

# Combination of BlackRock Smaller Companies Trust plc and BlackRock Throgmorton Trust plc

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## **BlackRock Throgmorton Trust plc**

### **Combination of BlackRock Smaller Companies Trust plc and BlackRock Throgmorton Trust plc**

*Greater scale, liquidity, and cost efficiencies  
Combines two trusts with deep investment heritage  
Well positioned for the significant value opportunity in the sector*

The Board of BlackRock Throgmorton Trust plc (the "**Company**" or "**THRG**") (the "**Board**") is pleased to announce that it has agreed a proposed combination with BlackRock Smaller Companies Trust plc ("**BRSC**") (the "**Combination**"). The Combination will bring together two similar investment companies with significant portfolio overlap and create a company with net assets of approximately £780 million (the "**Enlarged BRSC**"), delivering greater scale, liquidity and cost efficiencies. The Enlarged BRSC will consolidate its position as the largest growth-focused trust in the AIC's UK Smaller Companies sector.

The Combination, if approved by both sets of Shareholders, will be effected by way of a scheme of reconstruction, which will include a members' voluntary winding up of the Company under section 110 of the Insolvency Act (the "**Scheme**") and the issue of New BRSC Shares to Shareholders who are deemed to have elected to roll over their investment into the Enlarged BRSC.

As part of its continued focus on driving long-term Shareholder value, the Board, with the support of Stanhope Consulting, has undertaken an extensive sector-wide review which included an analysis of the strategies and performance of peer group companies and an assessment of all the options available to THRG. Based on the results of this review and regular engagement with Shareholders, the Board concluded that the Combination is in Shareholders' best interests.

In connection with the Proposals, a cash exit opportunity is being offered to Shareholders for up to 38 per cent. of THRG's issued share capital subject to a 1 per cent. discount (the "**Cash Option**"). **The record date for participating in the Cash Option is 6.00 p.m. on 23 February 2026. Any shareholding that is not recorded on the Register by 6.00 p.m. on 23 February 2026 will not be eligible to elect for the Cash Option.**

BRSC will also offer a cash exit opportunity to BRSC Shareholders for up to 28 per cent. of BRSC's issued share capital subject to a 1 per cent. discount.

As at the Latest Practicable Date, Saba Capital Management, L.P. ("**Saba**") (including the Saba Investment Vehicles) was interested in 17.8 per cent. of the voting rights in THRG and 10.4 per cent. of the voting rights of BRSC, and Saba has provided an irrevocable commitment to vote in favour of the Proposals and participate in both the THRG and BRSC cash exit, as set out in further detail below. In addition, THRG and BRSC have received letters of intent to vote in favour of the Proposals from other shareholders representing, in aggregate, 12.0 per cent. of THRG's issued share capital and 23.9 per cent. of BRSC's issued share capital, in each case excluding shares held in treasury.

THRG will shortly publish a circular (the “**Circular**”) which contains notices of two general meetings (the “**General Meetings**”), at which the Board is seeking Shareholders' approval of the proposed combination of THRG and BRSC and members' voluntary winding-up of THRG.

The Board strongly believes that the Proposals will deliver a number of significant benefits for its Shareholders, including:

- **Greater scale and improved liquidity** - providing exposure to a diverse range of high-quality UK Smaller Companies with excellent growth prospects
- **Cost efficiencies** - through reduced management fees
- **Immediate value realisation opportunity** - through the Cash Option
- **Conditional exit opportunity** - introduction of a triennial 100 per cent. conditional tender offer, linked to performance against the Benchmark
- **Management expertise** - enlarged portfolio management team with Roland Arnold as lead portfolio manager, joined by Dan Whitestone, the current portfolio manager of THRG, as co-manager.

#### **James Will, Chairman of BlackRock Throgmorton Trust, said:**

*"We are delighted to announce the proposed Combination, which will create a £780 million company that combines scale, efficiency, and proven investment expertise. The Enlarged BRSC will be well placed to capture the compelling UK smaller companies opportunity, underpinned by BlackRock's deep investment heritage which spans many decades and cycles.*

*The proposed Combination follows a comprehensive review of available options by the Board and is focused on driving long-term value for Shareholders through greater scale, liquidity and cost efficiencies. Continuing Shareholders will benefit from a portfolio of high quality, diversified UK smaller companies, and the continuity of BlackRock's investment philosophy and process that has proven highly successful over the long term.*

*Shareholders will be offered an initial cash exit, while continuing Shareholders will benefit from exposure to an enlarged company which will be well positioned to capitalise on the continuing significant value opportunity in the sector. The Board and BlackRock strongly believe in the long-term growth prospects of the UK smaller companies sector and the sector's proven ability to outperform larger companies over time."*

#### **Benefits of the Proposals**

The Board believes that the Proposals will have the following benefits for Shareholders:

