

22 December 2023

Microsaic Systems plc
("Microsaic" or the "Company")

Acquisition and Fundraising Update,
Revised Date for GM and Timetable

*Capitalised terms in this announcement carry the same meaning as in the Circular
or subsequent announcements, unless the context indicates otherwise*

Further to the Company's prior announcement on 20 December 2023, Microsaic provides an update on the prospective Acquisition, Revised Fundraising, General Meeting and other key matters, as well as an updated indicative timetable of principal events.

Prospective Acquisition

As previously announced, the Company has entered into an Exclusivity Period with DeepVerge in respect of the potential purchase of certain assets of the Modern Water business previously operated by DeepVerge. Due diligence in respect of this acquisition is in progress, with the relevant sale and purchase agreement (the "Acquisition Agreement") now under negotiation.

Whilst there is no guarantee that the Company will enter into the Acquisition Agreement, or that the outline terms indicated in the Proposal will be those on which a binding agreement is signed, the parties are negotiating in good faith on that basis and anticipate being able to enter into the Acquisition Agreement by early January 2024, subject to customary completion matters.

The Microsaic Directors consider that following a restart of the manufacture of reagents for the water testing business by a technical team being retained, the Acquisition has the potential to improve the financial performance of Microsaic in the short term, and provide additional potential growth opportunities in the short to medium term. Further information regarding the Acquisition will be included in a subsequent announcement.

Revised Fundraising

The Company has engaged Turner Pope Investments ("TPI") as placing agent to arrange the Revised Fundraising, which is now targeting minimum gross proceeds of £1.0 million to support the working capital needs of Microsaic as enlarged by the acquired business, as well as to fund the consideration for the Acquisition. The Revised Fundraising is expected to involve the issue of shares via a non pre-emptive placing. As previously indicated, the expected placing price will represent a substantial discount to the closing price of Microsaic shares prior to their suspension, after taking into account the effects of the Share Capital Reorganisation. The Directors recognise that the Revised Fundraising will therefore result in a very significant level of dilution for the Company's existing Shareholders, as only limited value is being ascribed to the Company prior to the effects of the Revised Fundraising and the Acquisition. It remains the Directors' opinion that this dilution is materially preferable to Shareholders and other stakeholders compared to Cancellation from admission to trading on AIM or the potential liquidation of the Company.

Market sounding discussions have progressed well and TPI has to date received positive indications from investors for participation in excess of the minimum target for the Revised Fundraising, for which it will seek binding commitments from prospective placees. A further announcement will be made in this regard. Such commitments will remain conditional, inter alia, upon the passing of the resolutions being put at the General Meeting, the Company entering into the binding Acquisition Agreement with DeepVerge prior to seeking restoration of its shares to trading on AIM ("Restoration") and the admission of new shares to be issued in

connection with the Revised Fundraising.

General Meeting

The Company previously announced the adjournment of the General Meeting to on or around 27 December 2023. In order to provide shareholders with sufficient time and information to make an informed decision at the General Meeting, the Company now confirms that General Meeting will be held at 9.30 a.m. on 29 December 2023 at the offices of TPI at 8 Frederick's Place, London, EC2R 8AB. Further information regarding voting matters is provided for Shareholders below.

The Directors' unanimous recommendation for Shareholders to vote in favour of the Resolutions is unchanged from that included in the Circular.

Resolution 6 in relation to Cancellation is being withdrawn. In the event that Company does not secure binding commitments in respect of the Revised Fundraising or the resolutions being put to the General Meeting in connection with the Revised Fundraising are not passed, or if for any other reason the Revised Fundraising and Acquisition do not proceed, Cancellation will become effective at 7.00 a.m. on 4 January 2023, being the first business day after the expiry of the six-month period from the date the Company's shares were first suspended from trading on AIM.

An announcement will be made via a Regulatory Information Service following the General Meeting, to confirm the status of the Resolutions and to reconfirm the expected timetable of principal events.

