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For immediate release

21 November 2024

COHORT PLC

("Cohort", "the Company" or "the Group")

AUD 144.0 million (c.£75.0 million) acquisition of EM Solutions

Compelling opportunity to access the fast growing naval Satellite Communications ("SATCOM") market

Cohort plc (AIM: CHRT), the independent technology group, is pleased to announce that it has entered into a conditional sale and purchase agreement to acquire the entire issued share capital of EM Solutions Pty Ltd which holds all of the issued share capital in EM Solutions (Europe) B.V. (together "**EM Solutions**") from Electro Optic Systems Holdings Limited, an Australian public company which is listed on the Australian Securities Exchange (ASX: EOS) (the "**Seller**" or "**EOS**"), for an enterprise value of AUD 144.0 million (c.£75.0 million), subject to customary post-completion adjustments (the "**Acquisition**").

Acquisition highlights

- Proposed acquisition of EM Solutions, a leading Australia-based developer and producer of high-end SATCOM terminals for global naval and defence customers
- Acquisition consideration is to be satisfied from Cohort's existing cash resources and debt facility and a placing of new ordinary shares (see separate announcement)
- EMSolutions will operate as the seventh stand-alone business within the Group, reporting through the Communications and Intelligence Division
- Completion of Acquisition expected by calendar year end

Acquisition rationale

- Enhance and diversify the Group's proposition with a complementary defence communication offering
- Gain exposure to naval surface vessel SATCOM market which has strong structural growth drivers
- Further broaden the Group's naval systems offering
- Accelerate EM Solutions' growth with enhanced position in UK, NATO Europe, Asia and South America
- Strengthen Cohort's presence in Australia, a key growing strategic region for the Group

Financial highlights of the Acquisition and Placing

- Materially accretive to adjusted EPS in first full financial year of ownership (2025/26) and onwards
- Tax adjusted Return on Invested Capital ("**ROIC**") is expected to exceed WACC in the third full financial year post Completion (2027/28)
- EMSolutions achieved revenues of AUD 43.1 million¹ and EBIT of AUD 11.5 million in the year ended 31 December 2023
- EMSolutions adds an order book of AUD 175.4 million (£91.4 million)², as at 30 September 2024, taking Group pro forma order book to over £650 million
- Following Completion, Cohort's pro forma net debt/EBITDA for the financial year ending 30 April 2025 is expected to be less than 1.0x, maintaining a strong balance sheet and liquidity

¹EM Solutions CY23A financials normalised to remove the contribution of the non-core Documentation services under the SEA1442 contract which generated c.AUD 14.1 million in revenue in CY23A². Assumed GBP/AUD of 1.92

Placing and Retail Offer (as separately announced)

- Cohort separately today announces a fully underwritten non-pre-emptive placing to institutional investors to raise gross proceeds of £40 million (the "**Placing**"), the net proceeds of which will be used to partially fund the Acquisition
- Additional offer up to £1 million via PrimaryBid to facilitate retail participation (the "**Retail Offer**") (together with the Placing the "**Fundraise**")

Andy Thomis, Chief Executive of Cohort plc, commented:

"The proposed acquisition of EM Solutions in Australia is highly complementary and is in line with our stated strategy to accelerate growth by making targeted acquisitions in the UK and overseas. Australia is an increasingly important strategic region, reflecting the increased security challenges in the Indo Pacific, and the creation of the AUKUS alliance.

EM Solutions represents a compelling opportunity to access the fast growing satellite communications market, further broadening the Group's strong existing naval systems service offering, whilst bringing new customers and enhancing our combined position in the UK, NATO Europe, Asia and South America.

This is our largest acquisition to date, adding Cohort's seventh standalone business and creating a materially larger Group. With the strong momentum being reported by Cohort and EM Solutions, together with the substantial combined orderbook, the Acquisition is expected to be materially enhancing to adjusted EPS in the first full financial year (2025/26) and onwards.

We are looking forward to welcoming the EM Solutions team to Cohort and working together to realise the multiple growth opportunities that this transaction affords."