- **Scale:** The Enlarged BRSC is expected to have net assets of approximately £780 million (on the basis of the trusts' respective net asset values as at 16 February 2026 and assuming full take up of both the Cash Option and the BRSC Tender Offer). This increased scale is expected to improve secondary market liquidity for continuing Shareholders, support the marketability of the Enlarged BRSC and provide the BRSC Board with additional flexibility in pursuing discount control initiatives.
- **Continuity:** shareholders in the Enlarged BRSC will see benefits from the effective continuity of Investment Manager and closed-ended structure. These include:
  - *Combined portfolio manager expertise:* Building on a combined investment track record spanning several decades and investment cycles, the Enlarged BRSC will bring together two highly experienced, well-regarded UK small-cap managers, Roland Arnold and Dan Whitestone, who have collaborated for over 10 years, and will co-manage a clear and distinct investment strategy, remaining disciplined in their investment philosophy and process that have proven successful over the long term.
  - *Portfolio of quality growth companies:* the Enlarged BRSC will create a single BlackRock-managed UK smaller companies trust, merging two diversified portfolios with approximately 75 per cent. overlap as at 31 January 2026. The Enlarged BRSC will continue to prioritise quality growth companies driven by strong management teams, leading market positions, pricing power, robust balance sheets, healthy margins, strong earnings growth and high levels of cash conversion.
  - *Closed-ended vehicle:* the investment trust structure will continue to allow for investment in less liquid securities, where a longer-term investment horizon and

the ability to invest patiently is often required, and will continue to offer the ability to smooth dividend payments over time, to use gearing and to uphold strong governance standards through an independent board of directors.

- *Attractive dividend policy*: the Enlarged BRSC's dividend policy is expected to build on the track record achieved by BRSC, categorised as a 'Dividend Hero' by the AIC as a result of delivering annual dividend growth for more than 20 years. With effect from 1 March 2026, BRSC intends to pay dividends on a quarterly basis.
- **Compelling long-term prospects**: the Board and BlackRock believe UK smaller companies have the potential to outperform their larger counterparts over the long-term, consistent with the 2.8 per cent. annualised outperformance over the period December 1955 to January 2026, and believe in the Enlarged BRSC's ability to outperform its benchmark (being the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index) over the long-term.
  - THRG and BRSC have both outperformed the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index over the last 10 years to 31 January 2026, having delivered NAV total returns of approximately 129 per cent. and 97 per cent., respectively, compared to the benchmark return of approximately 86 per cent.
  - The sector has faced significant challenges over the last few years, caused by greater outflows leading to significant under-valuation, which has impacted short term performance. However, UK smaller companies continue to display robust fundamentals and good long-term growth prospects. Given investment cycle trends, the portfolio managers are confident that there remain significant opportunities within the asset class for the patient investor.
  - The Board and BlackRock believe that the Combination strongly positions the Enlarged BRSC to capitalise on any change in sentiment towards UK smaller companies.
- **Initial cash exit opportunity**: while the Board believes the benefits and strategic rationale of the Combination are compelling for continuing Shareholders, all Shareholders will be offered a cash exit opportunity in connection with the Scheme, subject to a 1 per cent. discount, for up to 38 per cent. of THRG's issued share capital (excluding shares held in treasury).
- **Triennial conditional exit opportunity**: subject to completion of the Combination, the Enlarged BRSC will offer a triennial performance-related tender offer for up to 100 per cent. of its issued share capital (excluding shares held in treasury) at a 4 per cent. discount to NAV (less costs), which will be triggered if the Enlarged BRSC underperforms its benchmark, the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index, over the relevant performance period.
- **Reduced management fees**: subject to completion of the Combination, BlackRock has agreed to a reduction in the annual management fee payable by the Enlarged BRSC to: 50 bps on NAV up to £500 million; 47.5 bps on NAV in excess of £500 million and up to £750 million; and 45 bps on NAV in excess of £750 million. This will be the lowest management fee for investment companies in the AIC's UK Smaller Companies sector that do not have a performance fee.
- **BlackRock Cost Contribution**: continuing shareholders will be materially, if not entirely, insulated from the costs of the Proposals as a result of the application of the BlackRock Cost Contribution, by way of a fee waiver equal to six months of the reduced management fee that would otherwise be payable by the Enlarged BRSC following implementation of the Scheme based on the estimated Net Asset Value of the Enlarged BRSC as at the Calculation Date.
- **Lower ongoing charges**: The Proposals will reduce fixed costs proportionately to NAV and, in combination with the reduced management fees, deliver a competitive OCR for the Enlarged BRSC estimated to be 0.63 per cent. (which excludes the benefit of the BlackRock Cost Contribution) compared to BRSC's OCR of 0.8 per cent. and THRG's average OCR over the last five years to 30 November 2025 of 0.82 per cent. with performance fees included. This will be the lowest OCR for investment companies in the AIC's UK Smaller Companies sector that do not have a performance fee.

