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14 October 2021

Stelrad Group PLC

Confirmation of Intention to Float on the Main Market of the London Stock Exchange

Following the announcement by Stelrad on 7 October 2021 of its expected intention to float, the Company today confirms its intention to proceed with an initial public offering (the “**IPO**” or the “**Offer**”) and certain details of the Offer.

The Company intends to apply for admission of its Ordinary 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 London Stock Exchange (together, “**Admission**”).

The final offer price in respect of the Offer (the “**Offer Price**”) will be determined following a book-building process, with Admission currently expected to occur in early November 2021.

Trevor Harvey, Chief Executive of Stelrad, commented:

“The interest we’ve received from potential investors in our business has been significant and I’m delighted to confirm our intention to float on the London Stock Exchange.

“We are well placed to pursue both organic and inorganic growth opportunities. Our extensive product offering, strong relationships with all major distributors and specifiers and the supportive market backdrop will enable us to continue to play a central role in keeping Europe warm.

“In addition, given the increasing focus on energy efficiency and desire for more environmentally friendly homes, I am tremendously excited about how our products will form a central component of the wider decarbonisation journey.”

Confirmation of Offer Details:

- Admission to listing on the premium segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange.
- The Offer will be a targeted offering to certain institutional investors in the United Kingdom and to institutional investors located elsewhere outside of the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act").
- The Offer will comprise both (i) new Ordinary Shares, to raise gross proceeds of approximately £25 million to repay certain existing indebtedness of the Group and (ii) existing Ordinary Shares to be sold by current Stelrad shareholders.
- The Company expects to have a free float in excess of 25% of its issued share capital immediately following Admission and to be eligible for inclusion in the FTSE UK indices. It is expected that Ordinary Shares representing up to a further 15 per cent. of Ordinary Shares comprising the Offer will be made available by existing shareholders pursuant to an over-allotment option.
- Any additional details in relation to the Offer will be disclosed in the Prospectus, if and when published.
- Investec Bank plc ("Investec") is acting as Sponsor, Sole Global Co-Ordinator and Sole Bookrunner in relation to the Offer and Clearwater International is acting as Financial Adviser to the existing Stelrad shareholders and the Company.

For further information:

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Important legal information

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Investec solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America, Australia, Canada, Japan or South Africa. This announcement is not an offer of securities for sale into the United States, Australia, Canada, Japan or South Africa. The securities referred to herein have not been and will not be registered under the U.S. 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. The securities may not be offered or sold in the United States, except pursuant to an applicable 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. No public offering of the securities referred to herein is being made in the United States.

In the United Kingdom, this announcement is being distributed only to, and is directed only at, persons who: (A) (i) are "investment professionals" specified in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) fall within Article 49(2)(a) to (d) of the Order (and only where the conditions contained in those Articles have been, or will at the relevant time be, satisfied); and (B) are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 ("EUWA"); and (C) persons to whom it may otherwise lawfully be communicated (all such persons being "relevant persons").

In the European Economic Area (the "EEA"), this announcement is addressed only to and directed only at, persons in member states who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 ("Qualified Investors").

This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the EEA, Qualified Investors, and will be engaged in only with such persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur or the Company's or the Group's actual results, performance or achievements might be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Investec, the Company or any member of the Group, or any of such person's affiliates or their respective directors, officers, employees, agents or advisers expressly disclaim any obligation or undertaking to update, review or revise any such forward-looking

statement or any other information contained in this announcement, whether as a result of new information, future developments or otherwise, except to the extent required by applicable law.

Any subscription or purchase of Ordinary Shares in the possible IPO should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the IPO. The information in this announcement is subject to change. Before subscribing for or purchasing any Ordinary Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document, shall constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to acquire, whether by subscription or purchase, any Ordinary Shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The Group may decide not to go ahead with the possible IPO and there is therefore no guarantee that a Prospectus will be published, the Offer will be made, or Admission will occur. Potential investors should not base their financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of a possible offer for the person concerned.

Nothing contained herein constitutes or should be construed as (i) investment, tax, accounting or legal advice; (ii) a representation that any investment or strategy is suitable or appropriate to your individual circumstances; or (iii) a personal recommendation to you.

Neither Investec nor its affiliates or any of its or its affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to, the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, the Group or its associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

Investec Bank plc of 30 Gresham Street, London EC2V 7QP of is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the FCA and the PRA in the United Kingdom. Investec will be acting exclusively for the Company and no one else in connection with the possible IPO. Investec will not regard any other person as its client in relation to the possible IPO and will not be responsible to anyone other than Company for providing the protections afforded to its clients nor for giving advice in relation to the possible IPO, the contents of this announcement or any transaction, arrangement or other matter referred to herein. In connection with the withdrawal of the UK from the European Union, Investec may, at its discretion, undertake its obligations in connection with the possible offer of Ordinary Shares by any of its affiliates based in the EEA.

In connection with the Offer, Investec and any of its affiliates may take up a portion of the Ordinary Shares in the Offer as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and any other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt with should be read as including any issue, offer, subscription, acquisition, dealing or placing by Investec and any of its affiliates acting in such capacity. In addition Investec or its affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Investec (or its affiliates) may from time to time acquire, hold or dispose of Ordinary

Shares. Neither Investec nor any of its affiliates intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

In connection with the possible IPO, Investec, as stabilising manager (the "**Stabilising Manager**"), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other stabilisation transactions with a view to supporting the market price of the Ordinary Shares or any options, warrants or rights with respect to, or other interest in, the Ordinary Shares or other securities of the Company, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the possible IPO.

In connection with the possible IPO, the Stabilising Manager may, for stabilisation purposes, over-allot up to a maximum of 15 per cent. of the total number of Ordinary Shares comprising the possible IPO. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilising period, the Stabilising Manager will be granted an over-allotment option (the "**Over-allotment option**") by the selling shareholders pursuant to which the Stabilising Manager may require the selling shareholders to sell Ordinary Shares in an amount of up to a maximum of 15 per cent. of the total number of Ordinary Shares comprising the possible IPO (the "**Over-allotment Shares**") at the Offer Price. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be sold on the same terms and conditions as the Ordinary Shares being offered pursuant to the possible IPO and will form a single class for all purposes with the other Ordinary Shares.

Certain data in this announcement, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages in tables may have been rounded and accordingly may not add up to 100%.

For the avoidance of doubt, the contents of the Group's website or any website directly or indirectly linked to the Group's website, are not incorporated by reference into, and do not form part of, this announcement.

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 Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, (b) investors who meet the criteria of professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (c) eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") ; and (ii)

eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "UK Target Market Assessment"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary 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 Offer. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Investec will only procure investors 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; 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 Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary 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 Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail clients 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 "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary 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 EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Investec will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU 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 Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.