Andreas Schwer, Chief Executive Officer and Managing Director of EOS, commented:

"Given the strengthening AUKUS partnership, we believe that Cohort is the ideal owner for EM Solutions and are confident the business will continue to strengthen under their stewardship."

Andy Thomis, Chief Executive, and Simon Walther, Finance Director, will host a short presentation for analysts and investors on Thursday 21 November at 08:30am GMT. To join please follow the link here: https://brmedia.news/CHRT_PC

For further information please contact:

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Unless the context otherwise provides, capitalised terms used in this Announcement have the meanings ascribed to them in the section headed "Definitions" at the end of this Announcement.

Introduction

The Company is pleased to announce that it has entered into the Acquisition Agreement with the Seller to acquire EM Solutions. EM Solutions manufactures and designs satellite on-the-move ("**SOTM**") terminals and Radio Frequency ("**RF**") Subsystems, and provides Contract Manufacturing and Design ("**CM&D**") and Sustainment services. Its key focus is on naval defence communications and its major customers include the Australian Department of Defence, Royal Australian Navy, Norwegian Navy and Dutch Ministerie van Defensie.

The Board believes that EM Solutions is highly complementary to the existing Cohort business and that the Acquisition is in accordance with its stated acquisition approach. The Board believes that EM Solutions would thrive under Cohort's ownership as the seventh standalone member of the Group, reporting through the Communications and Intelligence Division, alongside EID, MASS and MCL.

The consideration payable to the Sellers for EM Solutions is an enterprise value of AUD 144.0 million (c.£75.0 million) (subject to customary adjustments) which is to be satisfied from Cohort's existing cash resources and debt facility and a placing of 4,571,428 new ordinary shares in the Company to raise £40 million gross proceeds (see separate announcement).

In addition, Cohort separately today announces a Retail Offer to raise gross proceeds of up to £1 million (before fees and expenses), to allow retail shareholders an opportunity to participate in the Fundraise at the same price as the Placing.

The Placing is being fully underwritten by Investec Bank plc ("Investec" or the "Bookrunner"), subject to the conditions set out in the Placing Agreement. The Placing is not conditional on the Completion of the Acquisition. The Placing is conditional upon the Placing Agreement between the Company and the Bookrunner not having been terminated in accordance with its terms.

If the conditions relating to the issue of the Placing Shares are not satisfied or the Placing Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the associated Placing monies. In this scenario, the Retail Offer will similarly not proceed and the Acquisition is not required to complete.

Background information on EM Solutions

EM Solutions is an Australia-based technology developer of innovative microwave and on-the-move radio and satellite products that help to deliver high speed telecommunications across the world. EM Solutions' principal activity is the design, assembly, test, and support of SOTM terminals for defence and government customers. It also provides high-end broadband radio transceivers and other RF Subsystems such as low noise receivers and solid-state high-power transmitters for defence and commercial customers. EM Solutions is a wholly owned subsidiary of the Seller which is listed on the Australian Securities Exchange. Cohort's business EID has worked closely with EM Solutions in Portugal.

EM Solutions has internally developed technology IP. Its team boasts 59 engineers and technicians with an average tenure for the EM Solutions engineers being 8 years. EM Solutions has grown its revenue, EBIT and order book and has a strong order book and a significant pipeline of future opportunities.

EM Solutions' SATCOM terminals incorporate its in-house designed and manufactured products and subsystems, so that the total value it can bring to customers is substantial. The company delivers high-quality products and services to a customer base including some of the world's largest systems integrators and telecommunications companies, as well as government agencies. Its primary focus is on naval communications and its major customers include the Australian Department of Defence, Royal Australian Navy, Royal Norwegian Navy and Dutch Ministry of Defence. Other export customers include Japan, Portugal and the United States.