## Summary Information on BRSC and the Enlarged BRSC

BRSC is a closed-ended investment company incorporated in Scotland on 2 May 1906. It is an investment company as defined by section 833 of the Companies Act and operates as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010. Its investment objective is to achieve long-term capital growth for shareholders through investment mainly in smaller UK quoted companies.

BlackRock Fund Managers Limited will continue as manager to the Enlarged BRSC (the "**AIFM**"). The AIFM delegates certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (the "**Investment Manager**" and, together with the AIFM, "**BlackRock**"). The Investment Manager manages assets for open-ended and closed-ended funds, and institutional and private clients throughout the world. Nine of these funds (including THRG and BRSC) are listed closed-ended investment companies with combined assets of approximately £4.4 billion (as at 31 January 2026).

The Enlarged BRSC will largely follow BRSC's current investment strategy, seeking to achieve long-term capital growth through investing predominantly in UK small and mid-cap companies. The portfolio managers will be permitted to use gearing in the form of debt up to 20% of net assets to enhance returns and have the ability to invest up to 15% of the portfolio in non-UK listed smaller companies. The BlackRock Emerging Companies team has extensive experience investing both within the UK and internationally and believes that accessing opportunities not available in the UK (for example, in technology), can boost returns in the portfolio, without increasing the volatility.

The Enlarged BRSC's portfolio will be managed by Roland Arnold, BRSC's existing lead portfolio manager. Roland has enjoyed a 20-year career investing in UK small and mid-cap companies. Dan Whitestone, the current lead portfolio manager of the Company, will be a named co-manager of the Enlarged BRSC. Dan is an experienced fund manager, with an extensive track record and knowledge of investing in UK listed small and mid-cap companies as well as emerging companies across international developed markets. Dan will support Roland through ongoing stock and industry level research and debate and will also focus on the global small cap element of the portfolio. Roland will have the final decision over positioning in the portfolio of the Enlarged BRSC.

Under this new arrangement, Shareholders in the Enlarged BRSC will benefit from the experience and expertise of both portfolio managers as well as the wider resources of BlackRock's highly experienced Emerging Companies team, with its excellent access to company management and research across the UK smaller companies sector. The Enlarged BRSC will also deliver greater scale, improved share liquidity and cost efficiencies and the lowest management fee in the AIC's UK Smaller Companies sector for investment companies without a performance fee.

The Enlarged BRSC's investment objective and investment policy (including as proposed to be amended in connection with the Scheme) are set out in Part 5 of the Circular.

With effect from 1 March 2026, BRSC intends to pay dividends on a quarterly basis, with three interim dividend payments in September, December and March of each year each equal to a quarter of the previous year's total dividend, together with a final dividend for the full year (payable in June). It is therefore expected that the first dividend to be paid to all shareholders in the Enlarged BRSC will be the first interim dividend for the financial year ending 28 February 2027, to be paid in September 2026. BRSC has increased its annual dividend every year since 2003, and as a consequence is an AIC 'Dividend Hero'.

It is intended that, following completion of the Scheme, Angela Lane and Louise Nash will be appointed as non-executive directors of the Enlarged BRSC.

BRSC is putting forward a tender offer to BRSC Shareholders for up to 28 per cent. of the BRSC Shares in issue, excluding treasury shares (the "**BRSC Tender Offer**"), to be carried out prior to implementation of the Scheme. The BRSC Tender Offer will be implemented through the establishment of a tender pool, which will comprise assets to be realised for the benefit of the BRSC Shareholders participating in the BRSC Tender Offer (the "**BRSC Tender Pool**"). The value of the assets allocated to the BRSC Tender Pool will be equal to the pro rata share of BRSC's NAV (adjusted to take account of BRSC's second interim dividend referred to in "Dividends" below to the extent it has not been accrued in the BRSC NAV and to add back any costs relating to the implementation of the Combination already incurred or accrued, and to take account of any declared but unpaid dividends), less a 1 per cent. discount. The tender price will be equal to the realisation proceeds of the BRSC Tender Pool, divided by the number of BRSC

Shares participating in the BRSC Tender Offer.

The BRSC Tender Offer is conditional upon, amongst other things, the approval of BRSC Shareholders. The Scheme is conditional, amongst other things, on the approval by BRSC Shareholders of the BRSC Tender Offer and the BRSC Tender Offer not having been terminated.

Subject to completion of the Scheme, the Enlarged BRSC will offer a triennial performance-related tender offer for up to 100 per cent. of its issued share capital (excluding shares held in treasury) at a 4 per cent. discount to NAV (less costs), which will be triggered if the Enlarged BRSC underperforms its benchmark, the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index, over the relevant performance period. It is expected that the first such tender offer, were it to be triggered, would be in 2029.

