

27 June 2025

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which has been incorporated into UK law by the European Union (Withdrawal) Act 2018.

Hercules plc

("Hercules" or the "Company")

Acquisition of Advantage NRG Ltd

Hercules plc (AIM: HERC), a leading technology-enabled labour supply company for the UK infrastructure and construction sectors, is pleased to announce the acquisition of Advantage NRG Ltd ("Advantage NRG").

Advantage NRG is a specialist labour supply company providing highly skilled linesmen for the construction and maintenance of overhead electrical transmission lines, supporting major utility contractors across the United Kingdom.

Hercules' entry into the power and energy sector positions the Company at the forefront of the UK's once-in-a-generation transformation of its electricity networks, driven by soaring demand and the government's commitment to a net-zero future.

Highlights:

- The Company is acquiring 100% of the share capital of Advantage NRG for an initial cash consideration of £10.2 million, plus a deferred payment of approximately £1.5m plus a one year earn out, which could result in a maximum total consideration of £15.7 million. The earn out is based on a multiple of the average EBITDA for the year ended 28 February 2025 and year ending 28 February 2026. The acquisition is expected to be margin and earnings enhancing, and cash generative.
- In the year ended 28 February 2025, Advantage NRG generated £11.1 million in revenue, EBITDA of £1.7m, and a profit before tax of £1.7 million. As of 28 February 2025, Advantage NRG had net assets of £2.5 million.
- The acquisition will mark Hercules' entry into the UK power and energy sector and is complementary to the labour that Hercules already supplies to the wider infrastructure industry.
- Established in 2011 and headquartered in Chorley, Lancashire, Advantage NRG has built a strong reputation in the power and energy sector and employs approximately 155 skilled operatives.
- Hercules' entry into the UK power and energy sector is in anticipation of the UK's comprehensive overhaul of its electricity transmission and distribution networks to meet rising demand and support its legally binding net-zero targets.
- The initial consideration is being financed through the Company's existing cash reserves and a new £6.0 million loan being provided by Wasdell Holdings Limited, a company controlled by Martin Tedham, a non-executive director and substantial shareholder in Hercules.

Strategic Acquisition

Hercules' entry into the power and energy sector comes at a pivotal moment. The UK is embarking on a major upgrade of its electrical infrastructure to meet rising energy demand, improve energy security, and deliver on its net-zero targets.

National Grid proposals include £58 billion of investment to support a projected 64% increase in electricity demand by 2035. This includes constructing a north-south electricity spine, offshore grids, and extensive reinforcements spanning tens of thousands of kilometres in total.

This investment, supported by the government, is focused on expanding and modernising the country's transmission and distribution networks to deliver sustainable and reliable power across the UK.

The UK's high-voltage electricity network spans approximately 20,000km, including 7,200km of overhead lines managed by National Grid in England and Wales, and 9,300km in Scotland maintained by ScottishPower Energy Networks and SSE Transmission.

As a result, demand for skilled operatives, particularly overhead linesmen, is expected to substantially increase. However, there remains a significant shortage of qualified workers in the UK.

The acquisition of Advantage NRG provides Hercules with a highly skilled workforce and also the training capability and compliance framework to develop domestic talent and sponsor international operatives, giving Hercules a significant advantage in this high-growth market.

The transaction comes at a strategically important time for the Hercules Academy, which is benefitting from the recent acquisition of the business and assets of QTT (Quality Transport Training Ltd). The acquisition of Advantage NRG will further boost the training capacity at the Academy, whilst opening-up more cross-selling opportunities across the infrastructure training suite.

This is Hercules' third acquisition, following Future Build Recruitment Ltd in November 2023 and the business and assets of QTT in June 2025. It aligns with the Company's M&A strategy to scale operations in sectors with long-term, infrastructure-backed demand.

Brusk Korkmaz, Chief Executive Officer of Hercules, commented:

"The acquisition of Advantage NRG marks another important milestone in Hercules' growth journey. As the UK accelerates investment in critical power and energy infrastructure to ensure energy security, enhance transmission and distribution networks, and meet its net-zero targets, the demand for highly skilled labour has never been greater.

"Advantage NRG's deep expertise in overhead electrical transmission, and its ability to source, train and mobilise specialist linesmen, both in the UK and internationally, perfectly complements our strategy.

"We believe this strategic investment will enable Hercules, the Hercules Academy and Advantage NRG to grow together and play a pivotal role in supporting the delivery of the UK's essential energy infrastructure."

Loan and Related Party Transaction

The initial consideration is being financed through the Company's existing cash reserves and a new £6.0 million loan provided by Wasdell Holdings Limited (the "Loan").

Wasdell Holdings Limited is controlled by Martin Tedham, a non-executive director and substantial shareholder in Hercules. The Loan is interest-only, repayable in three years, and carries an annual interest rate of 8.0%. Capital repayments can be made at any time during the term at the Company's discretion. The Loan is secured by a secondary debenture.

The Loan constitutes a related party transaction under Rule 13 of the AIM Rules for Companies. The directors independent of the Loan (being all directors except Martin Tedham) consider, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser, that the terms of the Loan are fair and reasonable in so far as the Company's shareholders are concerned.

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