Share Capital Reorganisation

Given the revised date and time of the General Meeting, it is now expected that the record date for the Share Consolidation and Sub-division shall be 6.00 p.m. (together) on 29 December 2023 (the day of the General Meeting).

The expected time and date for CREST to be credited with New Ordinary Shares held in uncertificated form (where applicable) is therefore on or around 2 January 2024.

Annual Report & Interim Results

Completion of the Revised Fundraising continues to remain conditional upon, *inter alia*, the publication of both the Annual Report and the Interim Results, in order to be compliant with the requirements of the AIM Rules for Companies in terms of financial reporting. The Company confirms that the Annual Report & Interim Results will be published after it has entered into a binding agreement in respect of the Acquisition, subject to the passing of the relevant resolutions at the General Meeting.

Restoration of the Company's Shares to Trading on AIM

Subject to the passing at the General Meeting of the resolutions required to implement the Revised Fundraising, sufficient binding commitments having been obtained in support of the Revised Fundraising, the entry into the Acquisition Agreement, and the prior publication of the Annual Report and the Interim Results (expected after 5.00 p.m.), Restoration is expected to occur at 7.30 a.m. on the next business day. Restoration remains subject to the Company's nominated adviser being satisfied as to the Company's shares to be admitted to AIM on an ongoing basis. The New Ordinary Shares to be issued pursuant to the Revised Fundraising are expected to be admitted to trading at 8.00 a.m. on the same day as restoration.

There are no guarantees that the above events will occur or that the conditions for restoration will be met. If any of the above conditions are not met, Cancellation is currently expected to take place with effect from 7.00 a.m. on 4 January 2024.

Information for Shareholders:

Shareholders are advised to read the Circular in full and subsequent regulatory announcements to inform themselves as to the business of the General Meeting and the Company's plans including the Acquisition. Shareholders wishing to revoke an existing voting instruction (which otherwise remain valid) should follow

the process described in the Notice. The helpline number given in the notes to the Notice remains available to Shareholders and may be used to request a fresh proxy voting form if the original has already been used and the previous instruction revoked.

Shareholders are advised that the latest time for receipt of Forms of Proxy in respect of the General Meeting, now taking place at 9.30 a.m. on 29 December 2023, is now 9.30 a.m. on 27 December 2023.

Further updates will be provided as appropriate.

Revised Indicative Timetable of Principal Events

Event	Time and/or date ⁽¹⁾ ⁽²⁾
General Meeting	9.30 a.m. on 29 December 2023
Announcement of the results of the General Meeting	29 December 2023
Record date for the Share Consolidation and Sub-division	6.00 p.m. on 29 December 2023
Expected date for CREST accounts to be credited with New Ordinary Shares held in uncertificated form (where applicable)	On or around 2 January 2024
Indicative date for the announcement of the signing of the Acquisition Agreement	Prior to 3.30 p.m. on 2 January 2024
Expected date for publication of Annual Report and Interim Results	After 5.00 p.m. on 2 January 2024
Restoration of New Ordinary Shares to trading on AIM ⁽³⁾ ⁽⁴⁾	7.30 a.m. on 3 January 2024
Admission of the shares pursuant to the Revised Fundraising to trading on AIM ⁽³⁾ ⁽⁴⁾	8.00 a.m. on 3 January 2024
Cancellation of admission to trading on AIM (only in the event that the prior steps required for Restoration or Admission of the New Ordinary Shares pursuant to the Revised Fundraising does not occur)	7.00 a.m. on 4 January 2024
Latest date for share certificates over New Ordinary Shares to be dispatched (where applicable)	Within 10 days of Restoration and Admission

Notes:

⁽¹⁾ All of the times referred to in this announcement refer to London time, unless otherwise stated.

⁽²⁾ Each of the forward-looking times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to shareholders by way of a regulatory announcement.

⁽³⁾ Each of the events in the above timetable following the General Meeting is conditional on the passing at the General Meeting of the relevant Resolutions.

⁽⁴⁾ Subject inter alia to the publication of the Annual Report and the Interim Results

This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is considered to be in the public domain.

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