While the BRSC Board regards BRSC's share rating at any particular time as primarily a reflection of sentiment towards the sector alongside portfolio performance, both in absolute terms and relative to the peer group, it recognises that there are a number of other factors which can have a material impact in the context of driving demand for the BRSC Shares. The proposals for the Combination and the Enlarged BRSC include a number of features which are designed with that in mind: the refreshed investment proposition; the new highly competitive management fee structure; the attractive estimated OCR of the ongoing vehicle; and the triennial 100 per cent. performance-related conditional tender offer to be made available to BRSC Shareholders. The BRSC Board is also introducing quarterly dividend payments in place of the current bi-annual dividend payments from March 2026 which (combined with BRSC's progressive dividend approach and AIC Dividend Hero status) should in the BRSC Board's view help to enhance demand for the BRSC Shares. The BRSC Board believes that the introduction of these initiatives, coupled with a continuation of the proactive approach to share buybacks which it has pursued over the past twelve months (BRSC repurchased 14.6 per cent. of its issued share capital during 2025) make a sustained single-digit discount achievable for BRSC in normal market conditions.

## **Saba Agreements**

As at the Latest Practicable Date, Saba (including the Saba Investment Vehicles) was interested in 17.8 per cent. of the voting rights in the Company and 10.4 per cent. of the voting rights of BRSC. As at the Latest Practicable Date, Saba (including the Saba Investment Vehicles) beneficially owned 1.7 per cent. of the Ordinary Shares and 2.4 per cent. of the BRSC Shares. The Company has received an irrevocable undertaking from Saba pursuant to which Saba has undertaken, among other things, to use best endeavours to: (i) procure that all the votes attaching to the Ordinary Shares in respect of which the Saba Investment Vehicles have beneficial interests or are otherwise able to control the right to exercise voting rights at the relevant record dates for voting are cast in favour of the Resolutions; and (ii) procure that an election for the Cash Option is made in respect of all of the Ordinary Shares which are beneficially owned by the Saba Investment Vehicles (including beneficial interests held through any financial instruments) as at the latest date for electing for the Cash Option under the Scheme.

BRSC and Saba are currently party to a standstill agreement whereby Saba has given BRSC a number of undertakings including that Saba will not put forward proposals to BRSC Shareholders or requisition a general meeting of BRSC, such undertakings to expire on the earlier of the day following BRSC's annual general meeting in 2027 or 31 August 2027 (the "**Standstill Agreement**").

Saba and BRSC have agreed to amend the terms of the Standstill Agreement to extend the term of the agreement to 30 June 2030, subject to completion of the BRSC Tender Offer and the Scheme. In addition, Saba has undertaken, among other things, to use best endeavours to: (i) procure that all the votes attaching to the BRSC Shares in respect of which the Saba Investment Vehicles have beneficial interests or are otherwise able to control the right to exercise voting rights at the record date for voting are cast in favour of the resolutions to be proposed at the BRSC General Meeting; and (ii) tender or procure the tender of such BRSC Shares which are beneficially owned by the Saba Investment Vehicles (including beneficial interests held through any financial instruments) as at the BRSC Tender Offer closing date.

## **Conditions**

Implementation of the Proposals is subject to a number of conditions, including:

- the Directors and the BRSC Directors resolving to proceed with the Scheme;
- the passing of the Resolutions and any conditions of such Resolutions being fulfilled;
- the BRSC Share Allotment Authority being approved by BRSC Shareholders;

- the BRSC Tender Offer being approved by BRSC Shareholders and not having been terminated, and the Saba Tender Condition being satisfied (at the BRSC Board's sole discretion);
- an election for the Cash Option being made in respect of all (or substantially all, to be determined by the Board and the BRSC Board, in their sole discretion) of the Ordinary Shares beneficially owned by the Saba Investment Vehicles, or in respect of which the Saba Investment Vehicles have an economic interest, or such lesser number as may be agreed between the Board and the BRSC Board; and
- the London Stock Exchange agreeing to admit the New BRSC Shares to trading on the Main Market, subject only to allotment.

**If any condition is not satisfied, the Proposals will not become effective, the Company will not proceed with the winding-up and instead will continue in existence. In these circumstances, the Directors will reassess the options available to the Company at that time.**

### **Scheme Mechanics and Entitlements under the Scheme**

Under the Scheme, which is conditional upon, among other things, the approval of Shareholders:

- (a) all Shareholders will be entitled to elect to receive cash in respect of some or all of their Ordinary Shares (the "**Cash Option**"). The record date for participating in the Cash Option is 6.00 p.m. on 23 February 2026 (the "**Cash Option Record Date**"). Any shareholding that is not recorded on the Register by 6.00 p.m. on 23 February 2026 will not be eligible to elect for the Cash Option. If CREST participants move eligible Ordinary Shares to a different CREST participant ID and CREST Member Account ID following the Cash Option Record Date, they may render those Ordinary Shares ineligible to elect for the Cash Option.

