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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) No.596/2014, INCLUDING AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

**17 July 2025**

## **Coats Group plc**

### **Results of Capital Raise**

Coats Group plc ('Coats', the 'Company' or the 'Group'), the world's leading industrial thread and global footwear component manufacturer, is pleased to announce the successful completion of the Capital Raise announced yesterday, raising gross proceeds of approximately £246m, with strong support from existing shareholders.

A total of 314,806,641 new Ordinary Shares (the "**Placing Shares**") have been placed by BNP Paribas and Peel Hunt (the "**Bookrunners**") at a price of 77.0 pence per Placing Share (the "**Placing Price**") with institutional investors.

In addition, retail investors have subscribed via the RetailBook platform (the "**Retail Offer**") for a total of 3,852,840 new Ordinary Shares (the "**Retail Offer Shares**") at the Placing Price. Certain directors and management of the Company participated in the Placing for a total of 902,595 new Ordinary Shares at the Placing Price, as described further below.

In aggregate, the Capital Raise comprises 319,562,076 new Ordinary Shares, representing approximately 20 per cent. of the issued ordinary share capital of the Company prior to the Capital Raise. The Placing Price represents a discount of approximately 6.2 per cent. to the closing price of 82.1 pence on 16 July 2025, being the last practicable date prior to the date of this Announcement.

The proceeds of the Capital Raise will be used to part fund the acquisition and associated costs of OrthoLite Holdings LLC ("**OrthoLite**"), as announced by the Company yesterday (the "**Acquisition**"). Details of the Acquisition are contained in a separate announcement released by the Company yesterday which should be read in conjunction with this announcement.

### **Admission and Dealings**

Application has been made for the Placing Shares, Retail Offer Shares and Subscription Shares (together, the "**New Ordinary Shares**") to be admitted to the equity shares (commercial companies) category of the Official List of the Financial Conduct Authority (the "**FCA**") and to trading on the Main Market of London Stock Exchange plc (together "**Admission**").

Admission is expected to take place on or before 8:00 a.m. on 21 July 2025 and dealings in the New Ordinary Shares will commence at that time. The Capital Raise is conditional, inter alia, upon Admission becoming effective and the Placing Agreement becoming unconditional and not being terminated.

The New Ordinary Shares will, when issued, be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of the Company, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

## Participation of Persons Discharging Managerial Responsibility ("PDMRs")

Each of the PDMRs that has participated in the Placing ("Directors and Management Participation") as follows:

<i>Director</i>	<i>Existing beneficial interest in Ordinary Shares*</i>	<i>%</i>	<i>Placing Shares</i>	<i>Interest in Ordinary Shares after Placing Shares Admission*</i>	<i>%</i>
David Gosnell	1,866,070	0.12%	129,870	1,995,940	0.10%
David Paja	600,000	0.04%	324,675	924,675	0.05%
Hannah Nichols	26,092	0.00%	129,870	155,962	0.01%
Steve Murray	100,000	0.01%	38,961	138,961	0.01%
Jakob Sigurdsson	77,244	0.00%	32,467	109,711	0.01%
Fran Philip	75,984	0.00%	12,987	88,971	0.00%
Sarah Highfield	59,227	0.00%	12,987	72,214	0.00%
Wu Gang	-	-	58,441	58,441	0.00%
Srinivas Phatak	-	-	22,727	22,727	0.00%

\*Includes beneficial interest in Ordinary Shares held by 'persons closely associated' with each PDMM

Following Admission, the Company will have 1,917,372,461 Ordinary Shares in issue. There are no Ordinary Shares held in treasury. Therefore, the Company confirms that the total number of voting rights in the Company will, following Admission, be 1,917,372,461 which is the figure that may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules ("DTRs").

This Announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (as it forms part of domestic law as defined in the European Union (Withdrawal) Act 2018). This Placing Announcement is issued on behalf of the Company by Hannah Nichols, Chief Financial Officer.

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## Pre-Emption Group Reporting

The Placing, Retail Offer and Directors and Management Participation (the "**Capital Raise**") is a non-pre-emptive issue of equity securities for cash and accordingly the Company makes the following post-transaction report in accordance with the most recently published Pre-Emption Group Statement of Principles (2022).

<b>Name of issuer</b>	<b>Coats Group plc</b>
<b>Transaction details</b>	<p>In aggregate, the Capital Raise of 319,562,076 Ordinary Shares represents approximately 20 per cent of the Company's issued ordinary share capital.</p> <p>Settlement for the New Ordinary Shares are expected to take place on or before 8.00 a.m. (London time) on 21 July 2025.</p>
<b>Use of proceeds</b>	The proceeds of the Capital Raise will be used to part fund the acquisition and associated costs of OrthoLite, as announced by the Company yesterday.
<b>Quantum of proceeds</b>	In aggregate, the Capital Raise will raise gross proceeds of approximately £246 million with estimated net proceeds of approximately £240 million.
<b>Discount</b>	The Placing Price represents a discount of approximately 6.2 per cent. to 82.1 pence, which was the closing price on 16 July 2025.
<b>Allocations</b>	Soft pre-emption has been adhered to in the allocations process. The Company was involved in the allocations process, which has been carried out in compliance with all applicable MiFID II allocation requirements. Allocations made outside of soft pre-emption were preferentially directed towards existing shareholders in excess of their <i>pro rata</i> , and wall-crossed accounts.
<b>Consultation</b>	The Joint Bookrunners undertook a pre-launch wall-crossing process, including consultation with major shareholders, to the extent reasonably practicable and permitted by law.
<b>Retail investors</b>	<p>The Capital Raise included a Retail Offer, for a total of 3,852,840 Ordinary Shares, via the RetailBook platform.</p> <p>Retail investors who participated in the Retail Offer were able to do so at the same Placing Price as all other investors participating in the Placing.</p> <p>The Retail Offer was made available to existing shareholders and new investors in the UK. Investors were able to participate through RetailBook's free-to-use direct channel. As such, to the extent practicable on the transaction timetable, eligible UK retail investors (including certificated retail shareholders) had the opportunity to participate in the Retail Offer alongside institutional investors.</p>