EM Solutions has vertically integrated systems and market leading expertise. Its SOTM terminal products are designed for clients who demand resilient and assured communications operating in high threat environments and accounted for circa 59% of revenue for the financial year 31 December 2023. Its RF Subsystems products assist with the assembly of radio components such as microwave filters, oscillators, mixers and power amplifiers and accounted for circa 3% of revenue for the financial year 31 December 2023. Additionally, EM Solutions' CM&D service provides tailored design, engineering and contract manufacturing of electronic components. For the financial year 31 December 2023, this accounted for circa 15% of revenue. The Sustainment services provided by EM Solutions are responsible for the repairs and maintenance across product life cycles and for the financial year 31 December 2023 accounted for circa 22% of revenue. EM Solutions has an integrated domestic manufacturing facility in Brisbane and a European service facility in the Netherlands.

EM Solutions can design and manufacture fully customised, defence-quality RF Subsystems in small volumes. It offers this capability to third-party customers to supplement its profitability. The CM&D business stream utilises EM Solutions' Radio Frequency engineering capability and excess manufacturing capacity to build and assemble equipment for third parties. Through-the-life support services provide a recurring revenue stream and continues the customer relationship.

EM Solutions financial summary

Set out below is financial information for the financial years ended 31 December 2023, 2022 and 2021.

Financial year ended 31 December ¹			
AUD (m)	2023	2022	2021
Revenue	43.1	28.5	25.1
Revenue growth (%)	51.1	13.7	-
EBIT	11.5	5.5	6.1
EBIT margin (%)	26.8	19.1	24.4

¹EM Solutions CY23A financials normalised to remove the contribution of the non-core Documentation services under the SEA1442 contract which generated c.AUD 14.1 million in revenue in CY23A. As prepared by EM Solutions.

For the year ended 31 December 2023, EM Solutions generated a diverse revenue stream with AUD 21.0 million from Europe and AUD 20.0 million from Australia. Additional revenue was derived from the UAE, the USA, and the rest of the world. Specifically AUD 25.2 million was attributed to SOTM terminal products, while AUD 9.5 million came from Sustainment products during the same period. The remaining revenue was generated from CM&D, RF Subsystems, and other sales. SOTM terminal products are the core of EM Solution's business and are forecast to grow to approximately 80 per cent. of revenues in the next five years. The compound average growth rate for revenue and EBIT across the financial year 2021 to the financial year 2023 was 31.1% and 37.2% respectively. The order book cover for the calendar year 2025 is expected to equate to 88 per cent..

Pro forma financials

	Cohort			EM Solutions ¹			Pro forma		
	Financial year ended 30 April 2024			Financial year ended 31 December 2023			Financial year ended 30 April 2024		
	S & E	C & I	Total	S & E	C & I	Total	S & E	C & I	Total
Revenue (£m)	119.6	82.9	202.5	0.0	22.5	22.5	119.6	105.4	225.0
Adjusted EBIT (£m)	10.5	10.6	21.1	0.0	6.0	6.0	10.5	16.6	27.1
EBIT margin (%)	8.8	12.8	10.4	0.0	26.8	26.8	8.8	15.8	12.1

Note: Pro forma FY24 Cohort financials derived by adding Cohort FY24A financials with EM Solutions CY23A financials; Assumed GBP/AUD of 1.92; Under EM Solutions accounting policies. Cohort adjusted EBIT has also been adjusted for the £4.5 million of central costs (split between both divisions)

¹EM Solutions CY23A financials normalised to remove the contribution of the non-core Documentation services under the SEA1442 contract which generated c.AUD 14.1 million in revenue in CY23A.

The Market opportunity

According to defence intelligence source Janes^{©1}, military forces are increasingly adopting both defence and commercial satellite networks in warfare using high bandwidth multi-band on-the-move terminals. Forecast demand for Naval SATCOM terminals for a set of forty-four addressable countries is estimated to be US 1.74 billion between 2024 and 2028 driven by new warship builds, mid-life upgrades and the emerging use of unmanned systems.