The maximum number of Ordinary Shares (in aggregate) that can be elected for the Cash Option is 38 per cent. of the total number of Ordinary Shares in issue (excluding shares held in treasury) as at the Calculation Date (the "**Maximum Cash Option Shares**"). Shareholders are entitled to elect for the Cash Option in an amount in excess of 38 per cent. of their individual holdings of Ordinary Shares (being the "**Basic Entitlement**", and such excess amount being an "**Excess Application**"). However, if aggregate Elections for the Cash Option exceed the Maximum Cash Option Shares, 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 Shareholders who have made such Excess Applications such that the aggregate number of Ordinary Shares so elected will equal the Maximum Cash Option Shares; and

- (b) eligible Shareholders will by default receive New BRSC 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 Ordinary Shares or to the extent that their elections for the Cash Option are scaled back in accordance with the Scheme. New BRSC Shares issued pursuant to the Rollover Option will be issued on the basis of the ratio of the THRG Rollover FAV per Share to the BRSC FAV per Share.

On or shortly after the Calculation Date, the Board and BlackRock, in consultation with the proposed Liquidators, will finalise the division of the Company's assets into three separate and distinct pools (the Liquidation Pool, the Cash Pool and the Rollover Pool) on the following basis:

#### **The Liquidation Pool**

The Liquidation Pool will comprise: (i) such cash and other assets as the proposed Liquidators consider necessary to provide for any current and future, actual and contingent liabilities of the Company as at the Calculation Date, including a retention to cover unknown or unascertained liabilities (estimated at £100,000) (the "**Retention**") and the entitlements of any Dissenting Shareholders; and (ii) any assets that are not suitable for either the Cash Pool or the Rollover Pool, including any unquoted assets in the portfolio of the Company (provided such assets shall be valued at nil) and assets representing withholding tax expected to be recoverable by the Company (the "**Retained Assets**").

#### **The Cash Pool**

The Cash Pool will comprise cash and those assets of the Company which will be realised in order to fund the Cash Option. The value of the Cash Pool will equal the Net Asset Value (including current year income) at the Calculation Date, adjusted to add back any costs of the Proposals already paid or accrued in the NAV and to deduct the value of the Retention and the Retained Assets and the value of any dividends that have been declared but not reflected in the Net Asset Value or paid prior to the Calculation Date; then multiplied by the proportion of Ordinary Shares which have been validly elected for the Cash Option (following any required scaling back in accordance with the Scheme) relative to the total number of Ordinary Shares (excluding treasury shares); and subsequently reduced by 1 per cent. (the "**Cash Option Discount**"). This calculation will result in the "**THRG Cash Pool FAV**".

Assets of an aggregate value equal to the THRG Cash Pool FAV will be segregated into the Cash Pool and realised. Shareholders electing for the Cash Option will be entitled to receive the net realisation proceeds of the Cash Pool, multiplied by the number of Ordinary Shares in respect of which they have elected for the Cash Option divided by the total number of Ordinary Shares which have been validly elected for the Cash Option (rounded down to the nearest penny). Shareholders electing for the Cash Option should note that the net realisation proceeds of the Cash Pool may not be equal to the THRG Cash Pool FAV. As such, the amount per share that will be payable to Shareholders electing for the Cash Option may not be equal to the THRG Cash FAV per Share.

The exact timing of payment of Cash Entitlements will depend on the number of Ordinary Shares elected for the Cash Option and the realisation period for assets in the Cash Pool, with the full realisation of the Cash Pool expected to take approximately eight weeks. There may be more than one payment made in respect of Cash Entitlements to reflect the fact that a substantial majority of the assets in the Cash Pool may be realised quickly but that the balance may take longer to realise. Shareholders electing for the Cash Option will therefore not receive their full Cash Entitlements immediately following the Effective Date.

### **The Rollover Pool**

The Rollover Pool will represent the balance of the Company's assets that have not been apportioned to either the Cash Pool or the Liquidation Pool. These assets will be transferred to BRSC in consideration for the New BRSC Shares which will be issued pursuant to the Rollover Option under the Scheme, in accordance with the terms of a transfer agreement to be entered into between the Company, BRSC and the proposed Liquidators (the "**Transfer Agreement**").

In allocating cash and other assets between the Cash Pool and the Rollover Pool, the Board shall be entitled to allocate a greater proportion of cash to the Cash Pool. In addition, any accrued income representing dividends declared but not paid by portfolio companies will be allocated to the Cash Pool. The Board shall otherwise allocate the remaining assets on a pro rata basis between the Cash Pool and the Rollover Pool save that the Board may allocate up to 10 per cent. of the remaining assets other than on a pro rata basis where it considers such allocation would be in the interests of both Shareholders electing for the Cash Option and those deemed to elect for the Rollover Option.

