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**FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT AN OFFER OF SECURITIES IN ANY JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**For immediate release**

**17 September 2020**

**TT Electronics plc**

**(“TT”, the “Company” or the “Group”)**

**Proposed placing of new ordinary shares**

TT Electronics, a global provider of engineered electronics for performance critical applications, announces its intention to conduct a non pre-emptive placing of 10,000,000 new Ordinary Shares in the Company (the “Placing Shares”) being approximately 6.1 per cent. of the issued share capital of the Company, at a price of 200 pence per Placing Share (“Placing Price”), to raise gross proceeds of £20m, to certain existing shareholders and institutional and other investors, by way of an accelerated bookbuild which will be launched immediately following release of this announcement (the “Placing”).

The Placing will be effected pursuant to existing authorities of the Company to issue new Ordinary Shares on a non pre-emptive basis, granted at the Company’s annual general meeting on 6 May 2020.

The net proceeds of the Placing will be used to part-fund the acquisition of Torotel, Inc (“Torotel”), a US-based designer and manufacturer of high-reliability power and electro-magnetic assemblies and components designed for harsh environments, primarily for defence markets (the “Target”), for an enterprise value of \$43.4m (c. £33.9m<sup>1</sup>) (the “Acquisition”), as announced by the Company separately today. The balance of the consideration will be funded using TT’s existing debt facilities. Further information on the Acquisition can be found in the Acquisition announcement.

Certain directors of the Company intend to participate in the Placing to contribute approximately £185k in aggregate.

The Placing is fully underwritten and the net proceeds are intended to part-fund the Acquisition consideration. The Acquisition is not conditional on completion of the Placing.

The Acquisition is subject to customary closing conditions including regulatory conditions and approval by Torotel’s shareholders. Torotel shareholders representing approximately 62% of its common stock have signed agreements to vote in favour of the Acquisition and the Torotel stockholder vote (which requires a 66.67% majority) is expected to take place in November 2020. Completion is expected in Q4 2020.

**Details of the Placing**

Numis Securities Limited (“Numis” or “Bank”) is acting as sole bookrunner in connection with the Placing. The Placing is being conducted through an accelerated bookbuilding process (the “Bookbuild”)

which will be launched immediately following this announcement (together with the appendices to this announcement (the "Appendices"), the "Announcement") and will be subject to the terms and conditions set out in Appendix 1.

Prior to launch of the Placing, the Company consulted with a significant number of its shareholders to gauge their feedback as to the Acquisition and the Placing. Feedback from this consultation was supportive and as a result the Board has chosen to proceed with the Placing to part-fund the Acquisition consideration. If the Acquisition does not complete, in determining its actions in relation to the Placing proceeds, TT will review its capital structure, balance sheet position and the market conditions at the time. The Placing is being structured as a Bookbuild to minimise execution and market risk.

The Bookbuild will open with immediate effect following this Announcement. Results of the Placing will be announced by the Company as soon as practicable after the closing of the Bookbuild. The timing of the closing of the Bookbuild and allocations are at the discretion of the Company and Numis.

Members of the public are not entitled to participate in the Placing. The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares of TT. This includes the right to receive all dividends and other distributions declared in respect of such existing issued Ordinary Shares after the date of issue of the Placing Shares.

Each investor, by participating in the Placing, will be deemed to have read and understood this Announcement in its entirety, and to be bound by the terms and conditions contained in Appendix 1 and to be providing the representations, warranties, acknowledgements, indemnities, undertakings and agreements contained in Appendix 1. Your attention is drawn to the detailed terms and conditions of the Placing set out in Appendix 1.

The Company will apply for admission of the Placing Shares to listing on the premium listing segment of the Official List of the Financial Conduct Authority (the "FCA") and to trading on the main market for listed securities of London Stock Exchange plc (together, "Admission"). It is expected that Admission will take place, and that trading in the Placing Shares will commence, at 8.00 a.m. on Tuesday 22<sup>nd</sup> September 2020.

The Placing is conditional upon, amongst other things, Admission becoming effective. The Placing is also conditional upon the placing agreement between the Company and Numis (the "Placing Agreement") becoming unconditional and not having been terminated in accordance with its terms. Further details of the Placing Agreement can be found in the terms and conditions of the Placing contained in Appendix 1.

For further information, please contact:

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<sup>1</sup>Exchange rate of \$1.2789:£1 as at 11 September 2020

## IMPORTANT NOTICES

This Announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014. The person responsible for arranging the release of this Announcement on behalf of the Company is Lynton Boardman.