In Europe and Asia there is progressive increase in defence spending as geopolitical tensions impacting these regions continue to rise. Future growth opportunities for EM Solutions exist in the Netherlands, Norway, Portugal and Japan

According to Markets and Markets², the global military communications market is expected to grow at a CAGR of 7.9 per cent. from 2023 to 2028, with the long-range segment poised for substantial growth. Within the overall sector the unmanned vehicles segment is expected to grow at a higher CAGR of 10.8 per cent., reaching US 3.2 billion by 2028.

According to the Australian Government³, the 2024-25 Australian Defence Budget has seen a funding increase to AUD 765 billion over the decade and the annual Defence budget will grow to an estimated AUD 100 billion (2.3 per cent. of GDP) by 2033-34 compared to AUD 53 billion this financial year.

¹ Janes: Naval SATCOM Market Study; ² Markets and Markets: Military Communications Market by System (August 2023); ³ Australian Government Defence: A generational investment in Australia's Defence (14 May 2024)

Background to and reasons for the Acquisition

The Board believes that the Acquisition is highly complementary to Cohort's existing business, and significantly improves and increases its capability and offering. The Board also believes that the key attractions of EM Solutions for the Company are as follows:

- EMSolutions is positioned to take advantage of the growing requirement for naval SATCOM as users migrate from low-bandwidth X-band to faster Ka-band communications, and the number of unmanned surface vessels increases;
- EMSolutions' technology (monopulse tracking, multiband, proprietary RF component design) and products provide a genuine and sustainable competitive advantage that enables its products to sustain reliable communications in challenging conditions, especially relevant for the fast-growing uncrewed vessels market. We expect this to enable the business to generate continued strong margins going forwards;
- EMSolutions would bring a national Australian presence to Cohort and a base to provide local value to defence contracts, an important factor in that market; and
- EMSolutions brings a new capability to Cohort, complementary to the other Group businesses especially in respect to its naval activities.

The enterprise value of AUD 144.0 million (£75.0 million) is to be funded by net proceeds from the Placing, £15.0 million cash available on the balance sheet and £20.0 million drawn from Cohort's existing £35.0 million revolving credit facility arrangement.

Financial effects of the Acquisition

The Acquisition will create a materially larger Group and will be Cohort's largest acquisition to date. The Directors expect that the Acquisition will be materially accretive to adjusted EPS in the first full financial year of ownership (2025/26) and onwards. Tax adjusted ROIC is expected to exceed WACC in the third full financial year post Completion (2027/28).

Following Completion, pro forma net debt/EBITDA for the financial year ended 30 April 2024 is expected to be less than 1.0x. The Board wishes to maintain a strong balance sheet and liquidity to help support material capital expenditure programmes, as referred to in Cohort's AGM Statement on 24 September 2024, and the existing Group's growth plans. Additionally, Cohort's strong balance sheet gives customers comfort when entering into long term contracts.

The Acquisition will improve the Board's expectations for mid-teens adjusted EBIT margin by the financial year ended 30 April 2027. The Acquisition is expected to positively impact the Group's H1/H2 weighting, resulting in a more balanced level of trade compared to other businesses; however, the impact will depend on the specific mix of projects at any given time. Cohort remains committed to its policy of annual dividend growth, aligned with the growth in EPS and capital requirements.

There will be an increase in capital expenditure of approximately £1.5 million per year, which excludes research and development. The ongoing interest charge is expected to increase by approximately £1.5 million with EM Solutions having an effective tax rate of 30.0 per cent.

There will be other intangible amortisation post Completion, with an estimated increase between £7 million and £10 million in the annual charge. There will be circa £3 million of costs relating to the Acquisition, this is inclusive of transition and integration costs.

FX protection on the consideration due will be secured through AUD trade.

Current trading and outlook for Cohort

Cohort released its AGM Statement on 24 September 2024, which provided an update on current trading and outlook and stated that the Group's strategy continues to be to grow both organically and through acquisitions. The following is an extract of that announcement:

"Cohort, the AIM listed independent technology group, is today holding its Annual General Meeting ("AGM") and issues the following comments on current trading and outlook.

