The Company will provide an update by way of an RIS announcement once the realisation of the Tender Pool is complete and the value and payment date of the Tender Price will be advised at that time.

The Backstop Tender Offer

The Tender Offer requires a special resolution and, consequently, Saba could choose to block the Tender Offer, which is within their power given they own more than 25% of Herald Shares. The Board believes that if Saba does not elect for the Tender Offer or votes against the resolution(s) at the General Meeting it is clear that Saba intends to take control of the Company for its own economic benefit. The Board notes Saba's precedent requisitions to remove the independent boards of numerous investment trusts and take control through Saba-nominated directors, including its most recent requisition in November 2025. The Board believes that Saba's intentions have not changed.

Should the Tender Offer not proceed, the Board will put forward proposals for the Backstop Tender Offer that would provide eligible shareholders with an opportunity to exit their investment in Herald at a time before Saba might gain control of the Board or the management of the Company.

The Board notes that company law permits a tender offer to be launched and decided by a simple majority vote. While typical corporate governance guidelines advocate a 75% approval threshold, to protect shareholders' interests from a minority shareholder pushing through a vote when others do not participate, the current situation is very different. In this instance, in order to safeguard the interests of the majority of Shareholders, it is necessary to rely on the law, which provides for and permits a >50% approval threshold. If there were a 75% threshold as per corporate governance guidelines, Saba, as a c.30% Shareholder, would be able to block what the Board believes to be the fairest outcome in the circumstances, which is for all Shareholders to have the option of exiting close to the NAV per Share prior to a potential change of Board, manager and mandate. The Board believes that if Saba gains control of Herald, it is unclear if there will be a full unrestricted cash exit offered on similar terms to the Backstop Tender Offer. Therefore, in order to protect shareholders, the Board believes that it is necessary to follow company law rather than governance guidelines in these specific circumstances.

If the Backstop Tender Offer proceeds, eligible shareholders would be able to tender up to 100% of their holding and, following receipt of all valid elections for the Backstop Tender Offer a tender pool would be created by allocating a pro rata portion of the Company's assets and liabilities corresponding to the proportion of Shares validly tendered. The tender price at which validly tendered Shares would be sold by eligible shareholders under the Backstop Tender Offer would also be based on the pro rata realised value of the tender pool (from which all of the costs associated with making the Backstop Tender Offer will be deducted). As the Board expects that there would be very significant elections for the Backstop Tender Offer if it were to proceed, the Board currently anticipates that the assets allocated to the tender pool for the Backstop Tender Offer would comprise the Company's most liquid and readily realisable holdings, with the Company's most illiquid holdings remaining with those electing to remain invested.

No action is required to be taken by Shareholders in respect of the Backstop Tender Offer at this time. If the Tender Offer does not proceed, a separate circular will be issued in respect of the Backstop Tender Offer in due course.

Conditions for the Backstop Tender Offer

The Backstop Tender Offer would be conditional on Shareholder approval by way of an ordinary resolution, which would be sought at a general meeting of the Company in due course. In order for the Backstop Tender Offer to proceed, over 50% of votes cast on the resolution at that general meeting would be required to be voted in favour.

The Backstop Tender Offer would not be conditional on Saba supporting the tender or tendering its Shares. If Saba chooses not to tender its Shares, the Board believes that it is likely that Saba would retain ownership of Shares that would, following the completion of the repurchase and cancellation of the Shares validly tendered for the Backstop Tender Offer, represent over 50% of the Company's issued Share capital.

Conclusion

The Board urges Saba to permit shareholders a choice between continuing with the current Manager and mandate or receiving cash at close to NAV. The Tender Offer being proposed is necessary to achieve that choice for all Shareholders. The Backstop Tender Offer only becomes necessary if Saba blocks the first Tender Offer. The first Tender Offer remains the Board's strongly preferred course of action.

Full details of the Tender Offer are set out in the Circular and Shareholders should read the Circular in its entirety before deciding what action they should take. Capitalised terms used in this announcement shall, unless the context requires otherwise, have the meanings ascribed to them in the Circular.

