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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.

Terms defined in the Placing Announcement and the Acquisition Announcement on 10 August 2022 have the same meanings in this announcement (the "Announcement") unless the context provides otherwise.

11 August 2022

Coats Group plc

Results of Capital Raise

Coats Group plc ("**Coats**" or the "**Company**"), the world's leading industrial thread manufacturer, is pleased to announce the successful completion of the Capital Raise announced yesterday, raising gross proceeds of approximately £92m, with strong support from existing shareholders.

A total of 144,557,948 new Ordinary Shares (the "**Placing Shares**") have been placed by Citi and Peel Hunt (the "**Bookrunners**") at a price of 63.5 pence per Placing Share (the "**Placing Price**") with institutional investors.

In addition, existing retail investors of the Company have subscribed via the REX Retail Offer for a total of 682,052 new Ordinary Shares (the "**REX Retail Offer Shares**") at the Placing Price.

In aggregate, the Capital Raise comprises 145,240,000 new Ordinary Shares, representing approximately 10 per cent. of the issued ordinary share capital of the Company prior to Capital Raise. The Placing Price represents a discount of approximately 4.5 per cent. to the closing price of 66.5 pence on 10 August 2022, being the last practicable date prior to the date of this Announcement.

The aggregate proceeds from the Capital Raise will be used to fund the acquisition and associated costs of Rhenoflex GmbH ("**Rhenoflex**"), 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 and REX Retail Offer Shares to be admitted to the premium listing segment 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 15 August 2022. The Capital Raise is conditional, inter alia, upon Admission becoming effective and the Placing Agreement becoming unconditional and not being terminated.

The Placing Shares and REX Retail Offer 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.

Directors' Participation

Each of the Directors has participated in the Placing ("**Directors 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	1,409,990	0.10%	157,480	1,567,470	0.11%
Rajiv Sharma	4,439,012	0.31%	157,480	4,596,492	0.32%
Jackie Callaway	151,606	0.01%	118,110	269,716	0.02%
Jakob Sigurdsson	30,000	0.00%	47,244	77,244	0.01%
Fran Philips	50,000	0.00%	25,984	75,984	0.01%
Nicholas Bull	500,000	0.03%	50,000	550,000	0.04%
Hongyan Echo Lu	15,000	0.00%	7,874	22,874	0.00%

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

Related Party Transactions

Liontrust Asset Management Plc ("**Liontrust**") has agreed to subscribe for 16,932,090 Placing Shares at the Placing Price under, and on the terms and conditions of, the Placing. Due to holding more than 10 per cent. of the Company's issued share capital, Liontrust is deemed to be a related party under LR11.1.4A. Liontrust's participation in the Placing is classified as a smaller related party transaction for the purposes of LR11.1.10R and is disclosed in accordance with LR11.1.10R(2)(c).

Total Voting Rights

In accordance with the FCA's Disclosure Guidance and Transparency Rules, immediately following Admission, the Company will have a total issued share capital of 1,597,810,385 Ordinary Shares. None of the Company's Ordinary Shares are held in treasury.

The above figure 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.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notice" section of this Announcement.

This Announcement contains inside information for the purposes of the Market Abuse Regulation (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. This Announcement is issued on behalf of the Company by Jackie Callaway, Chief Financial Officer at 7.00am BST on 11 August 2022.

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Coats Group plc is a company registered in England and Wales with company number 00103548 and registered office at 4 Longwalk Road, Stockley Park, Uxbridge, England, UB11 1FE.

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. Accordingly, the Placing Shares are being offered and sold by the Company only (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 under the Securities Act and otherwise in accordance with applicable laws; and (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 Citigroup Global Markets Limited (“Citi”) 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. 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.

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.

No offering document or prospectus will be made available in any jurisdiction in connection with the matters contained or referred to in this Announcement or the Placing and no such offering document or prospectus is required (in accordance with the EU Prospectus Regulation or UK Prospectus Regulation) to be published.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities of the Company in the United States, Australia, Japan, South Africa or any other jurisdiction in which the same would be unlawful.

This Announcement is not, and under no circumstances is it to be construed as, an advertisement or a public offering of the Placing Shares in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way expressed an opinion about the Placing Shares and any representation to the contrary is an offence.

The distribution of Placing Shares in Canada is to be made only in the provinces of Alberta, British Columbia, Ontario and Québec and on a private placement basis only exempt from the requirement that the Company

prepare and file a prospectus with the relevant Canadian securities regulatory authorities and only to those who are both “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 the meaning of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations (each, a “Permitted Client”). In connection with any such sale made to investors in the Placing that are located in the foregoing provinces, the placee will be required to provide a signed investor qualification statement, confirming its eligibility to participate in the Placing.

The Company is not a “reporting issuer”, as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada, its securities are not listed on any stock exchange in Canada and there is currently no public market for the Placing Shares in Canada. The Company currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Placing Shares to the public in any province or territory of Canada or listing its securities on any stock exchange in Canada. Therefore, there will be no public market in Canada for the Placing Shares and the resale or transfer of the Placing Shares will be subject to restrictions. Accordingly, any resale of the Placing Shares of the Company must be made in accordance with applicable securities laws, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements.

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 Citi 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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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 Citi 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 their 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 Citi and Peel Hunt and any of their respective affiliates and Representatives acting in such capacity. In addition, each of Citi 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 Citi and Peel Hunt and any of their respective affiliates may from time to time acquire, hold or dispose of shares. Neither Citi 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.

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.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

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 Citi 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.