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If you have sold or otherwise transferred all of your Ordinary Shares in Tekmar Group plc, please immediately forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected. However, this document and the accompanying Form of Proxy should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia or the Republic of South Africa.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (FCA), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

Any person entitled to receive a copy of documents and information relating to the Rule 9 Waiver, including this Document, is entitled to receive such documents in hard copy form. Such person may request that all future documents and information in relation to the Rule 9 Waiver are sent to them in hard copy form. You may request a hard copy of this Document and/or any information incorporated into this Document by reference to another source by contacting the Company at Innovation House, Centurion Way, Darlington DL3 0UP.

Tekmar Group plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 1138143)

**Proposed Subscription, Placing and Retail Offer of up to
80,838,791 New Ordinary Shares to raise up to £7.3 million**

**Proposed issue of a further 4,075,788 New Ordinary Shares to
certain members of the Senior Management Team**

Approval of waiver of obligations under Rule 9 of the Takeover Code

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman which is set out on pages 11 to 24 (inclusive) of this Document and which, amongst other things, recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting, to be held at the offices of Tekmar Group plc at Innovation House, Centurion Way, Darlington DL3 0UP, at 10.30 a.m. on Wednesday 19 April 2023, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's Registrar, Equiniti Limited, House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA by not later than 10.30 a.m. on Monday 17 April 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours, excluding any part of a day that is not a working day, before the time fixed for the holding of the adjourned meeting). Completion and return of Forms of Proxy would not normally preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies

submitted via CREST must be received by the issuer's agent (ID: RA19) by no later than 10.30 a.m. on Wednesday 12 April 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a work day) before the time fixed for the adjourned meeting).

The Independent Directors accept responsibility for the information contained in this Document relating to the recommendation in respect of the Resolutions set out in paragraph 20 of Part I of this Document.

Bamburgh Capital Limited, which is authorised and regulated by the Financial Conduct Authority, is acting as Financial Adviser to the Company in connection with the Rule 9 Waiver and is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Bamburgh Capital Limited.

Bamburgh Capital Limited have not authorised the contents of this Document and no representation or warranty, express or implied, is made by Bamburgh Capital Limited as to the accuracy or contents of this Document or the opinions contained therein, without limiting the statutory rights of any person to whom this Document is issued. The information contained in this Document is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted by Bamburgh Capital Limited in relation to them.

Singer Capital Markets Advisory LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company as nominated adviser for the purposes of the AIM Rules ("SCM Advisory") and Singer Capital Markets Securities Limited which is authorised and regulated in the United Kingdom by the FCA is acting as sole broker to the Company ("Singer CM" and together with SCM Advisory, "Singer Capital Markets"), and Singer Capital Markets is acting exclusively for the Company in connection with the Proposals. Persons receiving this document should note that Singer Capital Markets will not be responsible to anyone other than the Company for providing the protections afforded to customers of Singer Capital Markets or for advising any other person on the arrangements described in this document.

No representation or warranty, expressed or implied, is made by Singer Capital Markets as to any of the contents of this document and Singer Capital Markets has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Singer Capital Markets for the accuracy of any information or opinions contained in this document.

Forward Looking Statements

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the statements in the paragraph immediately above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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DIRECTORS AND ADVISERS

Directors
(*Independent Directors)

Julian Brown (*Non-Executive Chairman*)*
Alasdair MacDonald (*Chief Executive Officer*)
David Wilkinson (*Non-Executive Director*)*
Ian Ritchey (*Non-Executive Director*)*

all of:

Innovation House
Centurion Way
Darlington
DL3 0UP

Company Secretary

Anthony James Pearson

Financial Adviser

Bamburgh Capital Limited
Bloc
17 Marble Street
Manchester
M2 3AW

Nominated Adviser

Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

**Sole Bookrunner and Retail Offer
Co-ordinator**

Singer Capital Markets Securities Limited
1 Bartholomew Lane
London
EC2N 2AX

Legal Advisers to the Company

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

**Legal Advisers to the Nominated
Adviser, Broker and Retail Offer
Co-ordinator**

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing Business Park
West Sussex
BN99 6DA

DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

Act	means the Companies Act 2006 (as amended)
Adjusted EBITDA	means the Group's earnings before interest, tax, depreciation and amortisation, and non-recurring and exceptional items
AIM	means the multi-lateral trading facility of that name operated by the London Stock Exchange
AIM Rules for Companies	means the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
Articles	means the existing articles of association of the Company as at the date of this Document
Bamburgh Capital	means Bamburgh Capital Limited, the financial adviser to the Company in connection with the Proposals
Board	means the board of directors of the Company
Bookbuild Platform	means the online capital markets platform developed by BB Technologies Limited, a company registered in England and Wales with company number 10153507 and whose registered office is at Gable House, 239 Regents Park Road, London N3 3LF
Business Day	means any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business
CBILS	means the Coronavirus Business Interruption Loan Scheme
Company or Tekmar	means Tekmar Group plc
Concert Party	means SCF Partners, SCF-IX and Steve Lockard, an operating partner of SCF Partners and a Proposed Director
Connected Persons	has the meaning set out in section 252 and section 254 of the Act and includes spouse, children under 18 and any company in which the relevant person is interested in shares comprising at least one fifth of the share capital of that company
Conversion Price	means 11.6 pence per Ordinary Share
Conversion Shares	means the up to 186,206,897 new Ordinary Shares to be issued on conversion of the Convertible Loan Notes including on the capitalisation of any interest payable on the Convertible Loan Notes
Convertible Loan Notes	means the £18 million nominal 10 per cent. unsecured convertible loan notes that may be issued to SCF pursuant to the Subscription Agreement and the Convertible Loan Note Instrument
Convertible Loan Note Holder	means a holder of a Convertible Loan Note
Convertible Loan Note Instrument	means the instrument constituting the Convertible Loan Notes in the agreed form, execution of which by the Company is conditional upon the Resolutions set out in the Notice of GM being passed by Shareholders at the General Meeting

Directors	means the directors of the Company at the date of this Document whose names are set out on page 4 of this Document
Disclosure Date	means Thursday 30 March 2023
Disclosure Period	means the period commencing on the date twelve months prior to the Disclosure Date and ending on the Disclosure Date (being the latest practicable date prior to the publication of this Document)
Document	means this document
Enlarged Ordinary Share Capital	means the issued share capital following the issue of the New Ordinary Shares
Existing Ordinary Shares	the existing 60,960,234 Ordinary Shares in issue as at the date of this Document
FCA	means the Financial Conduct Authority of the United Kingdom
Form of Proxy	means the form of proxy accompanying this Document for use at the General Meeting
FSMA	means the Financial Services and Markets Act 2000 (as amended)
Further Enlarged Ordinary Share Capital	means the Enlarged Ordinary Share Capital as further increased by the issue of the Conversion Shares
GM or General Meeting	means the general meeting of the Company convened for 10.30 a.m. at the offices of the Company at Innovation House, Centurion Way, Darlington, DL3 0UP on Wednesday 19 April 2023 by the Notice of GM and any adjournment thereof
Group	means the Company and its Subsidiaries
Independent Directors	means the Directors, excluding Alasdair MacDonald
Independent Shareholders	means Shareholders who are eligible to vote on the Rule 9 Waiver Resolution, which excludes those members of the Senior Management Team who are existing Shareholders
Intermediaries	means any financial intermediary that is appointed by the Retail Offer Coordinator in connection with the Retail Offer and “Intermediary” shall mean any one of them
issued share capital	means, except where stated to the contrary, the issued share capital of the Company excluding treasury shares
Issue Price	means 9 pence per Ordinary Share
LSE or London Stock Exchange	means London Stock Exchange plc
LTIP	means the Company’s Long Term Incentive Plan
Management Shares	means the 4,075,788 New Ordinary Shares to be issued to certain members of the Senior Management Team, including Alasdair MacDonald, in connection with management incentivisation arrangements
New Ordinary Shares	means the Subscription Shares, the Placing Shares, the Retail Offer Shares, and the Management Shares

Notice of GM	means the notice of the General Meeting set out at the end of this Document
Ordinary Shares	means the issued ordinary shares of 1p each in the capital of the Company
Panel or Takeover Panel	means the Panel on Takeovers and Mergers
Pipeshield	means Pipeshield International Ltd
Placee	means a person who agrees conditionally to subscribe for Placing Shares pursuant to the Placing
Placing	means the conditional placing of the Placing Shares to Placees at the Issue Price by SCM Securities pursuant to the terms and conditions of the Placing Agreement
Placing Agreement	means the placing agreement dated Friday 31 March 2023 entered into by the Company with Singer Capital Markets in relation to the Placing
Placing Shares	the 22,222,222 New Ordinary Shares to be issued and allotted to the Placees under the Placing Agreement
Proposals	means the Subscription, the creation of the Convertible Loan Note Instrument, the issue of Convertible Loan Notes, the Rule 9 Waiver, the issue of the Management Shares, the Placing and the Retail Offer
Proposed Directors	means Steve Lockard and Colin Welsh
Prospectus Rules	means the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
Registrar	means Equiniti Limited of Aspect House, Spencer Road, Lancing Business Park, West Sussex, BN99 6DA
Relationship Agreement	means the Relationship Agreement in agreed form to be entered into by the Company, SCF-IX and Steve Lockard, as described further in paragraph 6.3 of Part II of this Document
Resolutions	means the resolutions to be proposed at the General Meeting
Retail Investors	means existing Shareholders, who are Resident in the United Kingdom and are a customer of an Intermediary who agrees conditionally to subscribe for Retail Offer Shares in the Retail Offer
Retail Offer	means the offer of Retail Offer Shares to Retail Investors through Intermediaries on the Bookbuild Platform pursuant to the Placing Agreement, the Retail Offer Intermediaries Agreements and the Retail Offer Documents
Retail Offer Co-ordinator	means SCM Securities
Retail Offer Intermediaries Agreements	the agreements between the Company and the Intermediaries in relation to the Retail Offer which set out the terms and conditions upon which each Intermediary agrees to make the Retail Offer available to Retail Investors to subscribe for Retail Offer Shares