Cohort achieved record financial results in the year ended 30 April 2024 ("FY2024"), with strong performances in revenue, adjusted operating profit, order intake and net funds. The year ended with a robust cash position and a record closing order book of £518.7m, stretching out to 2037, with strong revenue cover for the current financial year ending 30 April 2025 ("FY2025").

Based on trading and order intake to date, we expect the first half trading performance to be significantly ahead of the same period last year, driven by the strong order book in Sensors and Effectors. We also expect to see an improved net margin for the first half. In line with past experience, we expect to see a continued weighting to the second half in the year as a whole.

Following contract wins since the start of FY2025 of over £120m, the order book on 20 September 2024 stood at over £575m, representing consensus FY2025 revenue cover of around 90 per cent.. We are optimistic about our prospects for further significant new orders, given demand for our products and services from both our domestic and export customers. For FY2025, we now forecast that the Group's revenue and profit performance will be a little ahead of our previous expectations.

As previously disclosed in the FY2024 final results announcement, given planned capital expenditure and expansion in working capital to support our record order book, net funds at the end of FY2025 are expected to be slightly lower than the £23.1m reported at the end of FY2024.

The Group's strategy continues to be to grow both organically and through acquisitions. Current geopolitical tensions are driving increased investment in defence and those are expected to continue for some years to come, creating the conditions for organic growth. Our business model is also well adapted to generating value from carefully targeted acquisitions, and we continue to seek opportunities for these in the UK and elsewhere."

The Board today provides the following update on H1 2024/25, which are slightly above management's previous expectation. The Board now expects Group revenue of at least £105 million (+11 per cent. on H1 FY24), Group adjusted profit of at least £9 million, (+50 per cent. on H1 FY24) a minimum Group adjusted profit margin of 8.5 per cent. based on the preceding minimum values and net cash of circa £30 million. The H1 2024/25 results are due to be released on 11 December 2024.

Current trading and outlook for EM Solutions

EM Solutions had a strong underlying performance for the six months to 30 June 2024, delivery against budget and strategy¹. Momentum is continuing into the second half of the financial year, backed by gross margin growth. Up to 30 September 2024, EBITDA¹ exceeded budget with a strong order book maintained. Costs are lower than budget year-to-date due to favourable product mix.

EMSolutions' order backlog as at 30 September 2024 was AUD 175.4 million.

¹EM Solutions CY23A financials normalised to remove the contribution of the non-core Documentation services under the SEA1442 contract which generated c.AUD 14.1 million in revenue in CY23A

EM Solutions integration within Cohort

Under Cohort ownership, EM Solutions will continue to enjoy a significant degree of operational autonomy in order to further develop its potential. EM Solutions will be supported by the Group's light touch autonomy and its effective financial control and governance regime. Subsidiaries are encouraged to collaborate in terms of business development, manufacturing and support services which includes opportunities for cross-selling products and sharing expertise throughout the wider Group. EM Solutions will operate as the seventh stand-alone business within the Group and will report through the Group's Communications and Intelligence Division, alongside EID, MASS, and MCL. Cohort is committed to continue to maintain EM Solutions' headquarters and primary manufacturing facilities in Brisbane, supporting further investment in Australian based defence capabilities and jobs for Australians.

Cohort is developing an integration plan for the Acquisition which it intends to implement from Completion, consistent with its business model of subsidiaries retaining operational autonomy, whilst ensuring the Group provides financial and strategic oversight. Cohort plans to maintain EM Solutions' existing executive leadership team and engage a small number of experienced, Australia-based non-executive directors to provide support and to enhance Cohort's oversight over what will be its most geographically distant operating business.

Principal terms of the Acquisition

On 21 November 2024, Cohort entered into the Acquisition Agreement pursuant to which it agreed (subject to conditions) to acquire the entire issued share capital of EM Solutions Pty Ltd (ACN 082 157 846) which holds all of the issued share capital in EM Solutions (Europe) B.V. (together "EM Solutions") from Electro Optic Systems Holdings Limited (ACN 092 708 364). The Acquisition Agreement is governed by the laws of Queensland, Australia.

