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28 October 2024

REACT Group plc
("REACT" or the "Company")

Acquisition of 24hr Aquaflow Services Limited
Proposed Placing
Trading Update for the year ended 30 September 2024

The Board of REACT (AIM: REAT) the leading specialist cleaning and soft facilities management services provider announces the acquisition of 24hr Aquaflow Services Limited ("**Aquaflow**"), the drainage and plumbing services company based in London and the South East, by its subsidiary, React SC Holdings Limited (the "**Buyer**"), for a total consideration of up to £7.4 million on a debt-free and cash-free basis (the "**Acquisition**").

The Company also announces a proposed placing of up to 1,358,025 new Ordinary Shares (the "**Placing Shares**") to raise gross proceeds of up to £1.1 million (the "**Placing**") at a price of 81 pence per Placing Share (the "**Placing Price**") to provide the Company with additional working capital. The Placing is being undertaken by Singer Capital Markets Securities Limited ("**Singer**") and Dowgate Capital ("**Dowgate**") (together the "**Brokers**").

The Company is also providing an update on trading for the year ended 30 September 2024, which has continued to be strong despite headwinds in the current climate. The Board expects revenue should be £20.7 million (FY23: £19.6 million), a c.5.6% increase on the prior year, and gross profit to be £5.7 million (FY23: £5.2 million) demonstrating continual improvement in gross profit margin from 26.5% in FY23 to 27.5% in FY24. Adjusted EBITDA is expected to be at least £2.4 million (FY23: £2.3 million).

Acquisition Highlights

- Aquaflow is a profitable, cash generative, commercial drainage and plumbing services company established over 20 years ago and operating in London and parts of the South East.
- Focuses on all aspects of blocked drainage, leaking pipework, planned preventative maintenance and reactive callouts.
- Track record of 79% of business being repeatable. 43% of which is planned preventative maintenance.

...from record of 100% of business being repeatable, 100% of which is planned preventative maintenance.

- Facilities Management ("FM") customers account for >95% of the customer base, many of whom will be new to the Company.
- In its financial year ended 30 April 2024 ("**FYApr24**"), Aquaflow generated unaudited revenue of £6.1 million, gross profit of £3.4 million (56% margin) and adjusted EBITDA of £1.2 million.
- Aquaflow's strong management team, including founders, are staying with the business.
- The Directors believe the Acquisition will:
 - Provide sought after and complementary services that the Company's FM customers demand;
 - Introduce new and strong relationships with FM customers to the Company;
 - Enable the Company to offer another lead-in service for organic growth within the FM sector, especially in London and the South East; and
 - Enhance earnings per share (EPS) immediately with the Acquisition expected to be 31% accretive to adjusted EPS in its first full year of consolidation (year ending 30 September 2026).

Acquisition Terms

- The total consideration of up to £7.4 million ("**Total Consideration**"), comprises initial consideration of approximately £5.0 million ("**Initial Consideration**") and performance based contingent consideration of up to approximately £2.4 million, payable in cash ("**Contingent Consideration**"), subject to EBITDA performance criteria. Further details of the Total Consideration are set out below.
- The Initial Consideration comprises £4.0 million in cash, which is intended to be funded via new debt provided by HSBC ("**HSBC Facility**") and from the Company's existing resources, and a further £0.48 million in cash to be paid in June 2025. Further details regarding the HSBC Facility, including the expected timing of drawdown, are provided below and this announcement should be read in full.
- As part of the Initial Consideration, the vendors of Aquaflow (the "**Vendors**") will also be issued 617,283 Ordinary Shares at the Placing Price ("**Consideration Shares**").

The Consideration Shares will be subject to a 3-year lock-in period, during which the relevant Consideration Shares cannot be sold or transferred, followed by a 12-month orderly market period.

The Initial Consideration represents c.4.1x Aquaflow's 2024 EBITDA and the Total Consideration (assuming all Contingent Consideration is paid) will represent c.4.3x Aquaflow's 2026 EBITDA (pursuant to EBITDA performance criteria).

Shaun Doak, Chief Executive Officer of REACT, commented:

"We are delighted to welcome Sherry Mundy, Paul Mundy, Neil Holmes and the Aquaflow team into the REACT group. Over the last 20 years they have established a very strong reputation for consistently delivering high-quality services and solutions greatly valued by customers."

"The Acquisition is expected to be immediately earnings enhancing and contribute significantly to the future profitability of the Group. This is REACT's third acquisition and further demonstrates the Company's stated inorganic growth strategy. We are excited by the opportunities that lie ahead as we continue to invest in profitable growth and offer our complementary services across the broadening customer base of the enlarged business."

Paul Mundy, Director of Aquaflow, commented:

"On behalf of the team, we are excited to be joining the REACT group and see a great deal of synergies with its culture and services. We have reached an exciting point in our journey having built the business over the last 20 years. The Acquisition enables us as vendors to benefit from this investment and provide us with the right support to continue this growth."

Admission, Settlement and Dealings

It is expected that admission of the Placing Shares and the Consideration Shares to AIM ("**Admission**") will occur and that dealings will commence at 8.00 a.m. on 29 October 2024. The Placing Shares and the Consideration Shares will rank *pari passu* with the Existing Ordinary Shares.

Following Admission, the Company will have 23,527,069 Ordinary Shares in issue and no Ordinary Shares in treasury. Therefore, the total voting rights in the Company will be 23,527,069.

Accordingly, therefore, the total voting rights in the Company will be 20,327,000.

This figure may be used by shareholders as the denominator for the calculation by which they may determine if they are required to notify their interest in, or any change to their interest in, the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

For more information:

REACT Group

Shaun Doak, Chief Executive Officer
Spencer Dredge, Chief Financial Officer
Mark Braund, Chairman

Tel: +44 (0) 1283 550 503

Singer Capital Markets - Nominated Adviser & Joint Broker

Philip Davies / Alex Bond / Oliver Platts

Tel: +44 (0) 207 496 3000

Dowgate Capital - Joint Broker

Stephen Norcross / Nicholas Chambers

Tel: +44 (0) 20 3903 7715

IFC Advisory - Financial PR & IR

Graham Herring / Zach Cohen

Tel: +44 (0) 20 3934 6630

About Us:

REACT Group plc, the UK's leading specialist cleaning and soft facilities management services business, operates with three divisions: LaddersFree, one of the largest commercial window cleaning businesses in the UK; Fidelis Contract Services ("Fidelis"), a contract cleaning and soft facilities maintenance business; and REACT business, which primarily provides a solution to emergency and specialist cleaning situations, both through long-term framework agreements and on an ad-hoc basis.