Retail Offer Shares	means the up to 11,111,111 New Ordinary Shares to be issued pursuant to the Retail Offer subject to, <i>inter alia</i> , the passing of Resolution 4 and Resolution 5 at the General Meeting
Rule 9	means Rule 9 of the Takeover Code
Rule 9 Waiver	means the waiver granted by the Panel of any requirement under Rule 9 of the Takeover Code for the Concert Party to make a general offer to Shareholders for the Company which would otherwise arise as a result of the issue of the Subscription Shares and the issue of the Conversion Shares to SCF on conversion of the Convertible Loan Notes and/or on the capitalisation of any interest due on the Convertible Loan Notes
Rule 9 Waiver Resolution	means resolution 1 to be proposed at the General Meeting as set out in the Notice of General Meeting
Senior Management Team	means Alasdair MacDonald and other members of the Group's senior management including Leanne Wilkinson, the Interim Group CFO, Anthony James Pearson, the Company Secretary, the Managing Directors of the Group's principal operating subsidiaries and other executives at the Company's head office
SCF	means either or both of SCF Partners or SCF-IX as the context requires
SCF Partners	means SCF Partners Inc.
SCF-IX	means SCF-IX L.P.
SCM Advisory	Singer Capital Markets Advisory LLP, the nominated adviser to the Company
SCM Securities	means Singer Capital Markets Securities Limited, the Sole Broker and Retail Offer Co-ordinator to the Company
Shareholders	means holders of Existing Ordinary Shares
Singer Capital Markets	means each of SCM Advisory, SCM Securities, each holding company of SCM Advisory and SCM Securities and each Subsidiary of each such holding company
Subscription	means the issue of the 47,505,458 Subscription Shares to members of the Concert Party
Subscription Agreement	means the subscription agreement dated Friday 31 March 2023 entered into by the Company and the members of the Concert Party in relation to the Subscription, as described further in paragraph 6.1 of Part II of this Document
Subscription Shares	means the 47,505,458 New Ordinary Shares to be issued under the Subscription Agreement
Subsidiary	means a subsidiary undertaking as that term is defined in the Act
Takeover Code or Code	means the City Code on Takeovers and Mergers
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland
£ or Pounds	means UK pounds sterling, being the lawful currency of the UK

MARKET STATISTICS

Issue Price of New Ordinary Shares	9 pence
Number of Existing Ordinary Shares	60,960,234
Subscription Shares to be issued to the Concert Party	47,505,458
Placing Shares to be issued under the Placing	22,222,222
Maximum number of Retail Offer Shares to be issued under the Retail Offer	11,111,111
Management Shares to be issued	4,075,788
Total maximum number of New Ordinary Shares to be issued pursuant to the Proposals	84,914,579
Gross proceeds from the issue of the Subscription Shares	£4,275,491
Gross proceeds from the issue of the Placing Shares	£2,000,000
Maximum gross proceeds from the issue of the Retail Offer Shares	up to £1,000,000
Maximum total gross proceeds from the issue of the Subscription Shares, The Placing Shares and the Retail Offer Shares	up to £7,275,491
Estimated fees in connection with the Proposals	£1,220,000
Maximum estimated net proceeds from the issue of the Subscription Shares, Placing Shares and Retail Offer Shares	up to £6,055,491
Enlarged Ordinary Share Capital after issue of maximum number of New Ordinary Shares	145,874,813
Percentage of maximum Enlarged Ordinary Share Capital represented by the Subscription Shares	32.6 per cent.
Percentage of maximum Enlarged Ordinary Share Capital represented by the Placing Shares	15.2 per cent.
Percentage of maximum Enlarged Ordinary Share Capital represented by the Retail Offer Shares	7.6 per cent.
Percentage of maximum Enlarged Ordinary Share Capital represented by the Management Shares	2.8 per cent.
Percentage increase in the Ordinary Share Capital after issue of the maximum number of New Ordinary Shares	139.3 per cent.
Principal amount of the Convertible Loan Notes to be issued to SCF	up to £18 million
Conversion Price per Ordinary Share under the Convertible Loan Notes	11.6 pence
Maximum number of Conversion Shares to be issued to SCF on conversion of the Convertible Loan Notes*	186,206,897
Further Enlarged Ordinary Share Capital after conversion of the Convertible Loan Notes*	332,081,710

Maximum percentage of the Further Enlarged Ordinary Share Capital to be held by the Concert Party* 70.4 per cent.

TIDM TG.P.L

ISIN for the New Ordinary Shares GB00BDFGGK53

LEI 213800839UQKQTV33E71

* Assumes that the maximum number of Convertible Loan Notes will be issued and that all are converted and that all interest payments which will accrue on the Convertible Loan Notes will be capitalised into Ordinary Shares at the Conversion Price.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Proposals	Friday 31 March 2023
Announcement of the result of the Placing	Friday 31 March 2023
Publication and posting of this Document	Monday 3 April 2023
Announcement of the Retail Offer	Monday 3 April 2023
Launch of the Retail Offer via the Bookbuild Platform	Tuesday 4 April 2023
Latest time and date for receipt of Forms of Proxy or CREST Proxy Instructions (as applicable) for the General Meeting	10.30 a.m. on Monday 17 April 2023
Close of the Retail Offer	Monday 17 April 2023
General Meeting	10.30 a.m. on Wednesday 19 April 2023
Announcement of the result of the Retail Offer	Tuesday 18 April 2023
Announcement of the result of the General Meeting	Wednesday 19 April 2023
Admission of New Ordinary Shares to trading on AIM	Thursday 20 April 2023
Posting of share certificates for the New Ordinary Shares by the Registrar, where applicable	by Wednesday 3 May 2023

Notes

1. Each of the times and dates set out in the above timetable and mentioned in this Document is based on the Company's current expectations and subject to change by the Company, in which event details of the new times and dates will be notified to the London Stock Exchange, where required, and the Company will make an appropriate announcement to a Regulatory Information Service.
2. References to times in this Document are to London times unless otherwise stated.
3. Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Existing Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
4. If you require assistance, please contact Equiniti Limited on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART I

LETTER FROM THE CHAIR

Tekmar Group plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11383143)

Directors:

Julian Brown *(Non-Executive Chairman)*
Alasdair MacDonald *(Chief Executive Officer)*
David Wilkinson *(Non-Executive Director)*
Ian Ritchey *(Non-Executive Director)*

Registered Office:

Innovation House
Centurion Way
Darlington
DL3 0UP

To the holders of Ordinary Shares and, for information purposes, to the holders of options over Ordinary Shares

Dear Shareholder

3 April 2023

**Proposed Subscription, Placing and Retail Offer of up to
80,838,791 New Ordinary Shares to raise up to £7.3 million**

**Proposed issue of a further 4,075,788 New Ordinary Shares to certain
members of the Senior Management Team**

Approval of waiver of obligations under Rule 9 of the Takeover Code

and

Notice of General Meeting

1. Introduction

The Company announced on 31 March 2023 a strategic investment by SCF to support Tekmar's strategy to become a global offshore wind services business.

As part of this strategic investment SCF and Steve Lockard, an operating partner of SCF, have agreed, subject to certain terms and conditions, to subscribe for, in aggregate, 47,505,458 New Ordinary Shares at an Issue Price of 9 pence per Ordinary Share to raise £4.3 million to strengthen the Company's balance sheet. The Issue Price is based on the 50-day moving average price of Ordinary Shares up to the day before the announcement by the Company on 17 November 2022 that it had entered into a period of exclusivity with a strategic investor to explore the possibility for a significant investment into the Company.

In addition, the Company intends to create the Convertible Loan Note Instrument for the issuance of up to £18 million principal of Convertible Loan Notes that SCF may subscribe for over a subscription period of up to three years following the creation of the Convertible Loan Note Instrument. The creation of the Convertible Loan Note Instrument is conditional on Shareholders approving the Proposals to provide funding for the Company's growth strategy, which is further described in section 4 below. The Convertible Loan Note is intended to provide the Company with funding for the primary purpose of financing acquisition-led growth although is also available to finance significant organic growth initiatives that are consistent with the Group's strategic plan. Accordingly, the Convertible Loan Note instrument is an effective mechanism of providing medium-term visibility of funding for the Company and creates a "war-chest" to be deployed as and when appropriate acquisition opportunities are identified. The intention is for SCF to subscribe for Convertible Loan Notes only deployed as a funding mechanism in support of such growth opportunities.

Furthermore, as the Company values the support it has received from its Shareholders, the Company also announced on 31 March 2023 a Placing of 22,222,222 New Ordinary Shares, which together with a further 11,111,111 New Ordinary Shares to be made available to qualifying investors under a Retail Offer using the Bookbuild Platform, both at the Issue Price, will raise up to a further £3.0 million to further strengthen the Company's balance sheet.

The Company will also be issuing a further 4,075,788 New Ordinary Shares to certain members of the Senior Management Team, including Alasdair MacDonald the Group Chief Executive, in settlement of part of their annual bonus payments.

SCF Partners, SCF-IX and Steve Lockard, an operating partner of SCF Partners, are members of the Concert Party, within the meaning of the Takeover Code, and following completion of the Proposals will hold 47,505,458 Ordinary Shares, representing 32.6 per cent. of the Enlarged Ordinary Share Capital which would be held by SCF-IX (43,616,569 Ordinary Shares representing 29.9 per cent. of the Enlarged Ordinary Share Capital) and Steve Lockard (3,888,889 Ordinary Shares representing 2.7 per cent. of the Enlarged Ordinary Share Capital). Subsequently and based on the assumptions set out in paragraph 3.4 of Part III of this Document, following the Subscription and issuance and conversion of all of the Convertible Loan Notes (including the capitalisation of all interest which could accrue on the Convertible Loan Notes) the holdings of the Concert Party could reach a maximum of 233,712,355 Ordinary Shares, representing a maximum of 70.4 per cent. of the Further Enlarged Ordinary Share Capital, which would be held by SCF-IX (229,823,466 Ordinary Shares representing 69.2 per cent. of the Further Enlarged Ordinary Share Capital) and Steve Lockard (3,888,889 Ordinary Shares representing 1.2 per cent. of the Further Enlarged Ordinary Share Capital). Accordingly, the Concert Party will therefore be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital and could hold Ordinary Shares carrying more than 50 per cent. of more of such voting rights.

