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Equipmake Holdings PLC
06 December 2024

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This is not an announcement of a firm intention by any party to make an offer under Rule 2.7 of the City Code on Takeovers and Mergers (the "Takeover Code"). There can be no certainty that an offer will be made for Equipmake Holdings PLC, nor as to the terms on which any offer may be made.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). With the publication of this announcement, this inside information is now considered to be in the public domain.

6 December 2024

Equipmake Holdings PLC
("Equipmake" or the "Company" or the "Group")

Strategic Review, Formal Sale Process, Update on Potential Licence Agreement
and
Appointment of Joint Financial Adviser

Equipmake, a market leader in engineering-driven differentiated electrification technologies, products and solutions across the automotive, truck, bus and speciality vehicle industries, provides an update on progress of securing a potentially significant licence agreement and commencing a strategic review ("Strategic Review") and Formal Sale Process.

Update on Potential Licence Agreement

As reported initially in the Company's Preliminary Results as announced on 25 October 2024, and as updated in the Company's Final Results announced on 29 November 2024, the Group has been in advanced discussions with a major automotive supplier in relation to it licensing the Group's functional safety technology and systems integration capability for its commercial vehicle business ("Potential Licence Agreement"). These discussions have been underway for some time. The Potential Licence Agreement currently envisages a total of $6 million (equivalent to approximately £4.6 million) of milestone payments over two years, as well as future volume-based royalty revenues. There have been regular ongoing discussions with the potential licensee on matters pertaining to the Company's operations and technology. However, as at the date of this announcement, the Company does not have confirmation from the potential licensee as to when the Potential Licence Agreement will be entered into (if at all).

Launch of Strategic Review and Formal Sale Process

As highlighted both in the Preliminary Results and the Final Results, if the Potential Licence Agreement is not signed, the Board expects the cash resources of the Group to last approximately until March 2025. The Group's current cash balances as at the date of this announcement total approximately £1.9 million and the Group has no debt, other than a number of equipment finance lease agreements.

Whilst the Board remains hopeful that the Potential Licence Agreement referred to above will be entered into, it must plan for all eventualities. The Board has therefore been considering the Company's strategic options in light of its limited cash resources.

The Board has therefore determined that it is now appropriate to undertake a formal review of its corporate strategy and options to maximise value for its shareholders and other stakeholders. This Strategic Review will cover a range of options with a number of potential outcomes including but not limited to:

- raising additional equity capital from the Company's existing shareholders and new investors;
- seeking a strategic partner to support the Company's growth and provide additional balance sheet strength;
- the sale of the Company or a merger with another public entity, which will be conducted under the framework of a "Formal Sale Process" in accordance with Note 2 on Rule 2.6 of the Takeover Code; and
- the continued review of the Company's strategy, cost base and allocation of cash resources.

Formal Sale Process and Takeover Code considerations

The Strategic Review will be undertaken under the mechanism referred to in the Takeover Code as a "Formal Sale Process".

The Company has appointed PwC as Joint Financial Adviser for the purpose of the Formal Sale Process. Parties interested in submitting an expression of interest should contact PwC using the contact details below. It is currently expected that any party interested in submitting any form of proposal for consideration in connection with the Strategic Review (including within the Formal Sale Process) will, at the appropriate time, enter into a non-disclosure agreement and standstill arrangement with the Company on terms satisfactory to the Board and on the same terms, in all material respects, as other interested parties before being permitted to participate in the process. The Company will provide such interested parties with certain information on its business, following which interested parties will be invited to submit their proposals. The Company will update the market in due course.

The Board will undertake the Strategic Review in a timely but structured manner, evaluating merits of each of the outcomes above, and potentially others that may arise, in defining the future corporate strategy for the Company.

The Board reserves the right to alter or terminate any aspect of the process as outlined above at any time, and to reject any approach or terminate discussions with any interested party at any time, and in such cases will make an announcement as appropriate.

The Company is not currently in discussions with, or in receipt of an approach from, any potential offeror at the date of this announcement. The Company will make further announcements as appropriate. The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code such that any party participating in the Formal Sale Process will not be required to be publicly identified under Rules 2.4(a) or (b) and will not be subject to the 28 day deadline referred to in Rule 2.6(a) of the Takeover Code for so long as it is participating in the process.