About Aquaflow

Founded in 2003, Aquaflow is a commercial drainage and plumbing services company operating in London and parts of the South East. Aquaflow focuses on all aspects of blocked drainage, leaking pipework, planned preventative maintenance and reactive callouts. Aquaflow has a strong management team, including founders who are staying with the business, excellent customer relationships, solid management systems and c.60 employees, c.45 of which are full time engineers.

Since inception, Aquaflow has built a strong track record whereby 79% of business is repeatable and 43% of which is planned preventative maintenance. Quoted works and service & reactive work accounts for 36% and 21% of repeatable business respectively. It has a strong customer base, with FM companies representing >95% of all customers, many of which will be new to the Company.

The Acquisition provides support for the exciting growth journey ahead and enables the vendors to benefit from their investments made into Aquaflow over the last 20 years.

For its financial year ended 30 April 2024, Aquaflow generated revenue of £6.1 million (2023: £4.7 million), gross profit of £3.4 million (2023: £2.7 million) and adjusted EBITDA of £1.2 million (2023: £1.0 million).

As at 30 April 2024, Aquaflow had unaudited net assets of £1.8 million.

Background to and reasons for the Acquisition

The Company aims to be the leading specialist cleaning and soft FM services business in the UK, delivering class-leading margins and cash conversion and the Acquisition is in line with the Company's stated strategy of accelerating growth in shareholder value by enhancing the reach and range of its specialist business, complemented by continued organic growth.

The Acquisition is expected to be immediately earnings enhancing and is forecast to be 31% accretive in its first full year following consolidation into the Company (FYSep26). The Board believes that the terms of the Acquisition, and the valuation of Aquaflow, are attractive given the growth opportunity through new customer acquisitions and cross-selling of complementary services. The Board considers the Aquaflow business to be an excellent platform to pursue further growth and provide sought after and complementary services that the Company's existing FM customers can utilise.

Aquaflow has developed strong relationships with FM companies which are not currently customers of REACT and therefore the Acquisition provides a lead-in for other services in the FM sector, especially in London and parts of the South East.

The Aquaflow business has strong systems in place given its current size alongside quality people and management who are key to support growth. That being said, the Board believes that there is a significant opportunity to add value by supporting management in the next phase of growth. Specifically, this will be done through growth in the current sales and marketing capability to growth both the core Aquaflow business and cross-sell complementary services.

REACT has a track record in incorporating complementary businesses. Management believes that the Acquisition would only require light-touch integration given the quality of the standalone business but will apply headcount to co-ordinate integration, providing focus on sales and marketing efforts whilst mitigating risks. A thorough review of Aquaflow's customers will be undertaken to identify white space and to define a plan for targeted sales and marketing efforts. In addition, the Company will review Aquaflow's training academy and operation call centre.

Details of the Acquisition

Total Consideration of up to £7.4 million, comprises:

- Initial Consideration of approximately £5.0 million, payable as follows:
 - £0.5 million of cash due at completion of the Acquisition ("**Completion**");
 - £0.5 million through the allotment, subject to Admission, of the Consideration Shares at the Placing Price at Completion;
 - £3.5 million in cash to be paid by no later than 6 December 2024; and
 - Approximately £0.5 million of cash on or before 30 June 2025.
- Performance based Contingent Consideration of up to £2.4 million to be paid across FY25, FY26, FY27 & FY28 (with reference to the Company's financial year) subject to the following EBITDA performance criteria:
 - EBITDA of £1.6 million in FY25;
 - EBITDA of £1.75 million in FY26;
 - Shortfall of up to £0.1 million in FY25 can be transferred to FY26; and
 - Reduction in Contingent Consideration is £4.60 for every £1.00 missed.

The Initial Consideration will be funded as follows:

- £3.5 million through a new bank loan with HSBC at 3.0% above the base rate. The Company will publish a further announcement when financing has been received;
- £1.0 million of operational cashflow (£0.5 million due immediately and £0.5 million deferred to 30 June 2025); and
- £0.5 million through the allotment, subject to Admission, of the Consideration Shares to the Vendors at the Placing Price. The Consideration Shares will be subject to a 3-year lock-in period, during which the relevant Consideration Shares cannot be sold or transferred. This is followed by a 12-month orderly market period.

The Acquisition is structured on the following multiples of Aquaflow's earnings:

- Initial Consideration: 4.1x FYApr24 EBITDA
- Total Consideration: 4.3x FYSep26 EBITDA (if Aquaflow achieves its EBITDA performance criteria)

HSBC Facility

The Company has reached agreement with HSBC regarding a new loan for £3.5 million (the **Loan**). The Loan is for a term of four years from drawdown, bears an annual interest rate of 3% over the Bank of England base rate and fully amortises over the term of the Loan. The Loan is secured by way of debentures and cross guarantees from all group entities, which will also include Aquaflow.

The Loan has been approved by HSBC's credit committee and is subject to the completion of customary banking documentation and other standard bank conditions. The Board anticipates that this will be completed, with the full amount of the Loan available to be drawn down, by the end of November 2024.

In the event that the Company is unable to draw down the Loan, then the Board will have to seek alternative sources of funding for the £3.5 million balance of the Initial Consideration. Until the Company pays the sum of £3.5 million due under the sale and purchase agreement ("**SPA**") to the Vendors, interest on such sum accrues at an annual interest rate of Bank of England base rate plus 2%. In the event that the Company fails to pay such sum to the Vendors by 6 December 2024, interest on such sum will accrue from that date at an annual interest rate of Bank of England base rate plus 8%.

The Company has guaranteed the Buyer's obligations in connection with the Acquisition but no formal security has been granted by the Company to the Vendors.

