

13 March 2025

Castelnau Group Limited
("Castelnau" or the "Company")

Voluntary Cancellation of Hornby plc and Issue of Shares

The Company notes the announcement made earlier today by Hornby plc ("Hornby"), regarding its intention to seek shareholder approval for the voluntary cancellation of admission of its ordinary shares to AIM (the "Cancellation").

Hornby has been a portfolio company of Castelnau since Castelnau's IPO in 2021. Â Today Hornby represents 5.3 per cent. of Castelnau's overall net asset value. The directors of Castelnau continue to view Hornby as a valuable long-term investment and Castelnau will continue to support Hornby's executive management team as it executes its growth strategy.

The Company notes the Hornby board's rationale for the Cancellation which is primarily driven by the need for greater strategic flexibility. Hornby has committed to implementing significant structural changes and driving operational transformation. This commitment has been evidenced by strategic actions including acquisitions, divestments, and restructuring. In addition to the strategic flexibility, Hornby noted the limited liquidity of Hornby's shares and free float, coupled with the demands of AIM regulatory compliance and the costs of the listing.Â

Castelnau has agreed to support Hornby's proposed Cancellation and has provided an irrevocable undertaking to vote in favour of the resolution. It represents 54.9 per cent of Hornby's shares in issue.

Castelnau recognises the strong and longstanding loyalty of Hornby shareholders. For Hornby shareholders that want to continue to own Hornby shares as a private company they can do so with no further action, but in order to support Hornby shareholders who wish to continue to invest in the business but would like to do so via a listed vehicle, Castelnau has agreed with the Hornby board to offer a share-for-share exchange facility (the "Exchange Facility"). Through the Exchange Facility, Hornby shareholders can choose to exchange their ordinary shares in Hornby for new ordinary shares in Castelnau. New ordinary shares in Castelnau will be issued at a price of Â£1.01, being the latest published net asset value per share of the Company.

As a result of the Exchange Facility, Castelnau's holding in Hornby, which is currently 54.9 per cent. of the company's issued share capital, may increase. While there can be no certainty about the number of Hornby shares that will be exchanged, the maximum number of Hornby shares that could be accepted by Castelnau under the Exchange Facility is 34,851,808. Should the maximum number of Hornby shares be exchanged, Castelnau's interest in Hornby would increase from 54.9 per cent. to 75.6 per cent. with a proportional increase in the size of the Hornby investment in Castelnau's portfolio from 5.3 per cent. to 7.2 per cent of net asset value.

Richard Brown, CEO of Castelnau, commented:

"Castelnau views Hornby as an important part of our investment portfolio and we are working closely with the management team to support its transformation. Given the extensive operational changes being implemented, we recognise and support the Hornby Board's recommendation for the Cancellation. We believe this decision will benefit all stakeholders and enable Hornby to realise its full potential.

Hornby's heritage and reputation as a household brand has attracted a loyal shareholder base and we have agreed to offer the Exchange Facility for eligible Hornby shareholders that would like the ability to continue to hold a listed vehicle with exposure to Hornby."

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