Ahead of the Effective Date, the Company's portfolio will be realigned or realised in a cost-effective manner to ensure that the Company has sufficient cash to fund the Liquidation Pool and has assets suitable for transfer to BRSC, taking account of BRSC's investment policy (which is intended to be amended, subject to BRSC Shareholder approval, in connection with the Proposals).

The "**THRG Rollover FAV**" will equal the Net Asset Value at the Calculation Date less the value of any cash and other assets or liabilities appropriated to the Liquidation Pool, less the value of any dividends that have been declared but not reflected in the Net Asset Value or paid prior to the Calculation Date and less the THRG Cash Pool FAV, and increased by the value of the THRG BlackRock Contribution. Accordingly, the THRG Rollover FAV will benefit from the value of the Cash Option Discount and the THRG BlackRock Contribution. The "**THRG Rollover FAV per Share**" will equal the THRG Rollover FAV divided by the number of Ordinary Shares deemed to have elected for the Rollover Option.

The "**BRSC FAV**" will equal the Net Asset Value of BRSC as at the Calculation Date (calculated in accordance with its normal accounting policies, on a cum income basis with debt at fair value), adjusted as follows: (i) reduced by the direct costs of the Proposals to be borne by BRSC but not accrued in the BRSC Net Asset Value as at the Calculation Date; (ii) reduced by the value of the BRSC Tender Pool and the costs of the BRSC Tender Offer to be borne by BRSC (including stamp duty and commission incurred in connection with the BRSC Tender Offer); (iii) reduced by the value of any dividends declared but not reflected in the BRSC Net Asset Value or paid prior to the Calculation Date by BRSC to BRSC Shareholders; and (iv) increased by the value of the

BRSC BlackRock Contribution. The "**BRSC FAV per Share**" will equal the BRSC FAV divided by the number of BRSC Shares in issue (excluding treasury shares and any BRSC Shares which have validly elected for the BRSC Tender Offer).

### **Costs of Implementing the Scheme**

Each of THRG and BRSC will bear their own costs in relation to the Proposals.

The fixed costs of the Scheme payable by the Company are expected to be approximately £1.3 million inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable where applicable. The estimate of the Company's costs excludes the Liquidators' retention to cover unknown or unascertained liabilities (estimated at £100,000) and does not take account of any dealing costs which will be incurred by the Company in disposing of or realigning its assets in order to fund the Liquidation Pool or to ensure that the assets forming the Rollover Pool are suitable for transfer to BRSC in accordance with BRSC's investment objective and policy (which is intended to be amended, subject to BRSC Shareholder approval, in connection with the Proposals). The costs associated with any realignment or realisation of THRG's portfolio prior to the Calculation Date will be borne by THRG.

To the extent that some or all of the Retention or the Retained Assets remain when the Liquidators decide to close the liquidation, this will be returned in cash to Shareholders that were on the Register as at the Scheme Entitlements Record Date.

BlackRock has agreed to make a contribution to the costs of the Proposals for the benefit of continuing shareholders. Subject to the Scheme becoming effective, BlackRock will waive the reduced management fee that would otherwise be payable to it by the Enlarged BRSC for a period of six months following the Effective Date based on the estimated Net Asset Value of the Enlarged BRSC as at the Calculation Date (the "**BlackRock Cost Contribution**"). Based on the respective NAVs of BRSC and THRG as at the Latest Practicable Date, and assuming full take up of both the BRSC Tender Offer and the Cash Option, the value of the BlackRock Cost Contribution would be approximately £1.9 million.

The benefit of the BlackRock Cost Contribution will be apportioned between the BRSC FAV and the THRG Rollover FAV as follows, the respective shares of the BlackRock Cost Contribution being the "**BRSC BlackRock Contribution**" and the "**THRG BlackRock Contribution**", respectively.

In the first instance, the proportion of the BlackRock Cost Contribution allocated to each of the BRSC FAV and the THRG Rollover FAV shall be determined pro rata by reference to the relative values of the BRSC FAV and the THRG Rollover FAV prior to any allocation of the BlackRock Cost Contribution.

Thereafter, in the event that the pro rata allocation of the BlackRock Cost Contribution results in:

- a) the Proposals being NAV accretive for THRG continuing shareholders and NAV dilutive for BRSC continuing shareholders, the THRG BlackRock Contribution will be reduced, and the BRSC BlackRock Contribution correspondingly increased, so that the Proposals are not dilutive for BRSC continuing shareholders, save to the extent that to do so would result in the Proposals becoming NAV dilutive to THRG continuing shareholders; or
- b) the Proposals being NAV accretive for BRSC continuing shareholders and NAV dilutive for THRG continuing shareholder, the BRSC BlackRock Contribution will be reduced, and the THRG BlackRock Contribution correspondingly increased, so that the Proposals are not dilutive for THRG continuing shareholders, save to the extent that to do so would result in the Proposals becoming NAV dilutive to BRSC continuing shareholders.