It is intended that the Loan will fund in full the Company's obligation to pay £3.5 million to the Vendors by 6 December 2024.

Details of the Proposed Placing and Placing Agreement

The Brokers have entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the Brokers, as agents for and on behalf of the Company, have agreed to use their respective reasonable endeavours to procure placees for the Placing Shares at the Placing Price. The Placing is not being underwritten by the Brokers or any other person.

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published., The Company will make a further announcement following completion of the Placing.

The Placing Shares will be made up of up to 1,358,025 Ordinary Shares allotted and issued by the Company. Accordingly, by participating in the Placing, Placees agree to subscribe for Placing Shares.

The Placing Agreement contains certain customary warranties given by the Company concerning the accuracy of information given in this Announcement in respect of the Placing as well as other matters relating to the Company and its subsidiaries ("**Group**") and the Group's business. The Placing Agreement is terminable by Singer in certain customary circumstances up until Admission, including, *inter alia*, should there be a breach of a warranty contained in the Placing Agreement or should a force majeure event take place or a material adverse change to the business of the Company or the Group occur. The Company has also agreed to indemnify Singer and Dowgate against all losses, costs, charges and expenses which Singer and / or Dowgate may suffer or incur as a result of, occasioned by or attributable to the carrying out of its obligations under the Placing Agreement.

Admission is conditional, *inter alia*, upon the Placing Agreement not having been terminated and becoming unconditional in respect of the Placing Shares.

The Placing Shares have been or will be duly authorised and will, when issued, be credited as fully paid up and will be issued subject to the Articles of Association and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares, and will, on issue, be free of all pre-emption rights, claims, liens, charges, encumbrances and equities.

Use of Proceeds

The net proceeds of the Placing will be used as additional working capital.

Related Party Transactions

Certain Shareholders (being Substantial Shareholders as defined in the AIM Rules) have indicated their intention to subscribe for Placing Shares at the Placing Price. The proposed participation by the Substantial Shareholders would constitute related party transactions under Rule 13 of the AIM Rules. Further details of any participation will be set out in the completion announcement.

Market soundings

Market soundings (as defined in MAR) were taken in respect of the Fundraising with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Group and its securities.

Appendix I to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

Unless otherwise stated, capitalised terms in this announcement have the meanings ascribed to them in Appendix II (which forms part of this announcement).

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section below and the Appendices to this Announcement (which form part of this Announcement) which includes the terms and conditions of the Placing. Persons who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendices) and to be making such offer on the terms and subject to the conditions herein and, in respect of those persons participating in the Placing, to be providing the representations, warranties, agreements, confirmations, acknowledgements and undertakings contained in Appendix I.

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This Announcement, or any copy of it, including the appendices, and information contained within it, is restricted and is not for publication, release, transmission, distribution or forwarding, in whole or in part, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, the Republic of South Africa or Japan or any other jurisdiction in which publication, release or distribution would be unlawful (or to any persons in any of those jurisdictions). This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for shares in the capital of the Company in the United States (including its territories and possessions, any state of the United States and the District of Columbia), or Australia, New Zealand, Canada, the Republic of South Africa or Japan or any other jurisdiction (or to any persons in any of those jurisdictions) or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any jurisdiction. This Announcement has not been approved by the London Stock Exchange, nor is it intended that it will be so approved. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

The Placing Shares have not been, and will not be, registered under the US Securities Act 1933, as amended (the **US Securities Act**) or with any securities regulatory authority or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, in or into the United States. Accordingly, the Placing Shares will be offered and sold only outside of the United States in "offshore transactions" (as such term is defined in Regulation S under the US Securities Act) pursuant to Regulation S and otherwise in accordance with applicable laws. No public offering of securities is being made in the United States. The Placing has not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares.

No public offering of the Placing Shares is being made in the United States, United Kingdom or elsewhere. All offers of the Placing Shares will be made pursuant to an exemption from the requirement to produce a prospectus under the UK Prospectus Regulation.

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The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Singer Capital Markets, SCM Advisory and/or Dowgate Capital or any of their respective affiliates or any person acting on its or their behalf that would permit an offering of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, Singer Capital Markets, SCM Advisory and Dowgate Capital to inform themselves about, and to observe, such restrictions.

Persons distributing this Announcement must satisfy themselves that it is lawful to do so. Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement (or any part thereof) should seek appropriate advice before taking any action.

In connection with the Placing, Singer Capital Markets and any of its affiliates, acting as investors for their own account, may take up a portion of the shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts or otherwise deal for their own account in such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, Singer Capital Markets and any of its affiliates acting in such capacity. In addition, Singer Capital Markets and any of its affiliates may enter into financing arrangements (including swaps) with investors in connection with which Singer Capital Markets and any of its affiliates may from time to time acquire, hold or dispose of shares. Singer Capital Markets does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

This Announcement contains and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "would", "likely", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgment at the date of this Announcement and are not intended to give any assurance as to future results and the Company cautions that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Announcement or made verbally by the Company and/or information incorporated by reference into this Announcement. The information contained in this Announcement is subject to change without notice and except as required by applicable law or regulation, the Company, its directors, Singer Capital Markets, their respective affiliates and any person acting on its or their behalf each expressly disclaims any obligation or undertaking to publish any updates, supplements or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statements are based, except where required to do so under applicable law or regulation or by the FCA or the London Stock Exchange.

Any investment decision to subscribe for Placing Shares in the Placing must be made solely on the basis of this Announcement and Publicly Available Information, which has not been independently verified by Singer Capital Markets or SCM Advisory or Dowgate Capital. This Announcement does not constitute a prospectus or offering memorandum or an

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References in this Announcement to other materials, such as a website address, have been provided to direct the reader to other sources of information on the Company which may be of interest. Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this Announcement.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM.

In addition, market soundings (as defined in MAR) were taken in respect of certain of the matters contained within this Announcement, with the result that certain persons became aware of inside information (as defined under MAR), as permitted by MAR. This inside information is set out in this Announcement. Upon the publication of this Announcement via a regulatory information service, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to REACT Group Plc and its securities, which is now considered to be in the public domain.