The Takeover Panel has been consulted and has agreed to waive the requirement for the Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for Ordinary Shares in the Company which might otherwise arise as a result of the issue of the Subscription Shares and the Conversion Shares, subject to the Rule 9 Waiver Resolution (as set out in the notice convening the General Meeting) being passed on a poll of the Independent Shareholders. To be passed, the Rule 9 Waiver Resolution will require a simple majority of the votes cast by the Independent Shareholders to be in favour.

The purpose of this Document is to explain the background to, and the reasons for, the Proposals and related matters and why the Independent Directors believe that the Proposals are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions including the Rule 9 Waiver Resolution.

Your attention is drawn to the Notice of General Meeting at the end of this Document and paragraphs 4 to 20 of this letter, which explain the purpose of the General Meeting and action to be taken by you in relation to the General Meeting.

2. Information on Tekmar

Tekmar collaborates with its partners to deliver robust and sustainable engineering led solutions that enable the world's energy transition.

Through its Offshore Wind and Offshore Energy Divisions, the Company provides a range of engineering services and technologies to support and protect offshore wind farms and other offshore energy assets and marine infrastructure. The Company's capabilities include geotechnical design and analysis, simulation and engineering analysis, bespoke equipment design and build, subsea protection technology and subsea stability technology.

The Company's clear strategy is focused on strengthening Tekmar's value proposition as an engineering solutions-led business which offers integrated and differentiated technology, services and products to its global customer base, principally within the growing offshore wind market.

Headquartered in Darlington, UK, Tekmar Group has an extensive global reach with offices, manufacturing facilities, strategic supply partnerships and representation in 18 locations across Europe, Africa, the Middle East, Asia Pacific and North America.

3. Information on SCF

SCF Partners is a private equity firm focused on building energy services, equipment, and technology companies. It is headquartered in Houston, Texas, USA and with associated offices in: Calgary and Alberta, Canada; Aberdeen, Scotland, UK; Adelaide, Southern Australia, Australia; and Singapore. SCF Partners

has a net asset value of \$1.5 billion and over its 33 year history of energy investing has completed more than 370 growth investments into 78 platform companies and helped build 18 public companies. SCF Partners provides strategic and operational support alongside facilitating growth through acquisitions and geographic expansion initiatives to build leading companies across the globe.

4. Reasons for the Proposals

The Directors continue to see positive medium-to-long term prospects for the business but also recognise that ongoing industry headwinds continue to challenge the Group's transition to profitability. The results for the year ended 30 September 2022 highlight this challenge, with the Group reporting an Adjusted EBITDA loss of £2.1 million. Whilst the business delivered a better performance for the second half of the year with a much reduced loss at the adjusted EBITDA level, the Board does not expect the business to return to profitability at the Adjusted EBITDA level for the whole of the year ending 30 September 2023.

In view of this extended transition to profitability, the Group is expected to continue to absorb cash throughout 2023 at a time when the Group's available banking facilities are expected to be fully utilised to meet its normal working capital obligations. With these constraints, and a net cash position of only £1.5 million as at 30 September 2022, the Board recognises that its working capital position could be put under pressure with any delays in significant customer payments. Therefore, to address these clear liquidity risks, the Board has concluded that it remains in the best interests of Shareholders for the Company to source new capital to strengthen its balance sheet. The Board also considers that a stronger balance sheet is essential to provide the working capital headroom to support the deployment of new contracts that will drive profitable growth.

The Board recognises that save for the continued support of its existing banking relationships, that existing cash resources could materially deplete if the Proposals are not completed. The Group meets its day-to-day working capital requirements through reliance on its available banking facilities which includes a CBILS loan of £3.0m, currently available to 31 October 2023, and a trade loan facility of up to £4.0m that can be drawn against supplier payments, currently available to 15 July 2023. The latter was provided with support from UK Export Finance due to the nature of the business activities both in renewable energies and in driving growth through export led opportunities. If these facilities are not renewed and if the Proposals were not completed, the Group would have to take a number of actions designed to avoid the cash deficit that would arise and there would be a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

On 13 June 2022, the Directors announced a strategic review, including a formal sales process, to secure a suitable partner to restore value creation for Shareholders and on 17 November 2022, the Board announced it had entered a period of exclusivity with a global institutional investor in the energy sector. The proposal being considered not only provided immediate capital to strengthen the balance sheet but would also provide future funding for the Company to follow an ambitious plan for growth, both organically and by acquisition.

The Company has agreed a strategic equity investment by SCF and Steve Lockard, which subject to Shareholder approval at the General Meeting, SCF and Steve Lockard will invest up to approximately £22.3 million in cash through an initial cash investment of £4.275 million through the Subscription and the establishment of an £18 million Convertible Loan Note issuance programme. Alongside this initial investment by the Concert Party, the Company is also conditionally raising up to £3.0 million from existing Shareholders through a proposed Placing of approximately £2.0 million and a proposed Retail Offer of up to £1.0 million.

The Board believes that SCF is a valuable and highly complementary partner for Tekmar. In addition to financial investment, SCF and the Company have developed a shared vision to use Tekmar as a platform to build a globally pre-eminent offshore wind services business covering engineering and construction ("CAPEX") and operational services, focused on multi-platform inspection, maintenance and repair in extreme environments ("OPEX"). This platform will focus on delivering value-added engineering and technology led services to the offshore wind market across the project lifecycle. As a maturing industry, there is a clear opportunity in offshore wind to create a stronger supply chain services business that builds on Tekmar's existing industry leadership in a market that exhibits high structural barriers to entry. The Directors believe that investing in building this platform strengthens the Company's competitive market position as a stronger partner with developers and OEMs with the aim of generating consistent and enhanced economic returns for shareholders.

SCF has completed its due diligence process on the Group and shares the Board's confidence in the Company's organic growth strategy, the size of the market opportunity and the valuation upside potential of scaling Tekmar's market leading position through complementary M&A. In developing this shared vision, SCF and the Board have an ambition (the "Value Creation Strategy") to transform Tekmar as a wind services platform business with a global footprint, through both accelerated organic growth and acquisitions. The significant investment capacity from SCF of £18 million in Convertible Loan Notes is intended to be invested in support of the growth ambition, both organically and to fund the buy and build strategy. As part of this commitment, SCF is investing in the Company and supporting the existing management team, led by Alasdair MacDonald, to drive this transformational plan. In addition to SCF's investment, the Tekmar Board will be further strengthened by the addition of Steve Lockard and Colin Welsh as directors and representatives of SCF. Further details on the respective backgrounds of the Proposed Directors and the considerable value they bring through their industry expertise are set out in section 5 of this letter.

In addition to strengthening the Board with the above appointments, the executive management team will continue to be strengthened as the business grows, and subject to completion of the Proposals it is intended to appoint Bill Boyle as Chief Commercial Officer to support the delivery of our strategic plans, commercial discipline and project management. Bill Boyle brings over 30 years of experience in senior management roles in the offshore energy sector, including positions at Subsea 7, Clough, Forum Energy Technologies, and Oceaneering.

Key to the Value Creation Strategy is to prioritise the Group returning to a base level of profitability, such that the day-to-day operational requirements of the business are self-funded through the Group's cash flows. From this secure base, a complementary "buy and build" strategy can be undertaken, from the foundation of Tekmar's existing portfolio, to build a focused but more diversified group covering a wider range of offshore renewable energy and subsea products and services with a global footprint.

Prior to recommending the strategic investment from SCF together with the proposed Placing and proposed Retail Offer with Shareholders, the Board considered a number of alternative means of protecting and realising shareholder value, including possible asset disposals and the potential sale of the Group to a third party. Securing the proposed strategic partnership with an industry partner of SCF's calibre presents a number of clear advantages over these alternative options including:

- SCF is recognised as a major investor in the global energy sector and has an exceptional track record of delivering value for shareholders;
- in supporting the delivery of the Value Creation Strategy, SCF brings complementary strategic perspectives, expertise, industry networks, access to M&A opportunities and operational and deal execution support capability to Tekmar for the benefit of all Shareholders;
- by continuing to trade on AIM, existing Shareholders can share in the potential success of the Value Creation Strategy and the significant growth opportunity anticipated in the Offshore Wind market;
- the strategic investment from SCF avoids the potential break-up of Tekmar, where the Company has created a balanced portfolio of businesses through acquisition since its IPO in 2018, including the Pipeshield business which has provided a positive contribution to the Group since its acquisition in October 2019 and is anticipated to continue to do so as the Group returns to profitability;
- the strategic investment by SCF concludes the strategic review and the formal sale process providing confidence to Tekmar's customers and broader commercial relationships;
- importantly, the strategic investment by SCF provides continuity to stakeholders maintaining Tekmar as an independent, publicly traded company focused on the provision of its core services in its target markets; and
- for employees, it will provide greater security and certainty over the future, with significant investment anticipated to grow the Group from its locations in the north-east and elsewhere across the UK.

SCF shares the Board's belief that there are significant benefits in utilising the AIM quotation to support the Value Creation Strategy. These include that:

- AIM is designed to be a supportive environment for growth companies to achieve their business strategies and readily facilitates syndication of growth funding opportunities with other shareholders and investors;

- publicly-traded shares may be used as a currency to help finance M&A;
- publicly-traded shares may be used to incentivise future management performance, including management teams of acquired businesses.