Members of the public are not eligible to take part in the Placing. This Announcement is for information purposes only and is directed only at: (a) in Member States of the Economic European Area ("**EEA**"), persons who are qualified investors within the meaning of article 2(1)(e) of the Prospectus Regulation ("**Qualified Investors**"); and (b) in the United Kingdom, Qualified Investors who are also persons (i) who have professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) who fall within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Order; or (iii) to whom it may otherwise be lawfully communicated (all such persons (b) (i) to (iii) together being referred to as "**Relevant Persons**").

In the United Kingdom this Announcement must not be acted on or relied on by persons who are not Relevant Persons and any investment or investment activity to which this Announcement relates is available only to and will be engaged in only with Relevant Persons. In the EEA this Announcement must not be acted on or relied on by any persons who are not Qualified Investors and any investment or investment activity to which this Announcement relates is only available to and will only be engaged in with Qualified Investors.

Each Placee, by participating in the Placing, will be deemed to have read and understood this Announcement in its entirety, and to be bound by the terms and conditions contained in Appendix 1 and to be providing the representations, warranties, acknowledgements, indemnities, undertakings and agreements contained in Appendix 1.

The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or transactions not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offering of any securities referred to herein in the United States or elsewhere.

The distribution of this Announcement and/or the Placing and/or the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Bank or any of their respective affiliates, agents, directors, officers or employees that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Numis to inform themselves about, and to observe, such restrictions. Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

Neither this Announcement, nor any copy of it, may be taken or transmitted, published or distributed, directly or indirectly, in or into the United States, Australia, Canada, Japan or the Republic of South Africa or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for any shares in the capital of the Company in the United States, Australia, Canada, Japan or the Republic of South Africa or any other state or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of securities laws of such jurisdictions.

All offers of Placing Shares will be made pursuant to an exemption under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") from the requirement to produce a prospectus. No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. This Announcement is not being distributed, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**"), by a person authorised under FSMA. This Announcement is being distributed to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

Persons needing advice should consult an independent financial adviser being: (i) if you are resident in the United Kingdom a financial adviser who is authorised under FSMA, or (ii) another appropriately authorised professional adviser if you are resident in a territory outside of the United Kingdom.

This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of shares acquired. Past performance is no guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made by the Bank, or by any of its directors, officers, employees, advisers, consultants, affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available, and any liability therefore is expressly disclaimed. None of the information in this Announcement has been independently verified or approved by the Bank or any of its directors, officers, employees, advisers, consultants, affiliates or agents. Save for any responsibilities or liabilities, if any, imposed on the Bank by FSMA or by the regulatory regime established under it, no responsibility or liability is accepted by the Bank or any of its directors, officers, employees, advisers, consultants, affiliates or agents for any errors, omissions or inaccuracies in this Announcement or in such information or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this Announcement or its contents or such information or otherwise in connection with this Announcement or from any acts or omissions of the Company in relation to the Placing.

Numis is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting solely for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Placing, the contents of this Announcement or any other matters described in this Announcement. Numis will not be responsible to anyone other than the Company for providing the protections afforded to Numis' clients or for providing advice in connection with the Placing, the contents of this Announcement or for any other matters described in this Announcement.

In connection with the Placing, the Bank and any of its affiliates may acquire a portion of the Placing Shares for their own account and in that capacity may retain, acquire or sell such shares and any other securities of the Company or related investments and may offer or sell such shares, securities or investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to Placing Shares being issued, offered or placed should be read as including any issue, offering or placement of such shares to the Bank and any of its affiliates acting in such capacity. In addition the Bank or any of its affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which the Bank or any of its affiliates may from time to time acquire, hold or dispose of securities of the Company, including the Placing Shares. Neither the Bank nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Bank and its affiliates may have engaged in transactions with, and provided various commercial banking, investment banking and financial advisory services in the ordinary course of their business to, the Company and/or its affiliates for which they would have received customary fees and commissions and the Bank and its affiliates may engage in transactions with, or provide such services to, the Company and/or its affiliates in the future.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

### **Cautionary statements**

Certain statements contained in this Announcement may constitute "forward-looking statements" with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Company and/or Torotel. All statements other than statements of historical facts included in this Announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "anticipates", "estimates", "projects", "will", "may", "would", "could" or "should", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) any statements regarding the expected timing of the completion of the transaction; the ability of the Company and Torotel to complete the proposed transaction considering the various conditions to the transaction, some of which are outside the parties' control, including those conditions related to regulatory approvals; the expected benefits and costs of the proposed transaction; (ii) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (iii) business and management strategies and the expansion and growth of the Company's and/or Torotel's operations. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause the Company's and/or Torotel's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the macroeconomic and other impacts of the Covid-19 pandemic, economic and business cycles, the terms and conditions of the Company's and/or Torotel's financing arrangements, foreign currency rate fluctuations, competition in the Company's and/or Torotel's principal markets, acquisitions or disposals of businesses or assets and trends in the Company's and/or Torotel's principal industries. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Announcement may not occur.