Appendix I to this Announcement (which forms part of this Announcement) sets out further information relating to the terms and conditions of the Placing. Persons who choose to participate in the Placing, by making an oral or written offer to subscribe for Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including Appendix I) and to be making such offer on the terms and subject to the conditions in this Announcement and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in Appendix I.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

Information to Distributors

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Singer Capital Markets, SCM Advisory and/or Dowgate Capital or any of its affiliates that would permit an offering of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, Singer Capital Markets, SCM Advisory and Dowgate Capital to inform themselves about, and to observe, such restrictions.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the **"UK Product Governance Rules"**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraphs 3.5 and 3.6 of COBS; and (ii) eligible for distribution through all permitted distribution channels (the **"UK Target Market Assessment"**). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Singer Capital Markets, SCM Advisory and Dowgate Capital will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A, respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

APPENDIX I

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX I) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS **"ANNOUNCEMENT"**) ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EEA QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION; (2) IF IN THE UNITED KINGDOM QUALIFIED INVESTORS AS DEFINED IN ARTICLE 19(2) OF THE UK PROSPECTUS REGULATION AND WHO: (A) FALL

KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF THE UK PROSPECTUS REGULATION AND WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE ORDER") (INVESTMENT PROFESSIONALS); OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (3) OTHERWISE, PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO COMMUNICATE IT (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

NEITHER THIS ANNOUNCEMENT NOR THE INFORMATION IN IT SHOULD BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OR A SOLICITATION OF AN OFFER TO BUY OR ACQUIRE OF ANY SECURITIES IN THE COMPANY IN THE UNITED STATES OR ELSEWHERE.

THE PLACING SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE, AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY (I) OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS AND; (II) IN THE UNITED STATES TO A LIMITED NUMBER OF "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT; OR (III) OTHERWISE PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY OFFER OR SALE OF PLACING SHARES IN THE UNITED STATES WILL BE MADE ONLY BY BROKER-DEALERS WHO ARE REGISTERED AS SUCH UNDER THE U.S. EXCHANGE ACT OF 1934, AS AMENDED. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES MENTIONED HEREIN IN THE UNITED STATES. THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. ~~RESTRICTED~~ "JURISDICTIONS"). NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE WHERE SUCH OFFERING WOULD BE UNLAWFUL.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO ANY LEGAL, REGULATORY, BUSINESS, FINANCIAL, TAX AND RELATED ASPECTS OF A PURCHASE OF PLACING SHARES.

All offers of the Placing Shares in the United Kingdom or the EEA will be made pursuant to an exemption from the requirement to produce a prospectus under the UK Prospectus Regulation and/or the EU Prospectus Regulation, as appropriate. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of FSMA does not require the approval of the relevant communication by an authorised person.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under, or offered in compliance with, the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the EEA.

Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement should be read in its entirety. In particular, any Placee should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements, confirmations and undertakings contained herein.

Any term and condition of the Placing which is expressed to bind more than one of the Brokers shall bind them severally, and not jointly or jointly and severally, and each obligation of each of the Brokers in respect of the Placing is several, and not joint and several, unless in each case it is expressly provided otherwise. Breach of any term and condition of the Placing by one of the Brokers shall not constitute a breach of the terms and conditions of the Placing by the other Broker and neither of the Brokers shall have any liability to any other party for any acts or omissions of the other Broker.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO ANY LEGAL, REGULATORY, BUSINESS, FINANCIAL, TAX AND RELATED ASPECTS OF A SUBSCRIPTION FOR THE PLACING SHARES.

In particular, each such Placee represents, warrants, acknowledges, agrees, confirms and undertakes (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors or in circumstances in which the prior consent of the relevant Broker has been given to the offer or resale; or
 - (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons;

3. in the case of a Relevant Person in a member state of the EEA (each a "**Relevant State**") who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances in which the prior consent of the relevant Broker has been given to the offer or resale; or
 - (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
4. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, agreements, confirmations and undertakings contained herein;
5. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Announcement; and
6. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 5 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

The Company and the Brokers will rely upon the truth and accuracy of the foregoing representations, warranties, indemnities, acknowledgements, agreements, confirmations and undertakings. Each Placee hereby agrees with the relevant Broker and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued. A Placee shall, without limitation, become so bound if the relevant Broker confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to subscribe for the number of Placing Shares allocated to it at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing Shares and the Placing based on the information contained in this Announcement and the announcement of the results of the Placing (the "**Result of Placing Announcement**") (together, the "**Placing Documents**") and any information publicly announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the trade confirmation sent to Placees.

Each Placee, by participating in the Placing, agrees that the content of the Placing Documents is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of SCM Advisory, the Brokers or the Company or any other person and none of SCM Advisory, the Brokers, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any responsibility or liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing.

No Placee should consider any information in this Announcement to be legal, regulatory, business, financial or tax advice. Each Placee should consult its own legal adviser, regulatory adviser, business adviser, financial adviser and tax adviser for legal, regulatory, business, financial and tax advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing Agreement and the Placing Shares

The Brokers have entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the Brokers, as agents for and on behalf of the Company, have agreed to use their respective reasonable endeavours to procure placees for the Placing Shares. The Placing is not being underwritten by the Brokers or any other person.

The price per Ordinary Share at which the Placing Shares are to be placed is 81 pence (the "**Issue Price**"). The timing of the allocations is at the discretion of the Company and the Brokers.

The Placing Shares will be made up of a number of new Ordinary Shares allotted and issued by the Company. Accordingly, by participating in the Placing, Placees agree to subscribe for Placing Shares.

The Placing Shares have been or will be duly authorised and will, when issued, be credited as fully paid up and will be issued subject to the Articles of Association and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares, and will, on issue, be free of all pre-emption rights, claims, liens, charges, encumbrances and equities.

Application for listing and admission to trading

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission of the Placing Shares will occur at 8.00 a.m. on 29 October 2024 (or such later time or date as Singer Capital Markets may agree with the Company, being no later than 8.00 a.m. on 8 November 2024) and that dealings in the Placing Shares on AIM will commence at that time.