In the opinion of the Board the structure of the strategic investment, as proposed, has the advantages of:

- establishing SCF as a significant shareholder and strategic partner to the Group through the issue of the Subscription Shares;
- providing significant cash resources to support M&A, with SCF as a lead investor, by creating a “war-chest” to be deployed as and when appropriate acquisition opportunities are identified;
- using the Convertible Loan Note instrument is an effective mechanism of providing medium-term visibility of funding; and
- promoting alignment with existing Shareholders’ interests by offering the opportunity to invest alongside SCF.

Overall, the Board believes the strategic investment from SCF is transformational for Tekmar’s commercial standing by significantly strengthening its balance sheet and securing a strategic commitment from an institutional investor with a globally recognised track record of building businesses in the energy industry.

5. The Proposed Directors

Following completion of the Proposals it is proposed that Steve Lockard and Colin Welsh will be invited to join the Board, subject to the completion of customary due diligence by the Company’s nominated adviser.

Steve Lockard

Steve Lockard has over 35 years of experience in global operations leadership and has been an operating partner of SCF since 2021 where he supports energy transition investments and company platform building. He is the former CEO and current Chairman of NASDAQ-quoted TPI Composites, where he led the company’s transformation from a New England based boat builder to the largest independent global wind blade manufacturer, generating \$1.7 billion in revenue in 2020. He is Chairman of Keystone Tower Systems, an innovative manufacturer of wind turbine towers, and also serves on the board of Powerstar, a SCF portfolio company, which is a UK-based provider of energy storage and power resilience systems. He served for 10 years on the board of the American Wind Energy Association (AWEA) and served on its transition board, leading the CEO search committee, as AWEA was merged into the newly created American Clean Power Association (ACP). The ACP’s mission is to provide cost-effective wind, solar, transmission and energy storage solutions to the climate crisis. Steve also serves as an Executive in Residence at the W. P. Carey School of Business in Arizona State University.

Colin Welsh

Colin Welsh is a Partner of SCF Partners. Prior to joining SCF in 2017, he served as Head of International Energy Investment Banking at Simmons & Company International, having joined Simmons in 1999 and building the firm’s activities outside of North America from its offices in Aberdeen, London and Dubai. Before joining Simmons & Company he spent 16 years at Ernst and Whinney, Touche Ross and RMD. Between 2010 and 2015 he led the campaign to fund the construction of a Maggie’s Cancer Care Centre in Aberdeen and he continues to be a Patron of that charity. Colin currently serves on the boards of SCF portfolio companies Centurion, Score Group, Hydrasun and Powerstar and Global E&C.

6. Current Trading and Outlook

On 14 March 2023 the Company published its audited financial statements for the year ended 30 September 2022. The results show a loss before taxation for the year of £5.2 million (2021: £5.8 million loss for an 18-month period) on turnover of £30.2 million (2021: £47 million for an 18-month period).

A copy of the audited financial statements for the year ended 30 September 2022 is available to view on the Company’s website: investors.tekmar.co.uk.

The Company has highlighted previously in its investor communications that it sees 2022 and 2023 as transition years for the business as it navigates through a period of recovery for the industry. The Board remains focused on delivering its business improvement programmes and is encouraged by the 330 basis point improvement in gross margin reported with the results for the year ended 30 September 2022. The Board continues to see the opportunity for further gross margin expansion from the 23 per cent. just reported for FY22 to a medium-term target of 35 per cent. This is based on volume returning to the market alongside ongoing business improvement activities.

Despite the impact of residual industry challenges on current trading, the mid to long term growth opportunity in the Group's core markets remain highly compelling. This is particularly the case in the offshore energy market, where the lead indicators highlight recovery and growth in the construction of new offshore wind installations as investment accelerates through the rest of the decade and beyond. This acceleration in investment is required to deliver over 200GW of new offshore wind capacity forecast to enter construction by 2030. This compares with the current installed capacity of 55GW.

As the Company has highlighted previously, this acceleration in investment follows a period of slowdown in new projects and tender activity from which the market is starting to recover. The Group is seeing this market recovery in its improving enquiry book, supporting an order book of £22.9m as at 31 December 2022. The order book has strengthened significantly from £10m in both FY20 and FY21 and provides good forward visibility as the Group completes the business transition and restores profitable growth.

It is encouraging that the Group continues to secure landmark contract awards and is securing contracts at improved project margins and at lower execution risk. The Board remains cautious, however, in the near-term on the likely lead times for project awards and starts in the offshore wind market and expects this is likely to suppress the volume required to restore profitability for the current financial year. Also it is recognised that it will take some time for improved contractual and commercial discipline to impact financial results. Taking these factors into account, and anticipated business mix for the current financial year, the Board's expectation, as expressed in the recently published final results statement is for the business to break even at an Adjusted EBITDA level for the current financial year. This is based on expected revenue for the current financial year to be in the region of £40m, of which approximately 70 per cent. is already secured. The Board expects the business to generate positive Adjusted EBITDA in FY24.

As the Group is managed through the transition period, a key priority for the Board remains balance sheet stability and cash. Having completed an equity fundraise in March 2022 and, in addition, having implemented a number of internal steps to improve cash management, the Company updated shareholders in October 2022 on cash collection in the second half of FY22, with a net improvement in cash of over £2.0 million compared to 31 March 2022. Post the period-end, the Group extended the maturity dates of its banking facilities, which includes a CBILs loan of £3.0 million, currently available to 31 October 2023, and a trade loan facility of up to £4.0 million that can be drawn against supplier payments. This facility is currently available to July 2023, aligning with the annual review date of the banking facilities. Whilst the Group meets its day-to-day working capital requirements through the availability of these banking facilities, the Board recognises the material uncertainty which exists around the renewal of banking facilities and continues to consider that the Group requires investment to provide necessary balance sheet strength to provide a minimum cash headroom through FY23 as well as supporting its opportunities for growth.

Basis of profit forecasts

The Company's audited financial statements for the year ended 30 September 2022, published on 14 March 2023, also contained the following statement, which comprises an ordinary course profit forecast, within the meaning of the Takeover Code:

"The Board's expectation is for the business to break even at an Adjusted EBITDA level for the current financial year."

And the following statement, which represents a profit forecast for a future financial period, within the meaning of the Takeover Code, as it ends more than 15 months after the date of this Document:

"The Board expects to the business to generate positive Adjusted EBITDA in FY24."

The Directors confirm that these profit forecasts remain valid and that the profit forecasts have been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with the Company's accounting policies.

The Directors have made the profit forecasts for the forecast periods of the year ending 30 September 2023 ("FY23") and the year ending 30 September 2024 ("FY24") (together "the Forecast Periods") on the basis of the following assumptions:

- that the Group continues to operate on its current basis without the potential benefit of the Proposals;
- that no acquisitions or disposals of businesses take place during the forecast periods;
- that there will be no further change to existing prevailing worldwide macroeconomic conditions during the Forecast Periods;
- that there will be no material adverse events during the Forecast Periods which will have a significant impact on the Group's financial results;
- that there will be no changes in exchange rates, interest rates, bases of taxes, legislation or regulatory requirements that would have a material impact on the Group during the Forecast Periods;
- that there will be no material change in the price of raw materials during the Forecast Periods.
- that there will be no material changes to energy prices including electricity and gas during the Forecast Periods;
- that there will be no material change in employment costs during the Forecast Periods; and
- that there will be no material change to the competitive environment leading to an adverse impact on the Group.

7. Principal terms of the Convertible Loan Notes

The Company is proposing to raise up to £18 million over the next three years through issuing Convertible Loan Notes to SCF, pursuant to the terms of the Subscription Agreement and the Convertible Loan Note Instrument. Execution of the Convertible Loan Note Instrument, and the obligation to issue and subscribe, remain conditional upon, amongst other things, Shareholders approving the Resolutions at the General Meeting.

A summary of the principal terms of the Convertible Loan Notes is set out below:

Issue

The Company may make a drawdown request to SCF at any time during the three years following the creation of the Convertible Loan Note Instrument in accordance with the terms of the Subscription Agreement, subject to any individual request being for a minimum tranche of £3 million. SCF shall have sole discretion as to whether it accepts such a subscription request.

In accordance with the terms of the Subscription Agreement, SCF may also request that the Company issue to it Convertible Loan Notes such that it will be able to subscribe for:

- a minimum of £6 million of notes, in aggregate, by the end of the first year following the creation of the Convertible Loan Note Instrument;
- a minimum of £12 million, in aggregate, of notes by the end of the second year following the creation of the Convertible Loan Note Instrument; and
- a minimum of £18 million, in aggregate, of notes by the end of the third year following the creation of the Convertible Loan Note Instrument.

Repayment

Unless the Convertible Loan Note Holders exercise their option to convert the amount outstanding into Ordinary Shares they will be redeemed by the Company at the maturity date, which shall be the date falling 24 months after the date on which the relevant tranche of Convertible Loan Notes was issued. The Company

may not repay the Convertible Loan Notes in full or in part other than on the relevant maturity date or on the occurrence of an event of default without the consent of the relevant holder of the Convertible Loan Note.

Interest

The Company will pay interest on the principal amount of any outstanding Convertible Loan Notes from the date of issue at a rate of 10 per cent. per annum (the "Interest Rate"). Interest will accrue daily and shall be calculated on the basis of a 365-day year and the actual number of days elapsed from the date of issue of the Convertible Loan Notes to the relevant maturity date. Interest shall be repayable at the maturity date of the relevant Convertible Loan Note, but the Company may elect to pay accrued interest on a quarterly basis. Interest shall continue to accrue on the unpaid amount of the Convertible Loan Notes at the Interest Rate but shall not be compounded. Any interest which accrues on the Convertible Loan Notes and which has not been paid by the Company will be capitalised into Ordinary Shares at the Conversion Price at the same time as conversion of the corresponding Convertible Loan Notes into Ordinary Shares. Any Conversion Shares which arise from the capitalisation of interest are included in the Rule 9 Waiver.

