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19 October 2026

Publication of Circular for Tender Offer to purchase up to 5% of the issued share capital of the Company

In March 2025 the Board of Montanaro European Smaller Companies Trust plc (the "**Company**") introduced three strategic initiatives designed to strengthen the investment proposition and deliver value for all shareholders. These included:

- Regular [tender](#) offers targeted at improving liquidity;
- Active share buy back policy aimed at reducing volatility of the discount; and
- Reduced management fees which took effect from 1 April 2025.

In line with these strategic initiatives, the Board is offering Shareholders the opportunity to tender their Shares to the Company twice a year around the time of the interim and final results publication (the "**Biannual Tender Offer Facility**"). The first periodic tender offer, for up to 5% of the Shares in issue at the relevant latest practicable date, was concluded in November 2025. The second periodic tender offer, for up to 5% of the Shares in issue at the relevant latest practicable date, was concluded in July 2026. The Company announces that it has today published a circular (the "**Circular**") in respect of the next upcoming biannual tender offer.

The Tender Price has again been set at a 5% discount to the prevailing Net Asset Value per Share as at the Calculation Date. This reflects the wider spreads amongst smaller companies and the costs associated with the exercise, allowing Eligible Shareholders who wish to realise a portion of their holding to do so at a price close to NAV whilst potentially providing for a modest uplift to Net Asset Value per Share for continuing Shareholders.

The Tender Offer is being made for up to 5,728,371 Shares, being 5% of the Shares in issue at the Latest Practicable Date.

An Eligible Shareholder tendering up to 5% of the Shares in their name on the Register as at the Tender Record Date (their "**Basic Entitlement**") will have their tender satisfied in full. Any Eligible Shareholder tendering more than their Basic Entitlement will have their Excess Application satisfied if there are sufficient remaining Available Shares. Such Available Shares shall be apportioned to Eligible Shareholders pro rata to their Excess Applications should other Eligible Shareholders not tender the full amount of their Basic Entitlement and as a result of certain Restricted Shareholders and any Sanctions Restricted Persons not being permitted to participate in the Tender Offer.

The expected timetable of principal events is set out at the end of this announcement.

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 website at <https://montanaro.co.uk/trust/mesct>.

Unless otherwise defined, all definitions used in this announcement will have the same meaning as described in the Circular.

Gordon Neilly, Chairman of Montanaro European Smaller Companies Trust, commented:

"The publication of the Circular regarding our tender offer is another important step in the Board's commitment to acting in the best interests of shareholders, while preserving its ability to deliver against its long-term investment objectives.

"The outlook for European smaller companies is positive. Small caps outperformed large caps during the third quarter and, while it is too early to suggest that the market has reached a decisive turning point, valuations remain at historically attractive levels. We believe this provides a compelling starting point for long-term investors seeking exposure beyond Europe's larger and more concentrated equity indices.

"Against this backdrop, the strength of the underlying portfolio is particularly encouraging. Many holdings continue to deliver strong earnings growth while trading materially below their longer-term valuations. Combined with Montanaro's specialist research capability and disciplined focus on high-quality, profitable businesses, we believe the Company is well placed to capture the long-term opportunity within European smaller companies."

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Tender Offer opens: announcement of the Tender Offer and publication of this document	19 October 2026
Tender Closing Date: last time and date for receipt of Tender Forms and share certificates for certificated Shares and TTE Instruction(s) in CREST for uncertificated Shares	13:00 hours on 18 November 2026
Tender Record Date	18:00 hours on 18 November 2026
Announcement of number of Shares validly tendered	20 November 2026
CREST accounts credited with unsuccessfully tendered uncertificated Shares	not later than 23 November 2026
Calculation Date	27 November 2026
Announcement of the Tender Price	30 November 2026
Despatch of share certificates to be returned in respect of unsuccessfully tendered certificated Shares	by 7 December 2026
Purchase of Shares under the Tender Offer	9 December 2026
January Dividend ex- date	10 December 2026
CREST accounts credited in respect of Tender Offer proceeds for uncertificated Shares	by 11 December 2026
January Dividend record date	11 December 2026
Cheques despatched in respect of Tender Offer proceeds for certificated Shares	by 18 December 2026
Despatch of balancing share certificates for revised, certificated holdings in the case of partially successful tenders	By 18 December 2026
January Dividend payment date	4 January 2027

The times and dates set out in the expected timetable and mentioned throughout this document may, in certain circumstances, be adjusted by the Board (in consultation with J.P. Morgan Cazenove), in which event, details of the new times and dates will be notified, as required, to the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.

All references to times in this announcement are to London time (GMT) unless otherwise stated.

Notice for U.S. Shareholders

The Tender Offer relates to securities in a non-US company registered in Scotland with a listing 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. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of Scotland, the UK Listing Rules and the rules of the London Stock Exchange. US Shareholders should read this entire document. Any financial information relating to the Company has been prepared in accordance with UK-adopted international accounting standards and has not been prepared in accordance with generally accepted accounting principles in the United States; thus it may not be comparable to financial information relating to US companies. The Tender Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), subject to the exemptions provided by Rule 14d-1 thereunder and otherwise in accordance with the requirements of the UK Listing Rules. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures. The Company is not listed on a US securities exchange, subject to the periodic reporting requirements of the Exchange Act or required to, and does not, file any reports with the SEC thereunder.

It may be difficult for US Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under US federal securities laws since the Company is located outside the United States and its officers and

under US federal securities laws since 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-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

To the extent permitted by applicable law and in accordance with normal UK practice, the Company, J.P. Morgan Cazenove, or any of their affiliates may make certain purchases of, or arrangements to purchase, Shares outside the United States during the period in which the Tender Offer remains open for acceptance, including sales and purchases of Shares effected by J.P. Morgan Cazenove acting as market maker in the Shares. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom and the United States and, if required, will be reported via the Regulatory Information Service of the London Stock Exchange and available on the London Stock Exchange website at www.londonstockexchange.com.

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