Placing

This Appendix I gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Brokers and the Company shall be entitled to effect the Placing by such alternative method as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. The Brokers are each acting as a broker and a bookrunner to the Placing, as agents for and on behalf of the Company, on the terms and subject to the conditions of the Placing Agreement. SCM Advisory is acting as nominated adviser to the Company in connection with the Placing and Admission. Each of the Brokers and SCM Advisory are authorised and regulated entities in the United Kingdom by the FCA and are acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company in relation to the matters described in this Announcement.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Brokers. The Brokers may themselves agree to be a Placee in respect of all or some of the Placing Shares or may nominate any member of their respective group to do so.
3. The Company will confirm the closing of the Placing via the Result of Placing Announcement.
4. The Company reserves the right (upon the prior agreement of SCM) to vary the number of shares to be issued pursuant to the Placing, in its absolute discretion.
5. Allocations of the Placing Shares will be determined by the Brokers after consultation with the Company (and in accordance with the relevant Broker's allocation policy). Allocations will be confirmed orally by the relevant Broker and a trade confirmation will be despatched as soon as possible thereafter. The relevant Broker's oral confirmation to such Placee constitutes an irrevocable legally binding commitment upon such person (who will at that point become a Placee), in favour of the relevant Broker and the Company, to subscribe for the number of Placing Shares allocated to it and to pay the Issue Price in respect of each such share on the terms and conditions set out in this Appendix I and in accordance with the Articles of Association. Participation in the Placing will be made on the terms and subject to the conditions in this Appendix I and will be legally binding on the Placee on behalf of which it is made and, except with the relevant Broker's consent, such commitment will not be capable of variation or revocation after the time at which it is submitted.
6. Each Placee's allocation and commitment will be evidenced by a trade confirmation issued to such Placee. The terms of this Appendix I will be deemed incorporated in that trade confirmation.
7. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for/purchased pursuant to the Placing will be required to be made at the same time, on the basis explained below under "**Registration and Settlement**".
8. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "**Conditions of the Placing**" and to the Placing not being terminated on the basis referred to below under "**Right to terminate under the Placing Agreement**".
9. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
10. To the fullest extent permissible by law, none of SCM Advisory, the Brokers, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of SCM Advisory, the Brokers, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Brokers' conduct of the Placing or of such alternative method of effecting the Placing as the Brokers and the Company may agree.
11. The Placing Shares will be issued subject to the terms and conditions of this Appendix I and each Placee's commitment to subscribe for Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Brokers' conduct of the Placing.

Conditions of the Placing

The Placing is conditional, amongst others, upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Brokers' obligations under the Placing Agreement are conditional on customary conditions, including (amongst others) (the "**Conditions**"):

1. Admission occurring no later than 8.00 a.m. on 29 October 2024 (or such later time or date as Singer Capital Markets and Dowgate Capital may otherwise agree with the Company, being no later than 8.00 a.m. on 8 November 2024) (the "**Closing Date**");
2. the delivery to Singer Capital Markets and Dowgate Capital immediately prior to Admission of a certificate from and signed by the Company in terms of the warranties being provided by the Company under the Placing Agreement (the "**Warranties**"); and
3. the Company having complied with its obligations which fall to be performed on or prior to Admission under the Placing Agreement.

SCM (on behalf of the Brokers) may, at its discretion and upon such terms as it thinks fit, waive compliance by the Company with the whole or any part of any of its obligations in relation to the Conditions or (together with SCM Advisory and Dowgate Capital) extend the time or date provided for fulfilment of any such Conditions in respect of all or any part of the performance thereof, save in respect of condition 1 above relating to Admission taking place. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix I.

If: (i) any of the Conditions are not fulfilled or (where permitted) waived by SCM by the relevant time or date specified (or such later time or date as Singer Capital Markets and Dowgate Capital may agree with the Company, being no later than 8.00 a.m. on 8 November 2024); or (ii) the Placing Agreement is terminated in the circumstances specified below under

and on 8 November 2024, or any other date, the Placing Agreement is terminated in the circumstances specified below under "Right to terminate under the Placing Agreement", the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it or on its behalf (or any person on whose behalf the Placee is acting) in respect thereof.

Neither the Brokers nor the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition to the Placing, nor for any decision they may make as to the satisfaction of any Condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Singer Capital Markets and Dowgate Capital (as applicable).

Right to terminate under the Placing Agreement

Singer Capital Markets is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including (amongst other things):

1. any statement contained in the Placing Documents is discovered to be untrue or incorrect in any material respect or misleading or that there has been a material omission therefrom;
2. any of the Warranties was, when given, untrue, inaccurate or misleading or has ceased to be, true, accurate or not misleading (or would not be true, accurate or not misleading if then repeated) by reference to the facts subsisting at the time;
3. there is a breach by the Company of any of its obligations under the Placing Agreement which is material in the context of the Placing;
4. any of the Conditions has become incapable of satisfaction and has not been waived;
5. there has occurred, in SCM's opinion, acting in good faith, a material adverse change (whether or not foreseeable at the date of the Placing Agreement);
6. it comes to the notice of a Broker that there has been or will be a material breach of the Share Purchase Agreement including any of the warranties in that agreement or the Share Purchase Agreement is otherwise terminated, rescinded or frustrated;
7. a general moratorium on commercial banking activities in London is declared by the relevant authorities or there is a material disruption in commercial banking or securities settlement or clearance services in the United Kingdom;
8. the declaration, outbreak, escalation or threatening of war or other hostilities, or the occurrence of any acts of terrorism, involving the United Kingdom or the declaration by the United Kingdom of a national emergency;
9. any change or development involving a prospective change in tax adversely affecting the Company or its prospects or the Placing;
10. any other occurrence of any kind which (by itself or together with any other such occurrence) is, in the reasonable opinion of SCM Advisory and/or SCM (acting in good faith), likely to materially and adversely affect the market's perception of the Company or the financial position or trading position or prospects of the Company; or
11. any other crisis of international or national effect or any change in any currency exchange rates or controls or in any financial, political, economic or market conditions or in market sentiment or any other calamity or crisis which, in any case, in the reasonable opinion of SCM Advisory and/or SCM (acting in good faith) is materially adverse to the Placing or Admission.