Any forward-looking statements contained in this Announcement speak only as of the date of this Announcement. Any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation (including to meet the requirements of the Listing Rules, the Market Abuse Regulation, or FSMA), is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company and/or Torotel for the current or future years would necessarily match or exceed the historical published earnings per share of the Company and/or Torotel.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares

is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Bank will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

## Appendix 1

### **TERMS AND CONDITIONS OF THE PLACING FOR INVITED PLACEEES ONLY**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES, TOGETHER, THE **"ANNOUNCEMENT"**) IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE **"EEA"**), PERSONS WHO ARE QUALIFIED INVESTORS, WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION (**"QUALIFIED INVESTORS"**); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE **"ORDER"**), OR (II) HIGH NET WORTH BODIES CORPORATE, UNINCORPORATED ASSOCIATIONS AND PARTNERSHIPS AND TRUSTEES OF HIGH VALUE TRUSTS AS DESCRIBED IN ARTICLE 49(2) OF THE ORDER, OR (C) OTHER PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS **"RELEVANT PERSONS"**).

THIS ANNOUNCEMENT MUST NOT BE ACTED OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

PERSONS DISTRIBUTING THIS ANNOUNCEMENT (OR ANY PART THEREOF) MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), OR UNDER THE SECURITIES LAWS OF, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF, ANY STATE OR OTHER JURISDICTION OF

THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS.

NO PUBLIC OFFERING OF THE SHARES REFERRED TO IN THIS ANNOUNCEMENT IS BEING MADE IN THE UNITED KINGDOM, THE UNITED STATES, ANY OTHER RESTRICTED TERRITORY OR ELSEWHERE.

Unless otherwise stated, capitalised terms in this Appendix have the meanings ascribed to them in Appendix 2.

This Announcement, and the information contained herein, is restricted and is not for release, publication or distribution, in whole or in part, directly or indirectly, to persons in the United States, Australia, Canada, Japan or the Republic of South Africa or any jurisdiction in which publication or distribution of this Announcement and/or an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Placing Shares (or the acceptance of any such offer) would be unlawful (each a "**Restricted Territory**"). The distribution of this Announcement and/or the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Numis Securities Limited ("**Numis**" or the "**Bank**") or any of their respective Affiliates, or any person acting on behalf of any of them, which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

Persons distributing this Announcement (or any part thereof) must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and the Bank to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares in the United Kingdom and the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply.

The Placing Shares and this Announcement have not been approved and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

Accordingly, subject to certain exceptions, the Placing Shares may not be offered, sold, transferred or delivered, directly or indirectly, in or into any Restricted Territory or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory.

This Announcement should be read in its entirety.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bank or any of its Affiliates, or any person acting on behalf of any of them as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefor is expressly disclaimed.

Numis is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting solely for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Placing, the contents of this Announcement or

any other matters described in this Announcement. Numis will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in connection with the Placing, the contents of this Announcement or any other matters described in this Announcement.

None of the Company or the Bank or their respective Affiliates, or any person acting on behalf of any of them, makes any representation or warranty, express or implied, to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Placing Shares.

**By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be bound by the terms and conditions contained in this Appendix, including being deemed to provide (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements, indemnities, undertakings, confirmations and agreements set out herein.**

In particular each such Placee represents, warrants, acknowledges, undertakes, confirms and agrees that:

- a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- b) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, acknowledgements, indemnities, undertakings, confirmations and agreements contained in this Announcement;
- c) except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it and any account with respect to which it exercises sole investment discretion, is outside the United States and acquiring the Placing Shares in an “offshore transaction” as defined in, and in accordance with, Regulation S under the Securities Act; and
- d) if it is a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Bank has been given to each such proposed offer or resale.

#### **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

Defined terms used in this Appendix are set out at in Appendix 2.

#### **Bookbuild**

Following this Announcement, the Bank will commence a bookbuilding process in respect of the Placing (the “**Bookbuild**”) to determine demand for participation in the Placing by Placees. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The book will open with immediate effect. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

## **Details of the Placing Agreement and of the Placing Shares**

Numis is acting as sole bookrunner in connection with the Placing. The Bank entered into an agreement with the Company (the "**Placing Agreement**") under which, subject to the terms and conditions set out therein, the Bank, as agent for and on behalf of the Company, agrees to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, or failing which to itself subscribe for such Placing Shares at the Placing Price on the Closing Date.