Events of Default

The Company's obligation to redeem the Convertible Loan Notes in full may be accelerated by the Convertible Loan Note Holder following the occurrence of certain events, including (but without limitation) non-payment of amounts due, non-compliance with the terms of the Convertible Loan Note Instrument, insolvency and insolvency-related events.

Conversion

The Convertible Loan Note Holders may, at any time when any principal of the Convertible Loan Notes is outstanding, convert such outstanding amount, together with any accrued but unpaid interest, into Ordinary Shares in the Company at the Conversion Price of 11.6 pence per Ordinary Share. The relevant holder of the Convertible Loan Note may choose to serve a conversion notice on the Company at any time provided that such notice is at least 10 days in advance of the relevant maturity date for the Convertible Loan Notes that are proposed to be converted into Ordinary Shares, with conversion pursuant to such notice occurring no later than 10 days after receipt of the notice (or later if regulatory consents are required prior to such conversion). The Conversion Price and/or the number of Conversion Shares to be issued on conversion will be adjusted in certain circumstances to ensure that the number of Ordinary Shares issued on conversion confer the same relative entitlement (e.g., if there is a sub-division, consolidation or bonus issue of Ordinary Shares). The Conversion Shares shall be credited as fully paid and rank *pari passu* with Ordinary Shares of the same class in issue on the conversion date. The Company will, following conversion, apply to have the Conversion Shares listed on AIM.

Security and Guarantee

The Convertible Loan Notes when issued will be an unsecured obligation of the Company.

Covenants

The Company covenants with the holders of any outstanding Convertible Loan Notes that following the creation of the Convertible Loan Note Instrument and for so long as any Convertible Loan Notes remain in issue or any of them are outstanding or capable of issue, it will not take certain actions without the consent of the relevant holders. Such actions include (but without limitation), maintaining sufficient shareholder authorities to issue Conversion Shares, the payment of dividends or other distributions, amending the terms of the Convertible Loan Notes, issuing further Ordinary Shares or raising further debt.

Transfer

The Convertible Loan Notes are freely transferrable by the relevant holder.

Listing

The Company does not intend to apply for the Convertible Loan Notes to be listed or otherwise traded on any stock exchange or other market.

8. Details of the Relationship Agreement

The Company has agreed the terms of a Relationship Agreement with the Concert Party to manage the relationship between the Company and the Concert Party and to ensure that the Company will at all times be capable of carrying on the Group's business independently of the Concert Party and that any transactions and arrangements with the Concert Party will be on an arm's length basis and on normal commercial terms. The Relationship Agreement will come into effect following completion of the Proposals and continue for such time as the Company's securities remain admitted to trading on AIM and that the Concert Party holds a minimum of 25 per cent. of the Company's voting rights.

The Relationship Agreement grants the right to SCF to nominate two directors and one observer to the Company's Board and establishes a new M&A committee of the Board, the members of which will be the two SCF nominated directors and two of the Company's directors. The M&A committee will be responsible for making recommendations to the Board on potential investments and divestments by the Group, both in terms of corporate acquisitions and in respect of organic growth opportunities, in accordance with an agreed funding policy and criteria. The Concert Party members give undertakings in the Relationship Agreement that they will exercise their voting rights to ensure that:

- the Group shall be managed for the benefit of the Shareholders as a whole and independently of the Concert Party and that policy and decisions are not focussed on the interests of the Concert Party at the expense of other Shareholders;
- the Company shall continue to be managed in accordance with the QCA Corporate Governance Code, or any other corporate governance code adopted by the Board from time to time;
- the audit, nominations and remuneration committees of the Board will continue to be chaired by and continue to operate with a majority of non-executive independent directors and that the members of the committees will be appointed by the Board (provided that SCF may appoint one of its nominated directors to each of these committees);
- any dispute or difference between the Concert Party and any member of the Group shall be passed to and dealt with by a Board committee comprising only independent directors and insofar as the independent directors determine that any action is to be taken on behalf of the Company, that Concert Party shall be required to use his commercially reasonable endeavours to take (or refrain from taking) any action recommended by the independent directors in connection with such dispute;
- the Company will continue to comply with the requirements of the AIM Rules and that no actions will be taken by SCF that could prevent such compliance.

9. Waiver of Rule 9 of the City Code on Takeovers and Mergers

The Takeover Code applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that the following persons are acting in concert in relation to the Company:

- SCF Partners, which is a private equity firm;
- SCF-IX, which is an investment partnership managed by SCF Partners; and
- Steve Lockard, who is an operating partner of SCF Partners.

The members of the Concert Party currently hold no beneficial interest in Ordinary Shares.

Following completion of the Proposals, the members of the Concert party will be interested in 47,505,458 Ordinary Shares, representing 32.6 per cent. of the voting rights of the Company. Assuming exercise in full by the members of the Concert Party of conversion rights under the Convertible Loan Note Instrument, including the capitalisation of all accrued interest (and assuming that no other person converts any convertible securities or exercises any options or any other right to subscribe for shares in the Company), the members of the Concert Party would be interested in a maximum of 233,712,355 Ordinary Shares representing approximately 70.4 per cent. of the enlarged voting rights of the Company. A table showing the respective individual interests in shares of the members of the Concert Party on completion of the Proposals and following the exercise of the conversion rights of the Convertible Loan Notes is set out below:

<i>Concert Party member</i>	<i>SCF Partners</i>	<i>SCF-IX</i>	<i>Steve Lockard</i>	<i>Totals</i>
Current Interest in Ordinary Shares	–	–	–	–
Subscription Shares	–	43,616,569	3,888,889	47,505,458
Interest in Enlarged Ordinary Share Capital	–	43,616,569	3,888,889	47,505,458
		29.9%	2.7%	32.6%
Conversion Shares before accrued interest	–	155,172,414	–	155,172,414
Minimum Interest in Further Enlarged Ordinary Share Capital	–	198,788,983	3,888,889	202,677,872
		66.0%	1.3%	67.3%
Conversion Shares from accrued interest	–	31,034,483	–	31,034,483
Maximum Interest in Further Enlarged Ordinary Share Capital	–	229,823,466	3,888,889	233,712,355
		69.2%	1.2%	70.4%

The table is based on the assumptions set out in paragraph 3.4 of Part III of this Document.

The Takeover Panel has been consulted and has agreed to waive the requirement for the Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for Ordinary Shares in the Company which might otherwise arise as a result of the issue of the Subscription Shares and the Conversion Shares, subject to the Rule 9 Waiver Resolution (as set out in the notice convening the General Meeting) being passed on a poll of the Independent Shareholders. To be passed, the Rule 9 Waiver Resolution will require a simple majority of the votes cast by the Independent Shareholders.

Immediately following completion of the Proposals, the members of the Concert Party will be interested in shares carrying more than 30 per cent. of the voting rights of the Company but will not hold shares carrying more than 50 per cent. of the voting rights of the Company. For so long as they continue to be acting in concert, any increase in their aggregate interest in shares will be subject to the provisions of Rule 9.

The exercise by the members of the Concert Party of the conversion rights of the Convertible Loan Notes described above would normally trigger an obligation for an offer to be made under Rule 9. However, the Panel has agreed to waive this obligation such that there will be no requirement for an offer to be made in respect of the exercise of such conversion rights subject to the passing of the Rule 9 Waiver Resolution.

Following completion of the Proposals and the exercise of all the conversion rights of the Convertible Loan Notes, the members of the Concert Party will hold shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in shares without incurring any obligation to make an offer under Rule 9, although Steve Lockard will not be able to increase his percentage interests in Ordinary Shares through or between a Rule 9 threshold without Panel consent.

Shareholders should note that in the event that the Rule 9 Waiver Resolution is passed by Independent Shareholders at the General Meeting, the Concert Party will not be restricted from making an offer for the Company in the future.

10. Information on the Concert Party

Further information on the members of the Concert Party, including their future intentions for the Company, is contained in Part III of this Document.

11. Inducement fee arrangement

As part of the Proposals, the Company has agreed under the terms of the Subscription Agreement to pay SCF an inducement fee of £55,000 in recognition of, and as a contribution to, the costs that SCF has incurred in carrying out due diligence in relation to the Proposals.

12. Details of the Placing

The Company has conditionally raised approximately £2.0 million (before commissions, fees and expenses) through the Placing of 22,222,222 Placing Shares at the Issue Price to the Placees.

The Placing is conditional, among other things, upon:

- (i) the passing of only Resolutions 4 and 5;
- (ii) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission of the Placing Shares becoming effective by no later than 8.00 a.m. on 20 April 2023 or such later time, being not later than 8.00 a.m. on 3 May 2023, as Singer Capital Markets and the Company may agree.

The Placing is not conditional on the Subscription being completed. The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. Application will be made to the London Stock Exchange for the Admission of the New Ordinary Shares to trading on AIM. On the assumption that, among other things, the Resolutions are passed, it is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 20 April 2023 at which time it is also expected that the New Ordinary Shares will be enabled for settlement in CREST.

13. The Retail Offer

The Company values its retail Shareholder base and believes that it is appropriate to provide its existing retail Shareholders in the United Kingdom the opportunity to Participate in the Retail Offer at the Issue Price.

Pursuant to the terms of the Retail Offer Intermediaries Agreement, the Company has made the Retail Offer to Retail Investors through Intermediaries via the Bookbuild Platform.

Conditional on the Placing being completed and Admission taking effect, up to 11,111,111 Retail Offer Shares will be issued through the Retail Offer at the Issue Price to raise proceeds of up to approximately £1.0 million (before expenses). The Retail Offer is not conditional on the Subscription being completed.

The Retail Offer will, if taken up in full, result in the issue of 11,111,111 New Ordinary Shares, representing approximately 7.6 per cent. of the Enlarged Issued Share Capital. The Retail Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares.