Upon termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, each Placee agrees that (i) the exercise by Singer Capital Markets of any right of termination or of any other discretion under the Placing Agreement shall be within the absolute discretion of Singer Capital Markets and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or failure to so exercise and (ii) its rights and obligations terminate only in the circumstances described above under "Right to terminate under the Placing Agreement" and "Conditions of the Placing", and its participation will not be capable of rescission or termination by it after oral confirmation by the relevant Broker of the allocation and commitments in the Placing.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BPCTRB97) following Admission will take place within the system administered by Euroclear ("CREST"), subject to certain exceptions. Each Broker reserves the right to require settlement for, and delivery of, the Placing Shares (or any part thereof) to Placees by such other means that they may deem necessary if delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee to be allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to them at the Issue Price, the aggregate amount owed by such Placee to the relevant Broker and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with the relevant Broker.

The Company will deliver (or will procure the delivery of) the Placing Shares to a CREST account operated by the relevant Broker as agent for the Company and the Brokers will enter their respective delivery instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement in respect of the Placing Shares will take place on 29 October 2024 on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above SONIA as determined by SCM.

Each Placee is deemed to agree that, if it does not comply with these obligations, the relevant Broker may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the relevant Broker's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and will be required to bear any stamp duty or stamp duty reserve tax or other taxes or duties (together with any interest or penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are issued in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, allotment, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither the Brokers nor the Company shall be responsible for payment thereof.

Representations, warranties, acknowledgements, agreements, confirmations and undertakings

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably represents, warrants, acknowledges, agrees, confirms and undertakes (as the case may be) with the relevant Broker (in its capacity as bookrunner and placing agent of the Company in respect of the Placing) and the Company, in each case as a fundamental term of their application for Placing Shares, the following:

1. it has read and understood this Announcement in its entirety and its subscription for Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements, confirmations and undertakings and other information contained herein and it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with the Placing, the Company, the Placing Shares or otherwise other than the information contained in the Placing Documents and the Publicly Available Information;
2. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and MAR, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
3. to be bound by the terms of the Articles of Association;
4. the person whom it specifies for registration as holder of the Placing Shares will be: (a) itself; or (b) its nominee, as the case may be. Neither the Brokers nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes or duties imposed in any jurisdiction (including interest and penalties relating thereto) ("**Indemnified Taxes**"). Each Placee and any person acting on behalf of such Placee agrees to indemnify the Brokers and the Company on an after-tax basis in respect of any Indemnified Taxes;
5. neither SCM Advisory nor the Brokers nor any of their respective affiliates agents, directors, officers and employees accepts any responsibility for any acts or omissions of the Company or any of the directors of the Company or any other person in connection with the Placing;
6. time is of the essence as regards its obligations under this Appendix I;
7. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the relevant Broker;
8. it will not redistribute, forward, transfer, duplicate or otherwise transmit this Announcement or any part of it, or any other presentational or other material concerning the Placing (including electronic copies thereof) to any person and represents that it has not redistributed, forwarded, transferred, duplicated, or otherwise transmitted any such documents to any person;
9. it has not received (and will not receive) a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the UK Prospectus Regulation, the EU Prospectus Regulation or other applicable law; and (b) has been or will be prepared in connection with the Placing;
10. in connection with the Placing, the Brokers and any of their affiliates acting as an investor for their own account may subscribe for Placing Shares in the Company and in that capacity may retain, purchase or sell for their own account such Placing Shares and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to the Placing Shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Brokers or any of their affiliates acting in such capacity;
11. the Brokers and their respective affiliates may enter into financing arrangements and swaps with investors in connection with which the Brokers and any of their relevant affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares;
12. the Brokers do not intend to disclose the extent of any investment or transactions referred to in paragraphs 10 and 11 above otherwise than in accordance with any legal or regulatory obligation to do so;
13. neither SCM Advisory nor the Brokers owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
14. its participation in the Placing is on the basis that it is not and will not be a client of any Broker in connection with its participation in the Placing and that neither Broker has any duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
15. the content of the Placing Documents and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company (and such other persons specifically identified as accepting responsibility to certain parts thereto) and neither SCM Advisory nor the Brokers nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is responsible for or has or shall have any responsibility or liability for any information, representation or statement contained in, or omission from, the Placing Documents, the Publicly Available Information or otherwise nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in the Placing Documents, the Publicly Available Information or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by such person;
16. the only information on which it is entitled to rely and on which such Placee has relied in committing itself to

subscribe for Placing Shares is contained in the Placing Documents or any Publicly Available Information (save that in the case of Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph 16), such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares;