The timing of the closing of the Bookbuild and allocations are at the discretion of the Company and the Bank. Results of the Placing will be announced as soon as practicable after the close of the Bookbuild.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared in respect of the Ordinary Shares after the date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests.

### **Application for admission to trading**

Applications will be made to the Financial Conduct Authority ("**FCA**") for admission of the Placing Shares to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc ("**London Stock Exchange**") for admission to trading of the Placing Shares on its Main Market for listed securities.

### **Participation in, and principal terms of, the Placing**

1. The Bank is arranging the Placing as agent of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by the Bank. The Bank and its Affiliates are entitled to enter bids as principal in the Bookbuild.
2. The results of the Placing will be announced on a Regulatory Information Service following the completion of the Bookbuild.
3. To participate in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at the Bank. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Placing Price. Bids may be scaled down on the basis referred to in paragraph 6 below. The Bank reserves the right not to accept bids or to accept bids in part rather than in whole.
4. The Bookbuild is expected to close no later than 7 a.m. (London time) on 18 September 2020 but may be closed earlier or later, at the discretion of the Bank and the Company. The Bank may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right (upon the agreement of the Bank) to reduce the number of shares to be issued pursuant to the Placing, in its absolute discretion.
5. Each Placee's allocation will be confirmed to Placees orally by the Bank following the close of the Bookbuild, and a contract note or trade confirmation will be dispatched as soon as possible thereafter. The terms of this Appendix will be deemed incorporated into the contract note or trade confirmation. Subject to paragraph 7 below, the Bank's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of the Bank and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association.
6. Subject to paragraphs 2 and 3 above, the Bank will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares and may scale down any bids for this purpose on such basis as they may determine. The Bank may also, notwithstanding paragraphs 2

and 3 above and subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Company and the Bank.

7. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the Bank's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Bank (as agent of the Company), to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Such Placees' obligations will be owed to the Company and to the Bank. The Company shall allot such Placing Shares to each Placee following each Placee's payment to the Bank of such amount.
8. Except as required by law or regulation, no press release or other announcement will be made by the Bank or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
9. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
10. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".
11. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by the Bank.
12. To the fullest extent permissible by law, neither the Bank, nor the Company nor any of their respective Affiliates or persons acting on behalf of any of them shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Bank, nor the Company, nor any of their respective Affiliates or persons acting on behalf of any of them shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Bank's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Bank, its respective Affiliates and the Company may agree.
13. The Placing Shares will be issued subject to the terms and conditions of this Announcement and each Placee's commitment to subscribe for Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Bank's conduct of the Placing.
14. All times and dates in this Announcement may be subject to change. The Bank shall notify the Placees and any person acting on behalf of the Placees of any changes.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Bank's obligations under the Placing Agreement are conditional on certain conditions, including (in summary):

- a) the publication by the Company of the results of the Placing on a Regulatory Information Service;

- b) in the opinion of the Bank (acting in good faith), there having been no Material Adverse Change since entering into the Placing Agreement;
- c) the Company having complied with all of the agreements and undertakings, and satisfied or performed all of the conditions and obligations on its part to be performed or satisfied under the Placing Agreement and Appendix 1 of this Announcement, save where, in the opinion of the Bank (acting in good faith) such non-compliance is not material in the context of the Placing or Admission;
- d) the Acquisition Agreement having been entered into and being valid, binding and enforceable and remaining in full force and effect and not having been materially amended or terminated, and the Acquisition still being capable of completion;
- e) the Company having allotted, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and
- f) Admission of the Placing Shares occurring at or before 8:00 a.m. (London time) on 22 September 2020 (or such later date as the Company and the Bank may agree).

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Bank by the relevant time or date specified (or such later time or date as the Company and the Bank may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below under "Termination of the Placing Agreement", the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it or on its behalf in respect thereof.