14. Other issuance of New Ordinary Shares

Various members of the Senior Management Team, including Alasdair MacDonald, will be receiving part of their normal annual bonus payments in the form of the Management Shares in order to align their interests with those of the Shareholders. Also, it is intended to make share awards to secure the retention of the

Senior Management Team, including Alastair MacDonald who will have a key role to play in the completion of the transition back to sustained profitable, organic growth. These awards are being made conditional upon completion of the Proposals. In addition, Derek Bulmer, who retired as a Director on 31st March 2023, was granted options of 1,000,000 Ordinary shares to reflect a waiver of bonus and LTIP benefits and to extend his notice period to support the strategic review and the formal sale process. Further details of these management arrangements are included in section 5 of Part II of this Document. Because these various awards are dependent on or related to the Proposals, those members of the Senior Management Team that are existing Shareholders including Alasdair MacDonald, and Derek Bulmer will not qualify as Independent Shareholders and so will be unable to vote on the Rule 9 Waiver Resolution.

The Management Shares will result in the issue of 4,075,788 New Ordinary Shares, representing approximately 2.8 per cent. of the Enlarged Issued Share Capital. The Management Shares, when issued, will rank *pari passu* in all respects with the Existing Ordinary Shares.

The settlement of part of the bonuses awarded to a Director and certain other members of the Senior Management Team represent a variation to the normal terms of the bonus scheme, where bonuses are usually settled in cash.

15. Use of Proceeds

The Directors believe that the cash proceeds from the issue of the New Ordinary Shares will provide necessary balance sheet strength as the business transitions to sustained profitable growth, alongside investment to capitalise on organic growth opportunities. By strengthening these areas, the net proceeds also support the Group's commercial and competitive positioning. Accordingly, it is proposed that up to £5 million of the net proceeds of £6.1 million will be applied to strengthening the Group's balance sheet and to provide a minimum cash headroom through FY23 with the excess being used to provide additional working capital to support new contract deployment, to invest in the R&D and technology roadmap and to support ongoing operational efficiency improvements.

16. Related Party Transactions

Schroders Investment Management ("Schroders"), which is a substantial shareholder of the Company as defined in the AIM Rules for Companies, has conditionally subscribed for 14,811,112 Placing Shares at the Issue Price. The participation of Schroders in the Placing is a related party transaction under Rule 13 of the AIM Rules for Companies.

Derek Bulmer, a former Non-Executive Director, who tendered his resignation as Group Chief Financial Officer with effect from 1 December 2022 and who stepped down from the Board on 31 March 2023, has been awarded a bonus of unapproved options over 1,000,000 Ordinary Shares, which will vest in two equal tranches on dates that are 18 months and 36 months after completion of the Proposals in recognition of his service during the past year and support during the strategic review and the formal sale process. This bonus to Derek Bulmer is deemed to be a related party transaction under Rule 13 of the AIM Rules for Companies.

The Directors consider, having consulted with the Company's nominated adviser, SCM Advisory, that the terms of these related party transactions are fair and reasonable insofar as the Shareholders are concerned.

Further details of Derek Bulmer's bonus are set out in full section 5 of Part II of this Document.

17. Future Management Incentivisation Arrangements

Following completion of the Proposals it is intended to put new incentivisation arrangements in place to both motivate and retain the Group's Senior Management Team in agreement with SCF. Beyond establishing the principle that such incentivisation arrangements should be put in place no discussions have yet taken place with SCF on the details or parameters for such incentivisation arrangements.

18. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at 10.30 a.m. on Wednesday 19 April 2023 at the offices of the Company at Innovation House, Centurion Way, Darlington, DL3 0UP. Details of the Resolutions which will be proposed at the General Meeting are set out below:

At the General Meeting, Resolutions will be proposed as follows:

- Resolution 1, (the “Rule 9 Waiver Resolution”) which will be proposed as an ordinary resolution and will be taken on a poll of Independent Shareholders voting in person or by proxy, to approve the Rule 9 Waiver;
- Resolution 2, which, subject to the approval of Resolution 1, 3, 4 and 5, will be proposed as an ordinary resolution, to authorise the Directors to allot the Subscription Shares (or rights to subscribe for or to convert securities into Ordinary Shares) pursuant to the terms of the Subscription Agreement, the Conversion Shares under the Convertible Loan Note Instrument and the Management Shares up to a maximum nominal amount of £2,377,881;
- Resolution 3, which, subject to the approval of Resolutions 1, 2, 4 and 5, will be proposed as a special resolution, to disapply the statutory pre-emption rights in respect of the New Ordinary Shares to be allotted for cash, pursuant to the authority conferred by resolution 3 to allot such shares up to a maximum nominal value of £2,377,881;
- Resolution 4, which will be proposed as an ordinary resolution, to authorise the Directors to allot New Ordinary Shares pursuant to the terms of the Placing Agreement up to a maximum nominal amount of £33,333; and
- Resolution 5, which, subject to the approval of Resolution 4, will be proposed as a special resolution, to disapply the statutory pre-emption rights in respect of the New Ordinary Shares to be allotted for cash, pursuant to the authority conferred by resolution 4 to allot such shares up to a maximum nominal value of £33,333.

Resolution 1 will be taken in accordance with the requirements of the Takeover Code and will be taken on a poll of Independent Shareholders present and by proxy voting at the General Meeting. Shareholders should note that members of the Concert Party, the members of the Senior Management Team, who are already Shareholders including Alasdair MacDonald, and Derek Bulmer will not be able to vote on Resolution 1.

The Company specifies that only those members registered on the Company’s register of members at:

- the close of business on Monday 17 April 2023; or
- if the General Meeting is adjourned, at the close of business on the day two days (excluding nonworking days) prior to the adjourned meeting,

shall be entitled to attend and vote at the General Meeting.

Following the General Meeting, the Company will announce its results via a regulatory news service announcement and on the Company’s website at investors.tekmar.co.uk.

19. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this Document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company’s registrars, Equiniti Limited of Aspect House, Spencer Road, Lancing Business Park, West Sussex, BN99 6DA, as soon as possible, but in any event so as to be received by no later than 10.30 a.m. on Monday 17 April 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies submitted via CREST must be received by the issuer’s agent (ID RA19) by no later than 10.30 a.m. on

Monday 17 April 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

20. Recommendation

The Proposals are conditional, among other things, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Proposals will not proceed.

The Subscription, the creation of the Convertible Loan Note Instrument, the issue of Convertible Loan Notes, the Rule 9 Waiver, and the issue of the Management Shares are all conditional on the passing of Resolutions 1 to 5. The Subscription is conditional on the New Ordinary Shares being admitted to trading on AIM.

The Placing and the Retail Offer are conditional only on the passing of Resolutions 4 and 5, and are not dependent on the passing of Resolutions 1 to 3 and as such the Placing and the Retail Offer are not conditional on the Subscription being completed.

The Takeover Code requires the Board to obtain competent independent advice regarding the merits of the Proposals which are the subject of the Rule 9 Waiver, the controlling position which they will create, and the effect which they will have on the Shareholders generally. The Independent Directors, having been so advised by Bamburgh Capital, as the Company's financial adviser, consider the Proposals, the controlling position which they will create, and the effect which they will have on the Shareholders generally to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole. In giving its advice, Bamburgh Capital has taken account of the commercial assessments of the Directors.

Accordingly, the Independent Directors unanimously recommend that you vote in favour of the Resolutions as they have irrevocably undertaken to do in respect of their aggregate beneficial holdings of 44,444 Ordinary Shares, representing 0.07 per cent. of the total number of issued Ordinary Shares in the Company.

Due to their interests in the management arrangements, set out in section 5 of Part II of this Document, Alasdair MacDonald is not considered to be an Independent Director and has been excluded from making the recommendation to Shareholders.

21. Additional Information

Your attention is drawn to the additional information set out in Parts II and III of this Document.

Yours sincerely

Julian Brown

Non-Executive Chairman

PART II

ADDITIONAL INFORMATION ON THE COMPANY

1. Responsibility

The Independent Directors, whose names are set out on page 4 of this Document, accept responsibility for the information (including any expressions of opinion) contained in this Document, other than information for which responsibility is taken pursuant to paragraph 1 of Part III, and save that the only responsibility accepted by the Independent Directors in respect of the information in this Document relating to the Concert Party, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information). To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Company information

2.1 The Company was incorporated in England and Wales as a Public Limited Company named Tekmar Group Plc on 25 May 2018 under the Companies Act 2006 and with registered number 11383143. The Ordinary Shares were admitted to trading on AIM on 20 June 2018.

2.2 The issued share capital of the Company (i) as at the date of this Document, (ii) following the issue of the New Ordinary Shares, and (iii) on issue of the Conversion Shares is set out below:

	<i>Number</i>	<i>Nominal Amount</i>
Existing Ordinary Shares in issue	60,960,234	£609,602
After issue of New Ordinary Shares ¹	145,874,813	£1,458,748
After issue of Conversion Shares without accrued interest ²	301,047,227	£3,010,472
After issue of Conversion Shares assuming accrued interest ³	332,081,710	£3,320,171

1. Assumes that the maximum amount is taken up under the Retail Offer.
2. Assumes full conversion of all Convertible Loan Notes by the Convertible Loan Note Holders on the earliest possible date, being 21 May 2023, following immediate issuance of all the Convertible Loan Notes and an immediate request by the note holders to convert the Convertible Loan Notes into Conversion Shares with no interest being paid in shares, and there being no changes to the Company's share capital prior to the issue of all of the Conversion Shares, based on the assumptions set out in paragraph 3.4 of Part III.
3. Assumes full conversion of all Convertible Loan Notes by the Convertible Loan Note Holders on the earliest possible date, being 21 May 2025, following immediate issuance of all the Convertible Loan Notes and the interest being paid in shares having accrued for the maximum term of two years, and there being no changes to the Company's share capital prior to the issue of all of the Conversion Shares, based on the assumptions set out in paragraph 3.4 of Part III.