17. it has neither received nor relied on any other information given, or representations, warranties or statements, express or implied, made, by SCM Advisory, the Brokers or the Company or any of their respective affiliates, agents, directors, officers or employees acting on behalf of any of them (including in any management presentation delivered in respect of the Placing) with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of any information contained in the Placing Documents, or the Publicly Available Information or otherwise;
18. neither SCM Advisory nor the Brokers nor the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, nor will provide, it with any material or information regarding the Placing Shares or the Company or any other person other than the information in the Placing Documents or the Publicly Available Information; nor has it requested any of SCM Advisory or the Brokers or the Company or any of their respective affiliates or any person acting on behalf of any of them to provide it with any such material or information;
19. neither SCM Advisory nor the Brokers nor the Company will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
20. it may not rely, and has not relied, on any investigation that SCM Advisory, the Brokers, any of their respective affiliates or any person acting on its behalf, may have conducted with respect to the Placing Shares, the terms of the Placing or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing, the Placing Shares or the accuracy, completeness or adequacy of the information in the Placing Documents, the Publicly Available Information or any other information;
21. in making any decision to subscribe for Placing Shares it:
 - (a) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for the Placing Shares;
 - (b) will not look to SCM Advisory or the Brokers for all or part of any such loss it may suffer;
 - (c) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares;
 - (d) is able to sustain a complete loss of an investment in the Placing Shares;
 - (e) has no need for liquidity with respect to its investment in the Placing Shares;
 - (f) has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares; and
 - (g) has conducted its own due diligence, examination, investigation and assessment of the Company and the Group, the Placing Shares and the terms of the Placing and has satisfied itself that the information resulting from such investigation is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
22. it is subscribing for the Placing Shares for its own account or for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, acknowledgements, agreements, confirmations and undertakings contained in this Appendix I;
23. it is acting as principal only in respect of the Placing or, if it is acting for any other person, it is:
 - (a) duly authorised to do so and has full power to make the representations, warranties, acknowledgements, agreements, confirmations and undertakings herein on behalf of each such person; and
 - (b) will remain liable to the Company and/or the relevant Broker for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
24. it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws and regulations of all relevant jurisdictions that apply to it and that it has fully observed such laws and regulations, has capacity and authority and is entitled to enter into and perform its obligations as a subscriber of Placing Shares and will honour such obligations, and has obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix I) and will honour such obligations and that it has not taken any action or omitted to take any action which will or may result in SCM Advisory, the Brokers or the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
25. where it is subscribing for Placing Shares for one or more managed accounts, it is authorised in writing by each managed account to subscribe for the Placing Shares for each managed account;
26. it irrevocably appoints any duly authorised officer of the relevant Broker as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe for upon the terms of this Appendix I;
27. the Placing Shares have not been and will not be registered or otherwise qualified and that a prospectus will not be cleared in respect of any of the Placing Shares under the securities laws or legislation of the Restricted Jurisdictions, or any state, province, territory or jurisdiction thereof;
28. the Placing Shares may not be offered, sold, or delivered, directly or indirectly, in or into the Restricted Jurisdictions or any jurisdiction (subject to certain exceptions) in which it would be unlawful to do so and no action has been or will be taken by any of the Company or SCM Advisory or the Brokers or any person acting on behalf of the Company or SCM Advisory or the Brokers that would, or is intended to, permit a public offer of the Placing Shares in the Restricted Jurisdictions or any country or jurisdiction, or any state, province, territory or jurisdiction thereof, where any such action for that purpose is required;
29. no action has been or will be taken by any of the Company or SCM Advisory or the Brokers or any person acting on behalf of the Company or SCM Advisory or the Brokers that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;

require,

30. unless otherwise specifically agreed with the relevant Broker, it is not and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be, a resident of, nor have an address in, Australia, Japan, the Republic of South Africa or any province or territory of Canada;
31. it may be asked to disclose in writing or orally to the relevant Broker:
 - (a) if he or she is an individual, his or her nationality; or
 - (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned;
32. it is and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are subscribed for will be outside the United States and is acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
33. it has not been offered to purchase or subscribe for Placing Shares by means of any "directed selling efforts" as defined in Regulation S under the Securities Act or by means of any "general solicitation" or "general advertising" within the meaning of Regulation D under the Securities Act;
34. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold, pledged or delivered in or into or from the United States except pursuant to: (i) an effective registration statement under the Securities Act; or (ii) pursuant to an exemption from the registration requirements of the Securities Act and, in each case, in accordance with applicable United States state securities laws and regulations;
35. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
36. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
37. it understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Placing and it has made such investigation and has consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally;
38. it understands that the Company has not undertaken to determine whether it will be treated as a passive foreign investment company ("PFIC") for US federal income tax purposes for the current year, or whether it is likely to be so treated for future years and neither the Company nor SCM Advisory nor the Brokers make any representation or warranty with respect to the same. Accordingly, neither the Company nor SCM Advisory nor the Brokers can provide any advice to United States investors as to whether the Company is or is not a PFIC for the current tax year, or whether it will be in future tax years. Accordingly, neither the Company nor SCM Advisory nor the Brokers undertake to provide to United States investors or shareholders any information necessary or desirable to facilitate their filing of annual information returns, and United States investors and shareholders should not assume that this information will be made available to them;
39. if it is within the United Kingdom, it is a Qualified Investor as defined in Article 2(e) of the UK Prospectus Regulation and if it is within a Relevant State, it is a Qualified Investor as defined in Article 2(e) of the EU Prospectus Regulation;
40. it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
40. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of the UK Prospectus Regulation;
41. if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors, or in circumstances in which the express prior written consent of the relevant Broker has been given to each proposed offer or resale;
42. if in the United Kingdom, that it is a person: (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Order or (ii) who falls within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order, or (iii) to whom it may otherwise lawfully be communicated;
43. if in the United Kingdom, unless otherwise agreed by the relevant Broker, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of COBS and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
44. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
45. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that the Placing Documents have not and will not have been approved by SCM Advisory or either of the Brokers in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;
46. it has complied and will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all applicable provisions in FSMA and MAR) in respect of anything done in, from or otherwise involving, the United Kingdom;
47. if it is a pension fund or investment company, its subscription for/purchase of Placing Shares is in full compliance with applicable laws and regulations;
48. it has complied with its obligations under the Criminal Justice Act 1993 and Articles 8, 10 and 12 of MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds

(Information on the Payer) Regulations 2017 and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

49. in order to ensure compliance with the Regulations, each of the Brokers (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the relevant Broker or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the relevant Broker's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the relevant Broker's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identify the relevant Broker (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either of the relevant Broker and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
50. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
51. it (and any person acting on its behalf) has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment in respect of the Placing Shares allocated to it in accordance with this Appendix I on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the relevant Broker may in its sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Issue Price and the number of Placing Shares allocated to it and will be required to bear any stamp duty, stamp duty reserve tax or other taxes or duties (together with any interest, fines or penalties) imposed in any jurisdiction which may arise upon the sale of such Placee's Placing Shares;
52. any money held in an account with the relevant Broker on behalf of the Placee and/or any person acting on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence this money will not be segregated from the relevant Broker's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee;
53. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the relevant Broker or the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
54. neither the Brokers nor any of their affiliates, nor any person acting on behalf of them, are making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and the Brokers are not acting for it or their clients, and that the Brokers will not be responsible for providing the protections afforded to customers of the Brokers or for providing advice in respect of the transactions described in this Announcement;
55. it acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the trade confirmation, contract note or other (oral or written) confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Brokers' conduct of the Placing;
56. if it has received any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities in advance of the Placing, it confirms that it has received such information within the market soundings regime provided for in Article 11 of MAR and associated delegated regulations and it has not:
 - (a) used that inside information to acquire or dispose of securities of the Company or financial instruments related thereto or cancel or amend an order concerning the Company's securities or any such financial instruments;
 - (b) used that inside information to encourage, require, recommend or induce another person to deal in the securities of the Company or financial instruments related thereto or to cancel or amend an order concerning the Company's securities or such financial instruments; or
 - (c) disclosed such information to any person, prior to the information being made publicly available;
57. the rights and remedies of the Company and the Brokers under the terms and conditions in this Appendix I are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others; and
58. these terms and conditions of the Placing and any agreements entered into by it pursuant to the terms and conditions of the Placing, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or the Brokers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The foregoing representations, warranties, acknowledgements, agreements, confirmations and undertakings are given for the benefit of the Company as well as the Brokers and are irrevocable. The Brokers and the Company and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements, confirmations and undertakings.