A copy of the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The Circular will also be available on the Company's section of its Manager's website (www.heralduk.com).

Enquiries:

Herald Investment Trust plc
Andrew Joy (Chairman)

via Camarco

Camarco (Media enquiries)
Billy Clegg / Ben Woodford / Elfie Kent

+44 (0)20 3757 4980
Herald@camarco.co.uk

J.P. Morgan Cazenove (Financial Adviser)
William Simmonds / Rupert Budge

+44 (0)20 3493 8000

Singer Capital Markets (Corporate Broker)
Alan Geeves / Sam Greatrex / William Gumpel (Sales)
James Maxwell (Investment Banking)

+44 (0)20 7496 3000

NSM Funds (UK) Limited (Company Secretary)
Brian Smith / Shilla Pindoria

HIT@nsm.group

Notes

1. By reference to return figures from April 2009 to 21 November 2025 (comparing the NAV total return of the Company relative to the GBP equivalent total return in respect of the Saba Capital Master Fund from August 2009 to 21 November 2025 and, for the period from April 2009 to August 2009, the monthly returns for a separate Saba-managed account which reportedly employed a similar investment strategy as the Saba Capital Master Fund).
2. Figure used is representative of the votes cast on the first resolution proposed at the Requisitioned General Meeting. Notwithstanding that Saba's latest publicly disclosed interests in the Company prior to the Requisitioned General Meeting (as at 16 January 2025) was 14.7 million shares, the Board believes approximately 14.1 million votes were actually submitted by or on behalf of Saba at the Requisitioned General Meeting.

NOTICE TO U.S. SHAREHOLDERS

The Tender Offer relates to securities of a non-U.S. company which are listed on the London Stock Exchange and is subject to the disclosure requirements, rules and practices applicable to companies listed in the United Kingdom, which differ from those of the United States in certain material respects. The Circular has been prepared in accordance with U.K. style and practice for the purpose of complying with the laws of England and Wales and the rules of the FCA and of the London Stock Exchange. The Tender Offer is not subject to the disclosure or other procedural requirements of Regulation 14D under the U.S. Securities Exchange Act of 1934, as amended. The Tender Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the Exchange Act, subject to the exemptions provided by Rule 14d-1(d) thereunder, and otherwise in accordance with the requirements of the rules of the FCA and the London Stock Exchange. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements that are different from those applicable under U.S. domestic tender offer procedures and law. The Company is not listed on an American securities exchange, is not subject to the periodic reporting requirements of the Exchange Act and is not required to, and does not, file any reports with the SEC thereunder.

It may be difficult for U.S. Shareholders to enforce certain rights and claims arising in connection with

it may be difficult for U.S. Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under U.S. federal securities laws, because the Company is located outside the United States, and its officers and directors reside outside the United States. It may not be possible to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. It also might not be possible to compel a non-U.S. company or its affiliates to subject themselves to a U.S. court's judgment.

To the extent permitted by applicable law and in accordance with normal U.K. practice, the Company, J.P. Morgan Securities plc (which conducts on its UK investment banking activities as J.P. Morgan Cazenove) ("**J.P. Morgan Cazenove**"), Singer Capital Markets Securities Limited ("**Singer Capital Markets**") or any of their respective affiliates may make certain purchases of, or arrangements to purchase, Shares of the Company outside the United States, other than pursuant to the Tender Offer, before or during the period in which the Tender Offer remains open for acceptance, including sales and purchases of Shares effected by J.P. Morgan Cazenove and/or Singer Capital Markets acting as market maker in the Shares.

Important information

The Company's LEI number is 213800U7G1ROCTJYRR70.

The Tender Offer is made only on the terms, and subject to the conditions, set out in the Circular (and, in the case of Shares held in certificated form, in the associated PINK Tender Form).

The Board makes no recommendation to shareholders as to whether or not they should tender all or any of their Shares under the Tender Offer. Whether, and the extent to which, Eligible Shareholders participate in the Tender Offer is a matter for each Eligible Shareholder to decide and will be influenced by their own individual financial and tax circumstances, views on the Company's prospects and investment priorities.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

CIRGPUAGGUPQGPG