In the event that the Scheme does not proceed then each of the Company and BRSC will bear its own costs associated with the Scheme.

### **Dividends**

#### ***THRG***

The Board intends to announce a final interim dividend for the financial year ended 30 November 2025 on publication of the annual report and accounts.

As an investment trust, the Company is not permitted to retain more than 15 per cent. of its income in any accounting period. If the Scheme is successful, this condition must be met in the shortened accounting period commencing on 1 December 2025 and ending on the Effective

Date. In order to meet this requirement, the Company therefore proposes to pay, in addition to the final interim dividend for the year ended 30 November 2025 referred to above, and conditional on the passing of the Resolutions at the First General Meeting, an additional pre-liquidation interim dividend to Shareholders.

Both the final interim dividend and the pre-liquidation interim dividend will have a record date and payment date prior to the Effective Date.

### **BRSC**

In the ordinary course of events, BRSC would pay a final dividend in respect of the financial year ending 28 February 2026, such dividend to be subject to approval by BRSC Shareholders at BRSC's AGM later this year, and to be paid to those BRSC Shareholders on the share register in May of this year. However, given the Combination and the fact that THRG intends to pay both the final interim dividend and pre-liquidation interim dividend referred to above, rather than declaring a final dividend as part of its forthcoming annual results, BRSC will instead in due course declare a second interim dividend equal to the amount that would otherwise have been declared as a final dividend. This dividend will be declared no later than 31 March 2026 and it is expected that it will be paid in May 2026 to those BRSC Shareholders who were on the BRSC register as at 10 April 2026.

Under its dividend policy, effective from 1 March 2026, BRSC intends to make three interim dividend payments in September, December and March each year each equal to a quarter of the previous year's total dividend; and then declare a final dividend for the financial year (which ends on 28 February) reflecting the final amount required to ensure an appropriate level of full year dividend. It is expected that the first dividend to be paid to all shareholders in the Enlarged BRSC will be the first interim dividend for the financial year ending 28 February 2027, to be paid in September 2026.

### **General Meetings**

The implementation of the Proposals will require two general meetings of the Company. The notices convening the First General Meeting (to be held at 10.00 a.m. on 26 March 2026) and the Second General Meeting (to be held at 10.00 a.m. on 16 April 2026) are set out at the end of the Circular.

The Resolutions to be proposed at the General Meetings, on which all Shareholders may vote, are as follows:

#### ***First General Meeting***

The resolutions to be considered at the First General Meeting (both of which will be proposed as special resolutions) will, if passed, approve the terms of the Scheme and associated amendments to the Articles set out in Part 3 of the Circular, authorise the Liquidators to enter into and give effect to the Transfer Agreement with BRSC, purchase the interests of any Dissenting Shareholders and authorise the Liquidators to apply to cancel the listing of the Ordinary Shares with effect from such date as the Liquidators may determine.

Each Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour in order for it to be passed. The Scheme will not become effective unless and until, inter alia, the Resolution to be proposed at the Second General Meeting has also been passed.

#### ***Second General Meeting***

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The Resolution to be proposed at the Second General Meeting is conditional upon the passing of the Resolutions at the First General Meeting, the BRSC Share Allotment Authority being passed, the BRSC Tender Offer being approved by BRSC Shareholders and not having been terminated, the Saba Tender Condition being satisfied (at the BRSC Board's sole discretion), an election for the Cash Option being made in respect of all (or substantially all, to be determined by the Board and the BRSC Board, in their sole discretion) of the Ordinary Shares beneficially owned by the Saba Investment Vehicles, or in respect of which the Saba Investment Vehicles have an economic interest, or such lesser number as may be agreed between the Board and the BRSC Board, the approval of the London Stock Exchange of the admission of the New BRSC Shares to trading on the Main Market, and the Directors and the

BRSC Directors resolving to proceed with the Scheme.

The Resolution will require at least 75 per cent. of the votes cast in respect of it, whether in person or by proxy, to be voted in favour in order for it to be passed.

### Recommendation

The Board, which has been so advised by Winterflood, considers the Proposals and the Resolutions to be proposed at the General Meetings to be in the best interests of Shareholders as a whole. In providing its advice, Winterflood has relied on the Board's commercial assessment of the Proposals.

**Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings which total 48,939 Ordinary Shares (representing approximately 0.06 per cent. of the Company's total voting rights) as at the Latest Practicable Date.**

Choosing between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by their individual investment objectives and by their personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in the Circular. The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for any of the options under the Proposals. Shareholders who are in any doubt as to the contents of the Circular or as to the action to be taken are encouraged to seek their own personal financial advice from an appropriately qualified independent financial adviser.