The Bank may, at its discretion, extend the time for satisfaction of any condition or waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the above conditions relating, *inter alia*, to Admission taking place and the Company allotting the Placing Shares may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Company, the Bank nor any of their respective Affiliates, nor any person acting on behalf of any of them shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Bank.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Termination of the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

### **Termination of the Placing Agreement**

The Bank is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*, if (in summary): (i) there has been a breach by the Company of any of the warranties contained in the Placing Agreement (ii) there has been a breach by the Company of any obligations contained in the Placing Agreement which the Bank considers, acting in good faith, to be material in the context of the Group (taken as a whole), Admission, the Placing or the Acquisition; (iii) any of the conditions in the Placing Agreement have not been satisfied or waived by the Bank by the date specified in the Placing Agreement; (iv) in the opinion of the Bank acting in good faith, there has been a Material Adverse Change; (v) an application for Admission is withdrawn or refused by the FCA or the London Stock Exchange or, in the opinion of the Bank (acting in good faith), will not be granted; (vi) there has occurred a material adverse change in certain financial markets, a suspension or limitation to trading generally on the NYSE American, the New York Stock Exchange, the NASDAQ National Market or the London Stock Exchange or a material disruption in commercial banking or securities settlement or clearance, a material change in taxation, the imposition of exchange controls,

or the declaration of a banking moratorium, in each case the effect of which is such as to make it, in the opinion of the Bank (acting in good faith), impracticable or inadvisable to market the Placing Shares or to enforce contracts for the acquisition of Placing Shares.

By participating in the Placing, Placees agree that the exercise by the Bank of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Bank or for agreement between the Company and the Bank and that neither the Company nor the Bank need make any reference to, or consult with, Placees and that neither they nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to Placees whatsoever in connection with any such exercise or failure to so exercise.

### **No prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other competent authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing Shares and the Placing based on publicly available information taken together with the information contained in this Announcement, the results of Placing announcement (the "**Results of Placing Announcement**"), and the Exchange Information (as defined below) published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the contract note or trade confirmation to be provided to individual prospective Placees by the Bank.

Each Placee, by participating in the Placing, agrees that the content of this Announcement, the Results of Placing Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Bank and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or the Bank or their respective Affiliates or any other person and neither the Bank nor the Company, nor any of their respective Affiliates or any other person will be responsible or liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company when deciding to participate in the Placing. No Placee should consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own attorney, tax adviser and business adviser for legal, tax and business advice regarding an investment in the Placing Shares.

### **Restriction on issues of securities**

The Company has undertaken to the Bank that, from the date of the Placing Agreement until 120 calendar days after the Closing Date (both dates inclusive), it will not, without the prior written consent of the Bank (not to be unreasonably withheld or delayed) enter into certain transactions involving or relating to the Ordinary Shares, subject to certain customary exceptions.

By participating in the Placing, Placees agree that the exercise by the Bank of any power to grant consent to waive the undertaking by the Company shall be within the absolute discretion of the Bank and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: GB0008711763) following Admission will take place within the relevant system administered by Euroclear ("**CREST**"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Bank and the Company reserve the right to require

settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a contract note or trade confirmation in accordance with the standing arrangements in place with the Bank stating the number of Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Bank and settlement instructions. It is expected that such contract note or trade confirmation will be dispatched on or around 18 September 2020 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the Bank.

The Company will deliver the Placing Shares to a CREST account operated by the Bank and the Bank will enter its delivery (DEL) instruction into the CREST system. The Bank will hold any Placing Shares delivered to its CREST account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 22 September 2020 on a T+2 basis in accordance with the instructions given to the Bank.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Bank.

Each Placee agrees that, if it does not comply with these obligations, the Bank may acquire and retain such shares as principal or may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest or penalties) which may arise in any jurisdiction upon the sale of such Placing Shares on such Placee's behalf. The foregoing is without prejudice to any cause of action the Bank may have against a defaulting Placee. If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note or trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, save as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither the Bank nor the Company shall be responsible for the payment thereof.

### **Representations and warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with the Bank (in its capacity as bookrunner, underwriter and as placing agent of the Company in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any

person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;

2. that no offering document or prospectus or admission document has been or will be prepared in connection with the Placing or is required under the Prospectus Regulation and it has not received and will not receive a prospectus, admission document or other offering document in connection with Admission, the Bookbuild, the Placing or the Placing Shares;
3. that the issued Ordinary Shares are admitted to trading on the London Stock Exchange and the Company is therefore required to publish certain business and financial information in accordance with applicable law, including MAR and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the **"Exchange Information"**), which includes the Acquisition Announcement and a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that neither the Bank, nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Bookbuild, the Placing, the Placing Shares or the Company or any other person other than this Announcement and the Placing Results Announcement (each of which is the sole responsibility of the Company), nor has it requested the Bank, the Company, or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
5. unless otherwise specifically agreed with the Bank, that it is not, and at the time the Placing Shares are acquired, neither it nor any beneficial owner of the Placing Shares will be, a resident of, nor have an address in, a Restricted Territory, and it further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified, for offer or sale nor will an offering document, prospectus or admission document be cleared or approved in respect of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory or elsewhere and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;
6. that the content of this Announcement is exclusively the responsibility of the Company and that neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information, representation or statement previously or subsequently published by or on behalf of the Company, including, without limitation, the Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information, representation or statement previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and the Exchange Information (save that in the case of Exchange Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph), such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Bank or the Company or any of their respective Affiliates or any person acting on behalf of any of them and neither the Bank nor the Company nor any of their respective Affiliates or any person acting on behalf of any of them will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and that neither the Bank nor any of its Affiliates or any person acting on behalf of any of them have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the Placing or the Placing Shares

or the accuracy, completeness or adequacy of the Announcement or the Exchange Information, and each of them expressly disclaims any liability in respect thereof;

