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Character Group PLC (The)
22 June 2026

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The Character Group plc
("Character," the "Company" or the "Group")

Adoption of an Enterprise Management Incentive ("EMI") share option scheme

Character Group (AIM: CCT) the designer, developer and international distributor of branded toys, games and giftware, is pleased to announce that yesterday the Board of Directors formally approved the adoption of an Enterprise Management Incentive (EMI) share option scheme (the "**EMI Scheme**") for eligible employees across the Group.

The EMI Scheme, which will provide significant tax advantageous for employees, has been introduced as part of the Company's long-term growth and retention strategy, with the objective (in conjunction with the continued operation of the Company's 2017 Share Option Plan (the "**2017 Plan**")) of aligning the interests of employees, management and shareholders.

The EMI Scheme will enable the Company to grant options in respect of ordinary shares of 5p each in the Company ("**Shares**") under a significantly improved, tax-advantaged structure. The Board believes that the EMI Scheme will further enhance the Board's ability to:

- **Motivate employees** to contribute to the Company's sustained growth and profitability
- **Incentive and reward** participants for Group performance.
- **Attract and retain key talent** in a competitive market by offering a compelling equity-based reward.
- **Support succession planning** by fostering loyalty, a sense of ownership and long-term engagement with Group personnel.

Although all Group employees are eligible to participate under the EMI Scheme rules, the additional tax benefits are only available to UK taxpayers and, accordingly, the Board will continue to utilise the 2017 Plan to provide these benefits in respect of the Group's other personnel.

The EMI Scheme is substantially similar in structure, and will be similar in operation, to the 2017 Plan and will be administered under the direction of the Remuneration Committee. The EMI Scheme has been adopted for a term of 15 years, expiring on 21 June 2041.

Under the terms of the EMI Scheme:

- Options will be granted at an exercise price per Share no lower than the market value of a Share at the close of dealings on the day prior to the date of grant.
- The aggregate number of Shares subject to options will remain within the limits permitted under the EMI Code.
- There is a limit that requires that the aggregate number of unissued Shares and Shares held by the Company in treasury over which the Directors may grant Options on any date of grant, when aggregated with the number of Shares issued and remaining issuable and Shares that are capable of transfer out of treasury in respect of rights granted under all Group schemes in the period of ten years ending on that date of grant, shall not exceed 15% of the Shares in issue on the day preceding that date of grant.
- The vesting conditions include a requirement that the option is, save in exceptional circumstances, held for two or three years (to be determined by the Remuneration Committee) before it is exercised and will be exercisable until the 15th anniversary of the date of grant.
- Exercise of all EMI options may be subject to the satisfaction of such objective performance condition as shall be determined by the Remuneration Committee at the time of grant, such that they may not be exercised unless the condition has been satisfied, save in exceptional circumstances. The performance condition to be imposed will require the achievement of:

  (a) targets for profit before tax and other selected items (adjusted to eliminate certain intra-group charges);

  (b) targeted increases in the earnings per share of the Company; or

  (c) such other performance measurement as the Remuneration Committee considers appropriate,

  to ensure alignment with the Company's strategic objectives.
- Any grants that do not satisfy the relevant statutory conditions to qualify for EMI tax advantages will still be valid but will unapproved options for tax purposes.

The Company will make the necessary notifications to HMRC in accordance with statutory and regulatory requirements.

The Board is confident that the introduction of the EMI Scheme represents a positive step in strengthening the Company's ability to reward and retain its people, while enhancing long-term shareholder value.

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