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Tanfield Group PLC
16 August 2024

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Tanfield Group Plc
("Tanfield" or the "Company")

Snorkel Investment Update

The Board of Tanfield (the "Board") is pleased to update the market on its investment in Snorkel International Holdings LLC ("Snorkel"), the aerial work platform business.

Investment Background

- Tanfield is a 49% shareholder in the equity of Snorkel following the joint venture between the Company and Xtreme Manufacturing LLC ("Xtreme") (the "Contemplated Transaction"), a company owned by Don Ahern of Ahern Rentals Inc, relating to Snorkel, in October 2013.
- The Snorkel investment is valued at £19.1m. The outcome of the US Proceedings referenced below could have an impact on this valuation.
- On 22 October 2019, the Company announced that it had received a Summons and Complaint, filed in Nevada (the "US Proceedings") by subsidiaries of Xtreme, relating to the Contemplated Transaction.

Business Update

As reported on 7 August 2024, under the terms of the joint venture, Tanfield should receive Snorkel's annual accounts within 120 days of the 31 December year end, but these were not provided until the beginning of August 2024. Also, under the terms of the agreement, Tanfield should receive Snorkel's quarterly accounts within 45 days of a quarter end. The board have requested the accounts relating to 31 March 2024 on more than one occasion but no response or reason for the ongoing delay was ever provided.

As the deadline for providing the accounts for the second quarter ending 30 June 2024 was also approaching, the Board felt compelled to enforce its rights under the terms of the agreement and sought the assistance of the court in the US Proceedings.

Following a recent court hearing, the judge has ordered Snorkel to produce the overdue accounts and, subsequently, the Board expect to provide an update on Snorkel's progress in the first and second quarters of 2024 before the end of September 2024.

The Company continues to be fully focussed on the US Proceedings, which are continuing. Due to the ongoing delays in obtaining relevant discovery from Snorkel, and counter-defendants Ahern Rentals Inc and Xtreme, the jury trial scheduled for a 5-week stack beginning in March 2025 will need to be rescheduled. The Board is not currently aware of when the revised date will be but expects a 3-6 month delay is likely.

The Board continues to believe that a positive outcome to the proceedings is possible. So far as it is necessary, the Company will continue to vigorously defend its position whilst continuing to seek appropriate advice.

Further updates will be provided to Shareholders as and when appropriate.

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