



17 March 2025

Coats Group plc

Director/PDMR Shareholding

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

| 1 Details of the person discharging managerial responsibilities/person closely associated | |
|--|--|
| a) | Name David Paja |
| 2 Reason for the notification | |
| a) | Position/status Chief Executive Officer and Executive Director |
| b) | Initial notification/Amendment Initial notification |
| 3 Details of the issuer, UK emission allowance market participant, auction platform or auctioneer | |
| a) | Name Coats Group plc |
| b) | LEI 2138003SPYWGAITNFY17 |
| 4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted | |
| a) | Description of the financial instrument, type of instrument Share award constituting a right to acquire Ordinary shares of £0.05 Identification code GB00B4YZN328 |
| b) | Nature of the transaction 1. Award of nil cost share options under the terms of the Coats Group plc Deferred Annual Bonus Plan ("DABP") as set out below: The DABP awards represent a proportion of the annual bonus awarded for the year ended 31 December 2024 and vest after 3 years from the date of the award. DABP awards are not subject to performance conditions, as the bonus targets in respect of 2024 have already been met, but awards are subject to certain forfeiture and clawback provisions in certain situations such as personal misconduct or a misstatement of results. 2. Award of nil cost share options under the terms of the Coats Group plc Long Term Incentive Plan ("LTIP") the performance conditions are set out in the attached Appendix 1. |
| c) | Price(s) and volume(s) Price(s) Volume(s) 1) DABP Nil 220,210 2) LTIP Nil 1,541,472 |
| d) | Aggregated information • - Aggregated volume • - Price 1,761,682 n/a |
| e) | Date of the transaction 2025-03-14 |
| f) | Place of the transaction Outside a trading venue |

| 1 Details of the person discharging managerial responsibilities/person closely associated | |
|--|---|
| a) | Name Jacqueline Callaway |
| 2 Reason for the notification | |
| a) | Position/status Chief Financial Officer and Executive Director |
| b) | Initial notification/Amendment Initial notification |
| 3 Details of the issuer, UK emission allowance market participant, auction platform or auctioneer | |

| | | | |
|--|--|--|--|
| a) | Name | Coats Group plc | |
| b) | LEI | 2138003SPYWGAITNFY17 | |
| 4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted | | | |
| a) | Description of the financial instrument, type of instrument | Share award constituting a right to acquire Ordinary shares of £0.05 | |
| | Identification code | GB00B4YZN328 | |
| b) | Nature of the transaction | 1. | Award of nil cost share options under the terms of the Coats Group plc Deferred Annual Bonus Plan ("DABP") as set out below: The DABP awards represent a proportion of the annual bonus awarded for the year ended 31 December 2024 and vest after 3 years from the date of the award. DABP awards are not subject to performance conditions, as the bonus targets in respect of 2024 have already been met, but awards are subject to certain forfeiture and clawback provisions in certain situations such as personal misconduct or a misstatement of results. |
| c) | Price(s) and volume(s) | Price(s) | Volume(s) |
| | | 1) DABP | Nil 290,375 |
| d) | Aggregated information • - Aggregated volume • - Price | 290,375 n/a | |
| e) | Date of the transaction | 2025-03-14 | |
| f) | Place of the transaction | Outside a trading venue | |

Enquiry details

| | | | |
|-----------|--------------------------------|-----------------|---------------------|
| Investors | Anjali Kotak | Coats Group plc | +44 (0)7880 471350 |
| Media | Richard Mountain / Nick Hasell | FTI Consulting | +44 (0)20 3727 1374 |

Appendix 1

Coats Group plc - 2025 Long Term Incentive Award - Performance Schedule

Introduction

The following schedule sets out the performance conditions that will apply to the 2025 Coats Group PLC Long Term Incentive award. The performance period is 1 January 2025 to 31 December 2027.

Performance Measures & Weighting

The award has four performance measures and is weighted as set out below.

| Measure | Weighting (% of total award) | Definition ¹ |
|--|------------------------------|---|
| Coats Group plc Earnings Per Share Compound Annual Growth (CAGR) | 30% | The Compound Annual Growth (CAGR) in EPS achieved in the performance period. The Board will consider the CAGR in Normalised EPS which is EPS, adjusted to exclude exceptional items such as property gains or losses and the impact of IAS19 charges (pensions finance). |
| Average Cash Conversion over 3-years (Cash) | 20% | The average of the adjusted Free Cash Flow divided by normalised Attributable Profit for each of the three years in the performance period. The adjusted Free Cash Flow is after maintaining the company's asset base ie operating cash flow minus capital expenditures, adjusted for exceptional items such as property gains or losses. |
| Total Shareholder Return | 25% | The total returns to shareholders which includes share price growth and ordinary dividend payments. The performance condition is measured against a comparator group consisting of the FTSE250 minus investment trusts. |
| Sustainability | 25% | Achievement of 3 independent equally weighted Sustainability goals. |
| TOTAL | 100% | |

1. Subject to such adjustments as required by the Committee to ensure the performance condition fulfils its original intent.

Performance Targets and Vesting Schedule

| EPS CAGR (adjusted if necessary) | Threshold | Maximum |
|---|-----------|---------|
| EPS CAGR in the period from 2025-2027. Measured from the 2024 base year | 4% | 12% |
| Vesting (The proportion of the award for this measure that vests) | Threshold | Maximum |
| | 25% | 100% |
| Average Cash Conversion | Threshold | Maximum |
| Average Cash Conversion over the period 2025 to 2027 | 70% | 90% |
| Vesting (The proportion of the award for this measure that vests) | Threshold | Maximum |
| | 25% | 100% |

| Total Shareholder Return | Threshold | Maximum |
|--|------------------|----------------|
| Ranking Position vs FTSE250 (excluding investment trusts) | Median | Upper Quartile |
| Vesting (<i>The proportion of the award for this measure that vests</i>) | 25% | 100% |
| Sustainability | Threshold | Maximum |
| Absolute reduction in Scope 1&2 emissions in tonnes from 2019 baseline | 55% | 65% |
| Absolute reduction in Scope 3 emissions in tonnes from 2019 baseline | 22% | 26% |
| Percentage of females in senior leadership roles | 33% | 37% |
| Vesting (<i>The proportion of the award for this measure that vests</i>) | 25% | 100% |

There is a proportionate straight-line vesting for performance between each of the targets shown above.

The range of performance targets have been set with reference to internal planning and external market expectations for the Company's future performance and are considered similarly challenging to the targets set in prior years allowing for current market conditions. The Committee would consider appropriate adjustments to the financial performance targets to extent the Company undertook material acquisitions or divestments, or share buybacks, during the period from 1 January 2025 to 31 December 2027.

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