

Shareholder Q&A: Proposed Exit Tender Offer

1. What has IEM announced?

On 17 March 2026, the Board announced a proposed Exit Tender Offer, which would allow eligible Shareholders to sell up to 100% of their shares at close to the Company's Net Asset Value (NAV) per share. The Board has taken this action after Saba, the Company's largest Shareholder, chose not to tender its shares in the Board's previously proposed Continuation Tender Offer, meaning that the Continuation Tender Offer could not proceed.

For the Exit Tender Offer to proceed, it requires at least 50% of shareholders votes in favour of the Exit Tender Offer. If Saba chooses not to tender its shares, the Board believes that Saba could end up holding more than 50% of the Company's remaining issued share capital.

The Exit Tender Offer therefore provides a cash exit for Shareholders who do not wish to remain invested in a company where a single Shareholder, Saba, could gain majority control and potentially seek changes to the Company's investment objective or strategy.

2. Why is the Board making this proposal?

At the Company's 2025 AGM, Shareholders overwhelmingly endorsed IEM's continuation and its long-term Environmental Markets strategy. Since then, however, Saba has increased its holding to approximately 22.13% of the Company and has made clear that it does not support IEM's objectives. This has created significant tension within the Shareholder base and presents a serious challenge to the Company's stability and mandate.

Over many months, the Board has engaged proactively with Shareholders, including Saba, to find a responsible and balanced solution. The Continuation Tender Offer, launched on 26 January 2026, was the Board's best attempt to reconcile these differing positions. It offered all Shareholders, including Saba, the opportunity to exit at close to NAV, while preserving IEM's specialist strategy for those wishing to remain invested. The Board also secured a substantial financial contribution from the Manager to enhance the terms available to Shareholders.

Despite these efforts, Saba declined to tender its shares, meaning the conditions of the Continuation Tender Offer were not met and it was cancelled on 27 February 2026.

The Board believes that the Company cannot deliver on its investment objective where its largest Shareholder, Saba, does not support the Company's long-term continuation under the environmental markets strategy. The Exit Tender Offer therefore gives Shareholders the opportunity, if approved, to realise all or part of their investment and avoid the risk of remaining invested in a company where Saba could become the controlling Shareholder, with the power to change the Company's strategy, objectives and mandate.

3. Has the Board spoken with Saba?

The Board has been in ongoing dialogue with Saba, however Saba has refused to engage constructively despite the Board's best efforts to find a solution to balance the interests of all shareholders. IEM Chair Glen Suarez wrote to Boaz Weinstein, Founder and Chief Investment Officer of Saba, to ask him to

consider the full implications of Saba's actions for other Shareholders before it made its final decision regarding the Continuation Tender Offer. His letter can be viewed here: [Open Letter to Boaz Weinstein, Saba Capital - 07:01:01 27 Feb 2026 - IEM News article | London Stock Exchange](#)

4. What are my choices as a shareholder in the Exit Tender Offer?

The Exit Tender Offer can only proceed if at least 50% of votes cast at the General Meeting are in favour of the resolution to enable the Tender Offer to take place. The Board therefore urges Shareholders to vote in favour of the Resolution, regardless of whether they intend to tender shares.

The Exit Tender Offer enables Eligible Shareholders to tender up to 100% of their Shares in the Company. If the Resolution is passed and the Exit Tender Offer is not terminated, Shareholders can tender up to 100% of their shares at close to NAV (less tender costs) or choose to remain invested.

Shareholders who remain invested following the Exit Tender Offer are likely to be invested in a significantly smaller Company, and the Board believes there is a significant risk that Saba could hold a controlling interest. Shareholders should therefore carefully review the risk factors set out in the Circular, including the risks of not tendering.

5. What happens if the Exit Tender Offer is not approved?

Should the Exit Tender not be approved by Shareholders, there will be no opportunity for Shareholders to tender their shares and the Company will remain in its current position.

6. What action do I need to take?

The Exit Tender Offer process involves two separate Shareholder actions. Shareholders must first approve the Exit Tender Offer by passing the Resolution at the General Meeting. Separately, any Shareholder who wishes to sell some or all of their Shares for cash under the Exit Tender Offer must actively tender those Shares using the relevant forms, as set out in the Circular.

All shareholders are encouraged to vote in favour of the Resolution to approve the Exit Tender Offer, regardless of whether they intend to tender shares. The published Circular includes more detail on how to complete the relevant forms.

If shareholders hold shares via a platform or share plan provider such as Hargreaves or AJ Bell, they should contact their provider directly to make arrangements as their deadlines may be earlier.

7. By when do I need to register my vote?

Shareholders voting via a Proxy must return forms by no later than 11a.m. on 14 April 2026. Please note that voting deadlines are likely to be earlier if you hold through a platform and could be as early as 10 April 2026.

8. By when do I need to tender my shares?

Any Shareholder wishing to sell all or any of their Shares for cash under the Exit Tender Offer mechanism must tender some or all of their Shares using the YELLOW Tender Form or transmit the appropriate CREST transfer to escrow instruction, details of which can be found in Part 4 of Circular.

9. If I tender my shares, when will I receive the funds?

Payment due to Shareholders whose tenders under the Exit Tender Offer have been accepted are expected to be around the end of May 2026.

10. If I tender my shares, what Tender Price will I receive?

The price to be paid to tendering Shareholders will be based on the final realised value of the assets allocated to the Tender Pool. The Company expects to make an announcement before the end of May which will confirm the final Tender Price and date for payment of funds to tendering Shareholders.

11. What is the Board's recommendation?

The Board's priority is to protect all Shareholders and to ensure that those who invested in IEM for its specialist, long-term environmental markets strategy are treated fairly. The Board therefore unanimously recommends that Shareholders vote in favour of the Resolution at the General Meeting. Should the Exit Tender Offer be approved, the Board intends to tender all of the Shares which they own.

The Board makes no recommendation regarding whether Shareholders should tender their shares—this depends on their individual circumstances and investment priorities.

12. Where can I find more information or advice?

Shareholders should review the Exit Tender Offer Circular published on 17 March 2026 and consult their stockbroker, solicitor, accountant, or other independent financial adviser if they are unsure. For any further guidance, contact D.F. King at voting@dfkingltd.co.uk, or the registrar, MUFG Corporate Markets on +44 (0)371 664 0321.