7. that it has not relied on any information, representation or statement relating to the Company contained in any research report prepared by the Bank, any of its Affiliates or any person acting on behalf of any of them and understands that (i) neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them has or shall have any liability for any such information, representation or statement; (ii) neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this document or otherwise; and that (iii) neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, representation or statement, whether at the date of publication, the date of this Announcement or otherwise;
8. that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares would give rise to such a liability and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
9. acknowledges that no action has been or will be taken by the Company, the Bank or any person acting on behalf of the Company or the Bank that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
10. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Bank, the Company or any of their respective Affiliates or any person acting on behalf of any of them acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
11. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
12. that it has complied with its obligations under the Criminal Justice Act 1993 and the Market Abuse Regulation and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity, the Bank (for itself and as agent on behalf of the Company) has not received such satisfactory evidence, the Bank and/or the Company may, in its absolute discretion, terminate the Placee's Placing participation in which event all funds delivered by the Placee to the Bank will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
13. that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations

and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Bank and the Company for the performance of all its obligations in respect of the Placing (regardless of the fact that it is acting for another person);

14. if in a Member State of the EEA it is a “Qualified Investor” within the meaning of Article 2(e) of the Prospectus Regulation;
15. if in the United Kingdom, that it is a Qualified Investor: (i) who falls within the definition of “investment professional” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) who falls within Article 49(2)(a) to (d) (“High Net Worth Companies, Unincorporated Associations, etc”) of the Order or (iii) to whom this Announcement may otherwise lawfully be communicated and it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
16. that it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentation or other materials concerning the Placing, in or into the United States or any other Restricted Territory (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
17. where it is acquiring the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
18. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
19. if it is acting as a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, that the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Bank and the Company has been given to the proposed offer or resale;
20. that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
21. that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
22. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
23. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA) with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
24. if it has received any inside information about the Company and its securities in advance of announcement of the Placing, it confirms that it has received such information within the market soundings regime

provided for in MAR and associated delegated regulations and it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by MAR, prior to the information being made publicly available, or taken any other action that is in breach of MAR;

25. that (i) it (and any person acting on its behalf) has capacity and authority and is otherwise entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Bank, any of their respective Affiliates or any person acting on behalf of any of them being in breach of the legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the Placing; and (iv) that the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, and otherwise;
26. that it (and any person acting on its behalf) has the funds available to pay for and will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees, acquired or sold as the Bank may in its absolute discretion determine (subject to the allocation policies agreed with the Company) and without liability to such Placee. It will, however, remain liable for any shortfall and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) imposed in any jurisdiction due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's Placing Shares on its behalf;
27. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to acquire, and that the Bank or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
28. that neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them, is making any recommendation to it, or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Bank and that the Bank does not have any duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of the Bank's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
29. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee (on its behalf), as the case may be. Neither the Bank nor the Company nor any of their respective Affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar duties or taxes imposed in any jurisdiction (together with any interest or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify the Bank, the Company and their respective Affiliates in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of the Bank who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
30. that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it subjects (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or in connection with these terms and conditions and any such agreement and/or non-contractual obligations, except that enforcement

proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Bank or the Company in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