2.3 The Company is not the subject of any ratings and outlooks publicly accorded by credit rating agencies.

3. Directors' interests and dealings

3.1 For the purposes of this paragraph 3:

acting in concert means any such person acting in concert as such expression is defined in the Takeover Code;

arrangement includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

connected advisers has the meaning given to that term in the Takeover Code;

control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Code) irrespective of whether the holding or aggregate holding gives de facto control;

dealings or dealt includes the following:

- (a) the acquisition or disposal of securities or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to securities, or of general control of securities;
- (b) the taking, granting acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any securities;
- (c) subscribing or agreeing to subscribe for securities;
- (d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
- (g) the redemption or purchase of, or taking or exercising an option over, any of its relevant securities by the offeree company or an offeror; and
- (h) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;

derivative includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

interested in securities includes if a person:

- (a) owns them;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to them or has general control of them, including as a fund manager;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
- (d) is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them; or
- (e) has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);

relevant securities include:

- (a) securities of the offeree company which are being offered for or which carry voting rights;
- (b) equity share capital of the offeree company and an offeror;
- (c) securities of the offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
- (d) securities of the offeree company and an offeror carrying conversion or subscription rights into any of the foregoing.

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative any agreement to sell or any delivery obligation or right to require any person to purchase or take delivery.

3.2 The Directors and their respective functions are set out below:

<i>Director</i>	<i>Position</i>
Alasdair MacDonald	<i>Chief Executive Officer</i>
Julian Brown	<i>Non-Executive Chairman</i>
David Wilkinson	<i>Non-Executive Director</i>
Ian Ritchey	<i>Non-Executive Director</i>

- 3.3 The interests (all of which are beneficial unless stated otherwise) of each of the Directors, their close relatives or the related trusts of any of them and (so far as is known to the Directors or could with reasonable diligence be ascertained by them) their Connected Persons in the relevant securities of the Company as at the Disclosure Date is as follows:

	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>
Alasdair MacDonald*	697,267	1.14%
Julian Brown+	30,341	0.05%
Ian Ritchey	33,333	0.05%

* Alasdair MacDonald's beneficial shareholding includes 75,000 Ordinary Shares held in a Self-Invested Pension Plan.

+ Julian Brown's beneficial holdings include 19,230 Ordinary Shares held by his spouse.

- 3.4 As at the Disclosure Date, the Directors, their close relatives or the related trusts of any of them and (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) their other Connected Persons will have the following options over Ordinary Shares:

	<i>Exercise price</i>	<i>Number of options</i>	<i>Date granted</i>	<i>Vesting date</i>
Alasdair MacDonald	1p	17,073	20 August 2020	31 May 2021

- 3.5 As at the close of business on the Disclosure Date and save as disclosed in paragraphs 3.3 and 3.4 above, none of (i) the Company; (ii) the Directors; (iii) the Directors' close relatives or the related trusts of any of them; (iv) the pension funds of the Company or its Subsidiaries; (v) any employee benefit trust of the Company or its Subsidiaries; (vi) any connected adviser to the Company or its Subsidiaries; (vii) any person controlling, controlled by or under the same control as any connected adviser falling within (vi) above (except for an exempt principal trader or an exempt fund manager); nor (viii) any other person acting in concert with the Company owns or controls, has a short position, or has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Code), or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any relevant securities of the Company.
- 3.6 Save for as set out in paragraph 3.7 below, none of the Directors, nor any of the Directors' close relatives or related trusts of any of them nor (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) any of their other Connected Persons, dealt in relevant securities of the Company during the Disclosure Period.
- 3.7 As at the close of business on the Disclosure Date, neither the Company nor any of the Directors, their close relatives or the related trusts of any of them or (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) any of their other Connected Persons, owns or controls or is interested, directly or indirectly in or has any short position in, any relevant securities of the Concert Party or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any relevant securities of the Concert Party.
- 3.8 For the purposes of the Takeover Code and in addition to the Directors, Bamburgh Capital, a financial institution whose registered address is Bloc, 17 Marble Street, Manchester, M2 3AW and the Company's Financial Adviser, is presumed to be acting in concert with the Company under the Takeover Code.

4. Directors' service contracts

4.1 Alisdair Macdonald (Group Chief Executive)

Alasdair MacDonald entered into a service contract with the Company on 15 October 2020 (amended by a side letter dated 26 October 2020) which is terminable on not less than six months written notice by either party. He currently receives an annual salary of £218,484 (latest salary increase effective on 1 July 2022) which is subject to annual salary reviews by the Board. He is also entitled to be reimbursed

for all reasonable out of pocket expenses incurred in the performance of his duties. The Company may, in its absolute discretion, pay Alasdair MacDonald an annual bonus of up to 100 per cent. of his salary and he participates in the LTIP (further details of which are included in paragraph 5 of Part II of this Document). He is entitled to pension contributions, cover under the Company's life assurance scheme and cash back health scheme, and 30 days paid holiday each holiday year. The Company reserves the right to terminate the contract by paying Alasdair MacDonald his basic salary (minus PAYE deductions) for his period of notice. The service contract for Alasdair MacDonald has not been amended within the previous six months of the date of this Document.

4.2 **Julian Brown (Non-executive Chairman)**

Julian Brown entered into an appointment letter with the Company on 14 June 2018 which had an initial term of three years (amended by a side letter dated 15 October 2020) subject to termination upon at least three month's notice. He is entitled to receive a base annual fee of £55,000, plus an additional £5,000 annual fee for the role of Chair of the remuneration committee and the nomination committee, and membership of the audit committee. He is entitled to be reimbursed for all reasonable and properly documented expenses that are incurred in performing his duties. Julian Brown's letter of appointment has not been amended within the previous six months of the date of this Document.

4.3 **David Wilkinson (Non-executive Director)**

David Wilkinson entered into an appointment letter with the Company on 28 February 2022, which has an initial term of three years commencing on 4 April 2022 subject to termination upon at least three months' notice. He is entitled to receive a base annual fee of £35,000. and an additional £5,000 annual fee for the role of Chair of the audit committee, and membership of the remuneration committee and the nomination committee. He is entitled to be reimbursed for all reasonable and properly documented expenses that are incurred in performing his duties. David Wilkinson's letter of appointment has not been amended within the previous six months of the date of this Document.

4.4 **Ian Ritchey (Non-executive Director)**

Ian Ritchey entered into an appointment letter with the Company on 11 March 2021, which has an initial term of three years commencing on 15 March 2021 subject to termination upon at least three months' notice. He is entitled is entitled to receive a base annual fee of £35,000 and to be reimbursed for all reasonable and properly documented expenses that are incurred in performing his duties. Ian Ritchey's letter of appointment has not been amended within the previous six months of the date of this Document.

4.5 **Proposed Directors**

Steve Lockard will enter into an appointment letter with the Company following completion of the Proposals. The terms and conditions will be consistent with the other non-executive Director's appointments. He will be entitled to receive a base annual fee of £50,000 and to be reimbursed for all reasonable and properly documented expenses that are incurred in performing his duties.

Colin Welsh will enter into an appointment letter with the Company following completion of the Proposals. The terms and conditions will be consistent with the other non-executive Director's appointments. He will be entitled to receive a base annual fee of £40,000 and to be reimbursed for all reasonable and properly documented expenses that are incurred in performing his duties.

5. **Management arrangements**

The Group operates an Executive Incentive Plan to ensure that the senior management team are motivated and rewarded for supporting the growth aspirations of the Group. The Executive Incentive Plan is made up of equal parts long term share option plans and cash bonus, with values being indicative of an individual's role and tenure.

As part of the bonus arrangements due to certain members of the Senior Management Team it has been agreed to settle part of the cash bonuses by the issue of the Management Shares at the Issue Price. This will involve the issue of 2,427,600 New Ordinary Shares to Alasdair MacDonald, a Director, and the issue of an additional 1,648,188 New Ordinary Shares to other members of the Senior management Teams. The cash element of these bonuses will comprise, in aggregate, £242,567. Payment of these bonuses is

conditional on completion of the Proposals. The total of the Management Shares to be issued will represent an increase over the Existing Share Capital of 6.69 per cent.

In addition, in order to secure the retention of the Senior Management Team, it is intended to make share awards in lieu of the Company's LTIP awards for the financial year 2022, which are not able to vest, conditional upon completion of the Proposals. These awards, which will be outside of the Company's normal LTIP arrangements, will vest over a three-year period in equal tranches at each anniversary of the original grant and will only vest if the relevant recipient is still employed by the Group at each vesting point. Alasdair MacDonald will receive an award of, in aggregate, 2,427,600 Ordinary Shares and other members of the Senior Management Team will receive awards of, in aggregate, 1,829,566 Ordinary Shares. These awards in aggregate will represent, if they vest, an increase in the Existing Ordinary Share Capital of, in aggregate, 6.98 per cent.

As part of a contractual Employee Settlement arrangement, Derek Bulmer, a Director until 31 March 2023, was granted options of 1,000,000 Ordinary Shares to reflect a waiver of bonus and LTIP benefits and to extend his notice period in support of the strategic review and formal sales process. In so waiving the bonus and LTIP benefits, reducing the cash and cost burden to the business. These shares represent an increase in the Existing Ordinary Share Capital of 1.64 per cent.

6. Material Contracts

There are no material contracts (not being in the ordinary course of business) entered into by the Company or any of the Company's subsidiaries in the two years immediately preceding the date of this Document, save as follows:

6.1 Subscription Agreement

On 31 March 2023, the Company and members of the Concert Party entered into the Subscription Agreement, which sets out the terms on which (i) the members of the Concert Party agreed with the Company to subscribe for the Subscription Shares and (ii) the framework for the subscription for Convertible Loan Notes by the members of the Concert Party. The Subscription is conditional on the New Ordinary Shares being admitted to trading on AIM. The Subscription Agreement includes customary warranties for an agreement of this type from the Company. Under the Subscription Agreement, the Company has agreed to pay a contribution towards SCF's costs upon completion of the Proposals of £55,000. The Company has agreed, conditional on all the Resolutions being approved at the General Meeting, to execute the Convertible Loan Note Instrument. Further details of the Convertible Loan Notes are set out below in paragraph 6.2 in Part II of this Document. The Subscription Agreement provides that at any time during the three years following the issue of the Subscription Shares, the Company can request SCF to subscribe for Convertible Loan Notes with a total principal amount not exceeding £18,000,000. The minimum amount which the Company can request be subscribed for by SCF is £3,000,000. SCF will have an absolute discretion as to whether to subscribe for Convertible Loan Notes as a result of any such request on each of the first, second and third anniversaries of the issue of the Subscription Shares, SCF shall have the right, regardless of any request(s) from the Company, to subscribe for up to £6,000,000, £12,000,000 and £18,000,000 respectively, in each case less the principal amount of the Convertible Loan Notes issued prior to any such anniversary.