Pursuant to the terms of the Acquisition Agreement, the purchaser will pay to the Seller, an enterprise value of AUD 144.0 (c. £75.0 million) million in consideration, subject to customary adjustments.

EM Solutions will operate as the seventh stand-alone business within the Group and report through the Group's Communications and Intelligence division, alongside EID, MASS and MCL. Cohort is a UK company, listed in London and its directors are all UK nationals. As a close ally of Australia and a fellow member of the AUKUS alliance and the Commonwealth, the UK's international security objectives are closely aligned with Australia's.

Australian Foreign Investment Review Board ("**AFRB**") approval was received in November 2024 and completion of the Acquisition is expected by calendar year end, subject to conditions.

Use of Placing proceeds

The Company intends to use the net proceeds of the Placing to finance a portion of the consideration payable under the Acquisition Agreement, and payment of the associated professional advisory fees of the Placing and Acquisition. All other payments due under the Acquisition Agreement are expected to be funded from the Group's existing cash resources and debt facility. In the unlikely event the Acquisition does not complete, the Company may, at its option, decide to use the funds for alternative investments or most likely consider a tax efficient way to return the net proceeds to shareholders.

Cohort founders and Board are supportive of the transaction but restricted from participating in the Placing due to Cohort being in a close period until the release of its H1 2024/25 results on 11 December 2024.

Principal terms of the Facilities

On 18 July 2022, the Company (as borrower), and Commerzbank, NatWest and Lloyds (as lenders) entered into the Facilities Agreement. Amounts borrowed under the RCF are repayable in July 2027, after Cohort exercised its options to extend the facility. The Facilities Agreement is governed by English law.

Expected timetable of Events

Announcement of the Acquisition	21 November 2024
Announcement of the Placing	21 November 2024
Announcement of the Retail Offer	21 November 2024

Announcement of the results of the Fundraise	21 November 2024
Admission and commencement of dealings in the New Ordinary Shares on AIM	25 November 2024
Expected timing for Completion	By 31 December 2024
Where applicable, expected date for crediting of the New Ordinary Shares in uncertificated form to CREST accounts	As soon as possible following Admission
Where applicable, expected date for despatch of share certificates in respect of the New Ordinary Shares	within 10 Business Days of Admission

Definitions

"Acquisition" means the acquisition by the Company of E M Solutions Pty Ltd (ACN 082 157 846) from the Seller.

"Acquisition Agreement" means the acquisition agreement entered into on 21 November 2024 between, amongst others, the Company and the Seller, pursuant to which the Company agreed (subject to conditions) to purchase the entire issued share capital of E M Solutions Pty Ltd (ACN 082 157 846) from the Seller.

"Admission" means the date on which the New Ordinary Shares are first admitted to trading on the AIM Market of the London Stock Exchange as part of the Fundraise.

"AGM" means annual general meeting.

"AGM Update" means the update on the Company's current trading and outlook provided in an announcement released by the Company on 24 September 2024.

"Board" means the board of directors of the Company.

"Bookrunner" means Investec.

"Cohort" means the Company.

"Communications and Intelligence Division" means the Communications and Intelligence Division of the Company.

"Company" means Cohort plc, an AIM-listed company registered in England and Wales (Registered No. 05684823).

"Completion" means completion of the sale and purchase of the entire issued share capital of 3,818,000 fully paid ordinary shares in E M Solutions Pty Ltd (CAN 082 157 846) contemplated by the Acquisition Agreement.

"EID" means Empresa de Investigação e Desenvolvimento de Electrónica, S.A.

"EM Solutions" means EM Solutions Pty Ltd (ACN 082 157 846) together with EM Solutions (Europe) B.V.

"EOS" means Electro Optic Systems Holdings Limited (CAN 092 708 364), an Australian public company which is listed on the Australian Securities Exchange (ASX: EOS).

"EPS" means earnings per share.