31. that the Bank, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings, confirmations and acknowledgements set forth herein and which are given to the Bank and the Company and are irrevocable and it irrevocably authorises the Bank and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
32. that it will indemnify on an after-tax basis and hold the Bank, the Company and their respective Affiliates and any person acting on behalf of any of them harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, agreements, undertakings, confirmations and acknowledgements given by the Placee (and any person acting on such Placee's behalf) in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
33. acknowledges that it irrevocably appoints any director of the Bank as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it or its nominee (on its behalf) to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
34. that it acknowledges that its commitment to acquire Placing Shares on the terms set out herein and in the contract note or trade confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Bank's conduct of the Placing;
35. that in making any decision to acquire the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares, (ii) it is experienced in investing in securities of this nature in the Company's sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing Shares, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Bank, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the acquisition of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary to enable it to make an informed investment decision, (v) it is aware and understands that an investment in the Placing Shares involves a considerable degree of risk, and (vi) it will not look to the Company, the Bank, any of their respective Affiliates or any person acting on behalf of any of them for all or part of any such loss or losses it or they may suffer;
36. acknowledges and agrees that neither the Bank nor the Company nor any of their respective Affiliates or any person acting on behalf of any of them owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
37. understands and agrees that it may not rely on any investigation that the Bank or any of its Affiliates or any person acting on behalf of any of them may or may not have conducted with respect to the Company and its Affiliates or the Placing, and the Bank, its respective Affiliates and any person acting on behalf of any of them have not made any representation or warranty to it, express or implied, with respect to the merits of the Placing, the acquisition of the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be

construed as any investment or other recommendation to it to acquire the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Bank for the purposes of this Placing;

38. acknowledges and agrees that it will not hold the Bank or any of its Affiliates or any person acting on behalf of any of them responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group (the "**Information**") and that neither the Bank nor any of its Affiliates nor any person acting on behalf of any of them makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;
39. that in connection with the Placing, the Bank and any of its Affiliates may acquire a portion of the shares in the Company and in that capacity may retain, acquire or sell for its own account such shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Bank and any of its Affiliates acting in such capacity. In addition the Bank or any of its Affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which the Bank or any of its Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. Neither the Bank nor any of its Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
40. that a communication that the transaction or the book is "covered" (i.e. indicated demand from investors in the book equals or exceeds the amount of the securities being offered) is not any indication or assurance that the book will remain covered or that the transaction and securities will be fully distributed by the Bank. The Bank reserves the right to take up a portion of the securities in the Placing as a principal position at any stage at its sole discretion and will, inter alia, take account of the Company's objectives, MiFID II requirements and the allocation policy;
41. acknowledges that the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. The Placing Shares have not been and will not be registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in, into or within the United States or any other Restricted Territory, or in any country or jurisdiction where any action for that purpose is required, and no action has been or will be taken by any of the Company, the Bank or any person acting on behalf of the Company or the Bank that would, or is intended to, permit a public offer of the Placing Shares in the United States or any other Restricted Territory or any country or jurisdiction, or any state, province, territory or jurisdiction thereof, where any such action for that purpose is required;
42. the Placing Shares are being offered and sold by or on behalf of the Company in "offshore transactions" (as defined in Regulation S under the Securities Act) or pursuant to another exemption from, or transaction not subject to, the registration requirements under the Securities Act. It and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction". It is acquiring the Placing Shares for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof in whole or in part, in the United States;
43. to be bound by the terms of the articles of association of the Company;

44. that it is not acquiring any of the Placing Shares as a result of any form of directed selling efforts (as defined in Regulation S);
45. that the Bank and its Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking and financial advisory services in the ordinary course of their business to, the Company and/or its Affiliates for which they would have received customary fees and commissions and that the Bank and its Affiliates may provide such services to the Company and/or its Affiliates in the future.

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as the Bank (for its own benefit and, where relevant, the benefit of its Affiliates and any person acting on behalf of any of them) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that neither the Bank nor the Company owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and UK stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. None of the Company or the Bank will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest and penalties relating thereto) arising in relation to the Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. Neither the Bank nor the Company are liable to bear any stamp duty or stamp duty reserve tax or any other similar duties or taxes ("**transfer taxes**") that arise (i) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of Placing Shares) or (ii) on a sale of Placing Shares, or (iii) for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such transfer taxes undertakes to pay such transfer taxes forthwith, and agrees to indemnify on an after-tax basis and hold the Bank, the Company and their respective Affiliates harmless from any such transfer taxes, and all interest, fines or penalties in relation to such transfer taxes. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that the Bank or any of its Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Bank is receiving a fee in connection with its role in respect of the Placing as detailed in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with the Bank, any money held in an account with the Bank on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Bank's money in accordance with the client money rules and will be used by the Bank in the course of its own business; and the Placee will rank only as a general creditor of the Bank.

All times and dates in this Announcement may be subject to amendment. The Bank will notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is not a guide to future performance and persons needing advice should consult an independent financial adviser being, (i) if you are resident in the United Kingdom a financial adviser who is authorised under the Financial Services and Markets Act 2000, as amended, or (ii) another appropriately authorised professional adviser if you are resident in a territory outside of the United Kingdom.