Each prospective Placee, and any person acting on behalf of such Placee, irrevocably authorises the Company and the Brokers to produce this Announcement pursuant to, in connection with or as may be required by any applicable law or

Brokers to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify on an after tax basis and hold the Company, the Brokers and their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements, confirmations and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix I or incurred by the relevant Broker, the Company or any of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placees' obligations as set out in this Announcement, and further agrees that the provisions of this Appendix I shall survive after completion of the Placing.

No statement in the Placing Documents is intended to be a profit forecast or estimate, or to be relied upon as a guide to future performance, and no statement in the Placing Documents should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share, income, cash flow from operations or free cash flow for the Company. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The Placing Shares will not be admitted to trading on any stock exchange other than AIM, a market operated by the London Stock Exchange.

The Brokers are authorised and regulated by the FCA in the United Kingdom and are each acting as broker and bookrunner exclusively for the Company and no one else in connection with the Placing and they will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

Taxation

The agreement to allot and issue certain of the Placing Shares by the Company to Placees (and/or to persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question.

There should be no liability to stamp duty or stamp duty reserve tax arising on the allotment of the Placing Shares by the Company. The registration of and the issue of definitive share certificates to holders of Ordinary Shares should not give rise to any liability to stamp duty or stamp duty reserve tax.

In addition, neither UK stamp duty nor stamp duty reserve tax should arise on the transfers/sale of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares).

Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes or duties may be payable, for which neither the Company nor the Brokers will be responsible and the Placees shall indemnify the Company and the Brokers on an after-tax basis for any stamp duty or stamp duty reserve tax or other similar taxes or duties (together with interest, fines and penalties) in any jurisdiction paid by the Company or the Brokers in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Brokers accordingly. Placees are advised to consult with their own advisers regarding the tax aspects of the subscription for Placing Shares.

The Company and the Brokers are not liable to bear any taxes that arise on a sale of Placing Shares subsequent to their acquisition by Placees, including any taxes arising otherwise than under the laws of any country in the EEA. Each prospective Placee should, therefore, take its own advice as to whether any such tax liability arises and notify the Brokers and the Company accordingly. Furthermore, each prospective Placee agrees to indemnify on an after-tax basis and hold the Brokers and/or the Company and their respective affiliates harmless from any and all interest, fines or penalties in relation to stamp duty, stamp duty reserve tax and all other similar duties or taxes in any jurisdiction to the extent that such interest, fines or penalties arise from the unreasonable default or delay of that Placee or its agent.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable, whether inside or outside the UK, by them or any other person on the subscription, acquisition, transfer or sale by them of any Placing Shares or the agreement by them to subscribe for, acquire, transfer or sell any Placing Shares.

APPENDIX II

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

"Aquaflow"	24HR Aquaflow Services Limited being a company incorporated and registered in England and Wales with company number 04729294 whose registered office is C/O Steven Burton & Co Ltd Broomfield Park, Coggeshall Road, Earls Colne, Colchester, Essex CO6 2JX;
"Admission"	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the rules for AIM companies published by the London Stock Exchange, as amended or re-issued from time to time
"Brokers"	SCM and Dowgate Capital and Bro Broker shall mean either of them;
"certificated" or "in certificated form"	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
"Company"	REACT Group PLC, a company incorporated and registered in England and Wales with company

	number 5454010 and having its registered office at Holly House, Shady Lane, Birmingham B44 9ER
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
"Dowgate Capital"	Dowgate Capital Limited a company registered in England (company registration no. 02474423) whose registered office is at 15 Fetter Lane, London, England, EC4A 1BW
"Euroclear"	Euroclear UK and International Limited
"FCA"	the United Kingdom Financial Conduct Authority
"FSMA"	the UK Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto
"Group"	the Company and its subsidiaries
"Issue Price"	81 pence per Placing Share
"London Stock Exchange"	the London Stock Exchange plc
"Nominated Adviser" or "SCM Advisory"	Singer Capital Markets Advisory LLP a limited liability partnership registered in England (company registration no. OC364131) whose registered office is at One Bartholomew Lane, London EC2N 2AX, being the Company's nominated adviser
"Ordinary Shares"	ordinary shares in the share capital of the Company each with a par value of 12.5 pence
"Placing"	the conditional placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 28 October 2024 between the Company, SCM Advisory and the Brokers relating to the Placing
"Placing Shares"	the up to 1,358,025 new Ordinary Shares to be issued pursuant to the Placing at the Issue Price
"React SC"	React SC Holdings Limited being a company incorporated and registered in England and Wales with company number 09614215 whose registered office is Holly House, Shady Lane, Birmingham B44 9ER, being a subsidiary of the Company;
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
"SCM"	Singer Capital Markets Securities Limited a company registered in England (company registration no. 05792780) whose registered office is at One Bartholomew Lane, London EC2N 2AX
"Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Share Purchase Agreement"	the share purchase agreement entered into by React SC (as buyer) and the Company (as guarantor) on 25 October 2024 in relation to the acquisition of the entire issued share capital of Aquaflo
"Singer Capital Markets"	the Nominated Adviser and/or SCM in its capacity as a Broker and Bookrunner, as the context requires
"uncertificated" or "uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by way of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

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