Following this announcement, the Company is now considered to be in an "offer period" as defined in the Takeover Code, and the dealing disclosure requirements will apply.

Shareholders are advised that this announcement does not represent a firm intention by any party to make an offer under Rule 2.7 of the Takeover Code and there can be no certainty that any offers will be made as a result of the Formal Sale Process, that any sale, strategic investment or other transaction will be concluded, nor as to the terms on which any offer, strategic investment or other transaction may be made.

Progress in relation to the Formal Sale Process and further details of the outcome of the Strategic Review will be announced as appropriate.

****ENDS****

For further information, please contact:

Equipmake Clive Scrivener, Non-Executive Chairman Ian Foley, CEO	Via St Brides Partners
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PricewaterhouseCoopers LLP (Joint Financial Adviser) Jamie Peel / Jon Raggett	Tel:+44 (0) 20 7583 5000
St Brides Partners (Financial PR Adviser) Susie Geliher / Paul Dulieu / Will Turner	Tel: +44 (0) 20 7236 1177 equipmake@stbridespartners.co.uk

About Equipmake

Equipmake isa UK-based industrial technology company specialising in the engineering, development and production of electrification products to meet the needs of the automotive and other sectors in support of the transition from fossil-fuelled to zero-emission drivetrains.

Equipmake is a leader in high performance technologically advanced electric motors, inverters and complete zero-emission electric drivetrains and power electronic systems.Equipmake has developed a vertically integrated offering providing fully bespoke solutions to its customers. The Company is focussed on accelerating traction with OEM and Tier 1 suppliers in relation to higher margin component and drivetrain supply under long-term growth contracts and securing high margin licencing transactions.

Key differentiators of the Company offerings are its advanced technology and performance, reliability and adherence to ASIL-D[1] functional safety. Equipmake's advanced motor and inverter technology, featuring ASIL-D compliance, are designed to customers' highest Functional Safety standards. With decades of experience in electric drivetrain integration and a dedicated prototype vehicle testing facility, Equipmake can significantly accelerate product development for customers.

[1]Automotive Safety Integrity Level ("ASIL") is a risk classification scheme defined by the ISO 26262 - Functional Safety for Road Vehicles standard and is a critical requirement for road vehicles. Of

the four ASILs identified by the standard, ASIL-D dictates the highest integrity requirements on the product, which require exceptional rigour in their development.

IMPORTANT NOTICES

VSA Capital Limited, which is authorised and regulated by the FCA in the UK, is acting as Joint Financial Adviser, Aquis Corporate Adviser and Broker exclusively for Equipmake and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Equipmake for providing the protections afforded to its clients or for providing advice in relation to matters referred to in this announcement. Neither VSA Capital Limited, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of VSA Capital in connection with this announcement, any statement contained herein or otherwise.

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Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified.

You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

The defined terms used in this section are defined in the Takeover Code, which can be found on the Takeover Panel's website.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Takeover Code, Equipmake confirms that it has in issue 1,120,074,565 ordinary shares of £0.0001 each in the capital of the Company ("Ordinary Shares") and admitted to trading on the Aquis Apex Exchange. The Company has no Ordinary Shares held in Treasury. The International Securities Identification Number for the Ordinary Shares is GB00BMBVXB73.

Publication on website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available on the investor section of the Company's website at https://equipmake.co.uk/investors/by no later than 12 noon (London time) on the business day immediately following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Miscellaneous

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Formal Sale Process, and other information published by Equipmake may contain statements about Equipmake that are or may be deemed to be forward looking statements. Such statements are prospective in nature. All statements other than historical statements of facts may be forward looking statements. Without limitation, statements containing the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or "considers" or other similar words may be forward looking statements. Forward looking statements inherently contain risks and uncertainties as they relate to events or circumstances in the future. Important factors such as business or economic cycles, the terms and conditions of Equipmake's financing arrangements, tax rates, or increased competition may cause Equipmake's actual financial results, performance or achievements to differ materially from any forward-looking statements. 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. Equipmake disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law

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