In relation to BRSC, the Circular is not a prospectus and does not constitute an offer of any securities for sale or subscription. Further information on BRSC is available on BRSC's website [www.blackrock.com/uk/brsc](http://www.blackrock.com/uk/brsc) and in the Information Document which is available on BRSC's website [www.blackrock.com/uk/brsc](http://www.blackrock.com/uk/brsc) and THRG's website [www.blackrock.com/uk/thrg](http://www.blackrock.com/uk/thrg). The contents of BRSC's website and the Information Document do not form part of the Circular, and the Board takes no responsibility for the content of BRSC's website or the Information Document.

### Expected Timetable of Principal Events

	<b>2026</b>
Cash Option Record Date	6.00 p.m. on 23 February
Latest time and date for receipt of proxy appointments in respect of the First General Meeting	10.00 a.m. on 24 March
<b>First General Meeting</b>	<b>10.00 a.m. on 26 March</b>
Latest time and date for receipt of Forms of Election and TTE Instructions	1.00 p.m. on 9 April
Scheme Entitlements Record Date	6.00 p.m. on 9 April
Calculation Date	close of business on 9 April
Ordinary Shares disabled in CREST (for settlement)	close of business on 9 April
Trading in the Ordinary Shares on the London Stock Exchange is suspended	7.30 a.m. on 10 April
Latest time and date for receipt of proxy appointments in respect of the Second General Meeting	10.00 a.m. on 14 April
Reclassification of the Ordinary Shares	8.00 a.m. on 15 April
Suspension of listing of Reclassified Shares	7.30 a.m. on 16 April
<b>Second General Meeting</b>	<b>10.00 a.m. on 16 April</b>
Effective Date for implementation of the Scheme	16 April
Announcement of the results of Elections, the THRG Cash FAV,	16 April

the THRG Rollover FAV per Share and the BRSC FAV per Share

CREST accounts credited with, and dealings commence in, New  
BRSC Shares

8.00 a.m. on 17 April

Certificates despatched in respect of New BRSC Shares

by 30 April

Cheques despatched, and CREST accounts credited with cash,  
to Shareholders who elect for the Cash Option\*

as soon as practicable  
following the Effective Date

Cancellation of listing of Reclassified Shares

as soon as practicable after  
the payment of Cash  
Entitlements following the  
Effective Date

*\* The exact timing of payment of Cash Entitlements will depend on the number of Ordinary Shares elected for the Cash Option and the realisation period for assets in the Cash Pool, with the full realisation of the Cash Pool expected to take approximately eight weeks. This estimate is based on daily traded volumes for stocks in the portfolio over the past three months; however past trading history is no indication of future liquidity and the full realisation of assets in the Cash Pool may take longer depending on prevailing market conditions. There may be more than one payment made in respect of Cash Entitlements to reflect the fact that a substantial majority of the assets in the Cash Pool may be realised quickly but that the balance may take longer to realise.*

**Note:** All references to time in the Circular 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.

Defined terms used in this announcement shall, unless the context requires otherwise, have the meanings ascribed to them in the Circular.

The Circular will shortly be available for inspection at the National Storage Mechanism which is located at <http://data.fca.org.uk/a/nsm/nationalstoragemechanism> and on the Company's website at [www.blackrock.com/uk/thrg](http://www.blackrock.com/uk/thrg)

**END**

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This announcement contains information that is inside information for the purposes of Article 7 of the UK version of Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the Market Abuse Regulation). The person responsible for arranging for the release of this announcement on behalf of BlackRock Throgmorton Trust plc is BlackRock Investment Management (UK) Limited. Upon the publication of this announcement, this information is considered to be in the public domain.

**Important Information**

The information in this announcement is for background purposes only and does not purport to be full or complete.

This announcement is not for publication or distribution in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

Moreover, the New BRSC Shares have not been, nor will they be, registered under the applicable securities laws of Australia, Canada, Japan, New Zealand, the Republic of South Africa, or any member state of the European Economic Area. 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 (subject to certain exceptions described herein), any member state of the European Economic Area, Australia, Canada, Japan, New Zealand or the Republic of South Africa.

The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market movements. When you sell your investment, you may get back less than you originally invested. Figures refer to past performance and past performance should not be considered a reliable indicator of future results.

This announcement may include 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", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding THRG's or BRSC's respective financial positions, strategies, plans, proposed acquisitions and objectives, are forward-looking statements.

Winterflood Securities Limited ("**Winterflood**") which is authorised in the United Kingdom by the Financial Conduct Authority is acting exclusively for THRG and for no-one else in connection with the Proposals, will not regard any other person as its client in relation to the Proposals and will not be responsible to anyone other than THRG for providing the protections afforded to its clients or for providing advice in relation to the Proposals, or any of the other matters referred to in this announcement. This does not exclude any responsibilities or liabilities of Winterflood under the Financial Services and Markets Act 2000, as amended, or the regulatory regime established thereunder.