"Facilities Agreement" means the facility agreement originally dated 17 November 2015 between, amongst others, (1) Cohort plc, (2) Lloyds Bank plc (Lloyds), National Westminster Bank plc (NWB) and Commerzbank Aktiengesellschaft, London Branch as Mandated Lead Arrangers and current Lenders, (3) Lloyds and NWB as Bookrunners and (4) NWB as Agent and Security Agent, as amended and restated most recently 18 July 2022 and subsequently further amended on 30 September 2022 and 15 December 2023.

"FRB" means the Australian Foreign Investment Review Board.

"Fundraise" means the Placing together with the Retail Offer.

"Group" means the Company.

"Investec" means Investec Bank plc.

"MAR" means the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

"MASS" means MASS Consultants Limited, a limited company registered in England and Wales (Registered No. 01705804).

"MCL" means Marlborough Communications Limited, a limited company registered in England and Wales (Registered No. 01507639).

"New Ordinary Shares" means the issue of new ordinary shares of 10 pence each in the Company pursuant to the Fundraise.

"Placing" means the fully underwritten non-pre-emptive placing to institutional investors to raise gross proceeds of £40 million.

"Placing Agreement" means the placing agreement entered into between the Company and Investec in respect of the Placing.

"Placing Shares" means the shares to be offered as part of the Placing.

"PrimaryBid" means PrimaryBid Limited, a limited company registered in England and Wales (Registered No. 08092575).

"Retail Offer" means the additional offer up to £1 million via PrimaryBid to facilitate retail participation as part of the Fundraise.

"ROIC" means return on invested capital.

"SATCOM" means satellite communications.

"Securities Act" means the U.S. Securities Act of 1933 as amended.

"Seller" means Electro Optic Systems Holdings Limited (CAN 092 708 364), an Australian public company which is listed on the Australian Securities Exchange (ASX: EOS)

"WACC" means the Group's weighted average cost of capital.

For the purposes of this Announcement, the following definitions apply unless the context otherwise requires.

NOTES TO EDITORS

Cohort plc (www.Cohortplc.com) is the parent company of six innovative, agile and responsive businesses based in the UK, Germany and Portugal, providing a wide range of services and products for domestic and export customers in defence and related markets.

Cohort (AIM: CHRT) was admitted to London's Alternative Investment Market in March 2006. It has headquarters in Reading, Berkshire and employs in total over 1,400 core staff there and at its other operating company sites across the UK, Germany and Portugal.

The Group is split into two segments - Communications and Intelligence, and Sensors and Effectors:

Communications and Intelligence

- EID designs and manufactures advanced communications systems for naval and military customers. Cohort acquired a majority stake in June 2016. www.eid.pt
- MASS is a specialist data technology company serving the defence and security markets, focused on electronic warfare, digital services and training support. Acquired by Cohort in August 2006. www.mass.co.uk
- MCL designs, sources and supports advanced electronic and surveillance technology for UK end users including the MOD and other government agencies. MCL has been part of the Group since July 2014. www.marlboroughcomms.com

Sensors and Effectors

- Chess Dynamics offers surveillance, tracking and fire-control systems to the defence and security markets. Chess has been part of the Group since December 2018. www.chess-dynamics.com
- ELAC SONAR supplies advanced sonar systems and underwater communications to global customers in the naval marketplace. Acquired by Cohort in December 2020. www.elac-sonar.de
- SEA delivers and supports technology-based products primarily for naval defence customers alongside specialist research and training services. Acquired by Cohort in October 2007. www.sea.co.uk

IMPORTANT NOTICES

This Announcement is released by Cohort plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR. The person responsible for arranging the release of this Announcement on behalf of Cohort is Raquel McGrath. Upon the publication of this Announcement via a Regulatory Information Service, such information is now considered to be in the public domain. Cohort's LEI is 213800WE61C73LZZNW11.

There can be no certainty that any possible acquisition and/or equity issue contemplated in this Announcement will proceed nor as to the terms on which any possible transaction and/or equity issue might be concluded. For the avoidance of doubt, the issue of this Announcement shall not, in any circumstances, create any implication that Cohort plc shall be required to provide further updates on the status of any matters contemplated in this Announcement (save as may be required by law or regulation).

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