## IMPORTANT NOTICES

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Coats Group plc is a company registered in England and Wales with company number 00103548 and registered office at 4th Floor 14 Aldermanbury Square, London, England, EC2V 7HS.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or transferred directly or indirectly in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. A potential placee and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are subscribed for will be, (i) outside the United States in "offshore transactions" (as such terms are defined in Regulation S under the Securities Act ("Regulation S")) pursuant to Regulation S and otherwise in accordance with applicable laws; or (ii) in the United States to a limited number of "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("QIBs"). The securities referred to herein have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the securities referred to herein. No public offering of the Placing Shares is being made in the United States.

No action has been taken by the Company or BNP PARIBAS ("BNPP") or Peel Hunt LLP ("Peel Hunt") or any of their respective affiliates, or any of its or their respective directors, officers, partners, employees, advisers or agents (collectively, "Representatives") that would, or is intended to, permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

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, underwrite or subscribe for or otherwise acquire or dispose of any shares in the capital of the Company in the United States, Australia, Canada, Japan or 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. The distribution of this Announcement, and the Placing and/or the offer or sale of the Placing Shares, may be restricted by law in certain jurisdictions. Persons receiving this Announcement are required to inform themselves about and to observe any such restrictions. 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 action. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Any failure to comply with these restrictions may constitute a violation of securities laws of such jurisdictions.

This Announcement is directed at and is only being distributed to persons: (a) if in member states of the European Economic Area (the "EEA"), "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") ("Qualified Investors"); or (b) if in the United Kingdom, "qualified investors" within the meaning of Article 2(e) of the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation") 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) persons who fall within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (each such person in (i), (ii) and (iii) above, a "Relevant Person"). No other person should act or rely on this Announcement and persons distributing this Announcement must satisfy themselves that it is lawful to do so. By accepting the terms of this Announcement, you represent and agree that you are a Relevant Person, if in the United Kingdom, or a Qualified Investor, if in a member state of the EEA. This Announcement must not be acted on or relied on by persons who are not Relevant Persons, if in the United Kingdom, or Qualified Investors, if in a member state of the EEA. Any investment or investment activity to which this Announcement or the Placing relates is available only to Relevant Persons, if in the United Kingdom, and Qualified Investors, if in a member state of the EEA, and will be engaged in only with Relevant Persons, if in the United Kingdom, and Qualified Investors, if in a member state of the EEA.

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The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions* (or section 73.3(1) of the *Securities Act* (Ontario), as applicable) (each, an "Accredited Investor") and "permitted clients" within

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No prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, the Republic of South Africa, or Japan or any other jurisdiction in which such activities would be unlawful.

Certain statements in this Announcement are forward-looking statements with respect to the Company's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results are forward-looking statements. Any statements contained in this Announcement that are not statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements, which may use words such as “aim”, “anticipate”, “believe”, “could”, “intend”, “estimate”, “expect”, “may”, “plan”, “project” or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Announcement. Each of the Company and BNPP and Peel Hunt and their respective affiliates and Representatives expressly disclaims 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.

In particular, no statement in this Announcement is intended to be a profit forecast or profit estimate and no statement of a financial metric (including estimates of EBITDA, profit before tax, free cash flow or net debt) should be interpreted to mean that any financial metric for the current or future financial years would necessarily match or exceed the historical published position of the Company and its subsidiaries. Certain statements in this Announcement may contain estimates. The estimates set out in this Announcement have been prepared based on numerous assumptions and forecasts, some of which are outside of the Company's influence and/or control, and is therefore inherently uncertain and there can be no guarantee or assurance that it will be correct. The estimates have not been audited, reviewed, verified or subject to any procedures by the Company's auditors. Undue reliance should not be placed on them and there can be no guarantee or assurance that they will be correct.

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

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the main market for listed securities of the London Stock Exchange.

In connection with the Placing, each of BNPP and Peel Hunt and any of their respective affiliates or Representatives, acting as investors for their own account, may take up a portion of the Placing Shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for the own accounts or otherwise deal for their own account in such Placing Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, each of BNPP and Peel Hunt and any of their respective affiliates and Representatives acting in such capacity. In addition, each of BNPP and Peel Hunt and any of their respective affiliates or Representatives may enter into financing arrangements (including swaps, warrants or contracts for difference) with investors in connection with which each of BNPP and Peel Hunt and any of their respective affiliates may from time to time acquire, hold or dispose of shares. Neither BNPP nor Peel Hunt intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

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### *UK Product Governance Requirements*

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Rules"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) 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: (a) 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 Chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("COBS"); and (b) eligible for distribution through all permitted distribution channels (the "UK target market assessment"). Notwithstanding the UK 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 UK 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 UK target market assessment, each of BNPP and Peel Hunt will only procure investors for the Placing Shares who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A, respectively; 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 UK target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

### *EU Product Governance Requirements*

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, each of BNPP and Peel Hunt will only procure investors for the Placing Shares 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.

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If you are in any doubt about the contents of this Announcement you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. The Company has taken all reasonable care to ensure that the facts stated in this Announcement are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Announcement, whether of facts or of opinion. The Company accepts responsibility accordingly.

It should be remembered that the price of securities and the income from them can go down as well as up.

NOTWITHSTANDING ANYTHING IN THE FOREGOING, NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE BY ANY PERSON ANYWHERE AND THE COMPANY HAS NOT AUTHORISED OR

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