The rights and remedies of the Bank and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to the Bank:

- (a) if he or she is an individual, his or her nationality; or
- (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

Unless the context requires otherwise, references in this Appendix 1 to acquire (and related terms such as acquired, acquiring and acquisition) shall include to subscribe (and its related terms such as subscribed, subscribing and subscription).

Time is of the essence as regards each Placee's obligations under this Appendix 1.

## Appendix 2

### Definitions

The following definitions apply throughout Appendices 1 and 2 of this Announcement unless the context otherwise requires:

<b>Acquisition Agreement</b>	means the agreement and plan of merger dated on or about the date hereof between a Group Company and the Target pursuant to which a Group Company has agreed to merge with the Target Group;
<b>Acquisition Announcement</b>	means the announcement in relation to the Acquisition released by the Company on the date of this Announcement;
<b>Admission</b>	means the admission of the Placing Shares to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the LSE becoming effective in accordance with the Listing Rules and the Admission and Disclosure Standards of the LSE;
<b>Affiliate</b>	has the meaning given in Rule 501(b) of Regulation D under the Securities Act or Rule 405 under the Securities Act, as applicable and, in the case of the Company, includes its subsidiary undertakings;
<b>Announcement</b>	means this announcement (including its Appendices);
<b>Bank</b>	means Numis;
<b>Bookbuild</b>	means the bookbuilding process to be conducted by the Bank using reasonable endeavours to procure placees for the Placing Shares, as described in this Announcement and subject to the terms and conditions set out in this Announcement and the Placing Agreement;
<b>Closing Date</b>	means the day on which the transactions effected in connection with the Placing will be settled;
<b>Company</b>	means TT Electronics plc;
<b>CREST</b>	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;
<b>EEA</b>	European Economic Area;
<b>Euroclear</b>	means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;
<b>Exchange Information</b>	has the meaning given to it in Appendix 1 of this Announcement;
<b>FCA or Financial Conduct Authority</b>	means the UK Financial Conduct Authority;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 (as amended);

<b>Group</b>	means the Company and its subsidiary undertakings, and “ <b>Group Company</b> ” shall be construed accordingly;
<b>Listing Rules</b>	means the rules and regulations made by the FCA under FSMA;
<b>LSE or London Stock Exchange</b>	means London Stock Exchange plc;
<b>MAR or Market Abuse Regulation</b>	means Regulation (EU) No.596/2014 of the European Parliament and of the Council;
<b>Material Adverse Change</b>	means a material adverse change in or affecting, or any development reasonably likely to involve a material adverse change in or affecting, the condition (financial, operational, legal or otherwise), or the earnings, management, business affairs or prospects of the Group (taken as a whole);
<b>Numis</b>	means Numis Securities Limited, whose registered office is at 10 Paternoster Square, London EC4M 7LT;
<b>Ordinary Shares</b>	means the ordinary shares of 25 pence each in the capital of the Company;
<b>Placee</b>	means any person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given;
<b>Placing</b>	has the meaning given in paragraph 1 of this Announcement;
<b>Placing Agreement</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Placing Price</b>	has the meaning given in paragraph 1 of this Announcement;
<b>Placing Shares</b>	has the meaning given in paragraph 1 of this Announcement;
<b>Prospectus Regulation</b>	means Regulation (EU) 2017/1129 of the European Parliament and of the Council;
<b>Regulation S</b>	means Regulation S promulgated under the Securities Act;
<b>Regulatory Information Service</b>	means any of the services set out in Appendix 3 of the Listing Rules;
<b>Restricted Territory</b>	means the United States, Australia, Canada, Japan, the Republic of South Africa and any jurisdiction in which publication or distribution of this Announcement and/or an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Placing Shares (or the acceptance of any such offer) would be unlawful;
<b>Securities Act</b>	means the U.S. Securities Act of 1933, as amended;
<b>subsidiary undertaking</b>	has the meaning given to that term in the Companies Act 2006;
<b>Target</b>	means Torotel, Inc;
<b>Terms and Conditions</b>	means the terms and conditions of the Placing set out in Appendix 1 to this Announcement;
<b>uncertificated or in uncertificated form</b>	means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

**United Kingdom or UK**

means the United Kingdom of Great Britain and Northern Ireland; and

**United States or US**

means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub- division thereof.

Unless otherwise indicated in this Announcement, any references to “**£**”, “**GBP**”, “**pounds**”, “**pound sterling**”, “**sterling**”, “**p**”, “**penny**” or “**pence**” are to the lawful currency of the UK, any references to “**US\$**”, “**\$**” or “**dollars**” are to the lawful currency of the United States of America, and any references to “**€**” or “**Euro**” are to the lawful currency of the euro area of the European Union.