6.2 Convertible Loan Note Instrument

On the date of the issue of the Subscription Shares and conditional on Shareholders approving the Proposals the Company proposes to create a Convertible Loan Note Instrument, which provides up to £18,000,000 unsecured Convertible Loan Notes. The Convertible Loan Notes may be issued in one or multiple tranches over a 36 month period and have an interest rate of 10 per cent. per annum. The Company may elect to make interest payments quarterly in cash or interest will otherwise accrue until the maturity date or conversion. The Convertible Loan Notes mature 24 months after issue of each tranche. There is no ability to prepay, redeem or repurchase any Notes unless with prior consent of 75 per cent. of the persons whose names are entered in the register as a holder of Convertible Loan Notes (Noteholders), on an event of default or on the relevant maturity date. The Noteholders may convert some or all of the Notes (principal and interest) at the Conversion Price prior to the maturity date by serving a conversion notice on the Company. There are covenants given by the Company to maintain shareholder authorities to issue conversion shares, not to pay dividends, not to make

amendments to the Convertible Loan Notes and not to raise further debt or equity (other than pursuant to existing share options and certain permitted financial indebtedness). The Notes are freely transferable.

6.3 **Relationship Agreement**

The Company and the members of the Concert Party have agreed the terms of an agreement to regulate the relationship between them. The Relationship Agreement contains certain undertakings between the parties, including (i) that the Group shall be managed for the benefit of the Shareholders as a whole and not solely for the benefit of the Concert Party, (ii) to ensure that transactions entered into between the Company and the Concert Party or their associates, are conducted on an arm's length basis and on normal commercial terms; and (iii) to ensure that neither the Concert Party nor their associates take any action that would have the effect of preventing the Company from complying with its obligations under the AIM Rules for Companies and other applicable laws and the QCA Corporate Governance Code. The Relationship Agreement grants the right to SCF to appoint two directors and one observer to the Board and provides that an M&A Committee shall be established by the Board, to make recommendations to the Board on potential investments by the Group, both in terms of corporate acquisitions and in respect of organic growth opportunities, in accordance with an agreed funding policy and criteria. The Relationship Agreement will come into effect following completion of the Proposals and continue in full force and effect for so long as the Ordinary Shares are admitted to trading on AIM and the Concert Party is interested in 25 per cent. of more of the Company's issued ordinary share capital.

6.4 **Placing Agreement**

On 31 March 2023 the Company entered into the Placing Agreement with each of SCM Securities and SCM Advisory, pursuant to which SCM Securities has agreed (as the Company's sole broker) to use reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. The Issue Price represents a premium of approximately 2.3 per cent. to the closing mid-market price of 8.8 pence per Ordinary Share on the Disclosure Date, being the latest practicable date prior to the publication of this document. The Placing Agreement contains customary warranties given by the Company to Singer Capital Markets as to matters relating to the Company and its business and customary indemnities given by the Company to Singer Capital Markets in respect of liabilities arising out of or in connection with the Proposals. Singer Capital Markets is entitled to terminate the Placing Agreement in certain circumstances, including circumstances where any of the warranties are found not to be true or accurate or to be misleading in any respect and if there is a material breach of the Subscription Agreement. The Placing Shares are not being offered to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so. Furthermore, SCM Securities has agreed to act as Retail Offer Coordinator for the Company and to manage the interaction with Intermediaries by using the Bookbuild Platform.

6.5 **Placing and Open Offer Agreement**

On 22 February 2022, the Company entered into a placing and open offer agreement with each of SCM Securities and SCM Advisory, pursuant to which SCM Securities agreed (as the Company's sole broker) to use reasonable endeavours to procure places for a proposed placing and open offer. The Company gave customary indemnities and warranties to Singer Capital Markets in respect of liabilities arising out of or in connection with such placing and open offer. Singer Capital Markets was entitled to terminate the placing and open offer agreement in certain circumstances, including circumstances where any of the warranties were found not to be true or accurate or to be misleading in any respect.

7. **Significant change**

Save as set out in paragraph 6 of Part I, there has been no significant change in the financial or trading position of the Company since the publication of the Audited Financial Statements of the Company for the year ended 30 September 2022.

8. Middle market quotations

The table below sets out the middle market quotations for an Ordinary Share, as derived from www.londonstockexchange.com, on the first business day of each of the six months preceding the date of this Document and on the Disclosure Date (being the last practicable date prior to publication of this Document):

<i>Date</i>	<i>Price per Ordinary Share</i>
3 October 2022	8.25p
1 November 2022	10.25p
1 December 2022	8.25p
3 January 2023	14.50p
1 February 2023	12.50p
1 March 2023	12.25p
Disclosure Date	8.80p

9. Irrevocable Undertakings

The Company has received the following irrevocable undertakings to vote in favour of the Resolutions at the General Meeting from the following Independent Directors, which in aggregate amount to 44,444 Ordinary Shares representing 0.07 per cent. of the Existing Ordinary Shares, are as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Company's issued share capital</i>
Julian Brown	11,111	0.02%
Ian Ritchey	33,333	0.05%
Total	44,444	0.07%

The irrevocable undertakings will remain binding if a competing proposal is made to the Company but will cease to be binding if (i) the Company announces that it does not intend to proceed with the Proposal and (ii) on completion of the Proposals.

10. Incorporation of relevant information by reference

10.1 The following documents (or parts of documents), which have been filed with the Takeover Panel and are available for inspection in accordance with paragraph 10.3 of this Part II, contain information about the Company, which is relevant to this Document.

10.2 The table below sets out the sections of these Documents which are incorporated by reference into, and form part of, this document. In accordance with Rule 24.15 of the Takeover Code, only the parts of the documents identified in the table below are incorporated into, and form part of, this Document.

<i>Source document from which information is incorporated into this document by reference</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in source document</i>
Audited Financial Statements for the eighteen months ended 30 September 2021	Independent Auditor's Report	74-83
	Consolidated Statement of Comprehensive Income	84
	Consolidated Balance Sheet	85
	Consolidated Statement of Changes in Equity	86
	Consolidated Cash Flow Statement	87
	Notes to the Group Financial Statements	88-119
Audited Financial Statements for the year ended 30 September 2022	Independent Auditor's Report	72-81
	Consolidated Statement of Comprehensive Income	82
	Consolidated Balance Sheet	83
	Consolidated Statement of Changes in Equity	84
	Consolidated Cash Flow Statement	85
	Notes to the Group Financial Statements	86-117

10.3 A copy of each of the documents incorporated by reference into this Document is available, free of charge, for downloading or inspection, at the following website: investors.tekmar.co.uk/transaction-documents/.

10.4 Save as set out above in paragraph 10.2 of Part II of this Document, neither the contents of the Company's website, nor the contents of any website accessible from hyperlinks on the Company's website, is incorporated into, or forms part of, this Document.

11. Consents

11.1 Bamburgh Capital has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name and its advice to the Directors in the form and context in which they are included.

11.2 Singer Capital Markets has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name and its advice to the Directors in the form and context in which they are included.

12. Availability of this document

This Document will be available for a period of twelve months from the date of this document on the Company's website investors.tekmar.co.uk/transaction-documents/ free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

13. Documents available for inspection

Copies of the following documents will be available at the Company's website (investors.tekmar.co.uk/transaction-documents/), and/or for inspection at the offices of the Company during normal business hours of any weekday (Saturdays, Sundays and public holidays in England and Wales excepted) from the date of this Document up to and including the date of the General Meeting:

13.1 this Document and accompanying Notice of GM;

13.2 the Articles;

13.3 the annual report and accounts of the Company for the financial years ended 30 September 2021 and for the year ended 30 September 2022;

13.4 the Directors' service agreements and letters of appointment referred to in paragraph 4 of Part II;

- 13.5 the material contracts referred to in paragraph 6 of Part II, in so far as they have been entered into in connection with the Proposals;
- 13.6 the irrevocable undertakings referred to in paragraph 9 of Part II;
- 13.7 the consent letters from Bamburgh Capital and Singer Capital Markets referred to in paragraph 11 of Part II.

PART III

ADDITIONAL INFORMATION ON THE CONCERT PARTY

1. Responsibility

For the purposes of Rule 19.2 of the Takeover Code only, each member of the Concert Party (whose names are set out in paragraph 2 of this Part III) accept responsibility for the information (including any expressions of opinion) contained in this Document in relation to them. To the best of the knowledge and belief of each member of the Concert Party (having taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Information on the Concert Party

2.1 For the purposes of the Takeover Code, SCF Partners, SCF-IX and Steve Lockard are acting in concert for the following reasons:

- (a) SCF Partners is a private equity firm focused on building energy services, equipment, and technology companies.
- (b) SCF-IX is a fund managed by SCF Partners that will be the investing fund subscribing for New Ordinary Shares and Convertible Loan Notes and is, therefore, deemed by the Takeover Code to be acting in concert with SCF Partners.
- (c) Steve Lockard is an Operating Partner of SCF Partners and, therefore, by virtue of that association, that he is a Proposed Director and that he will be subscribing for New Ordinary Shares alongside SCF-IX LP, is deemed by the Takeover Code to be acting in concert with SCF Partners.

Further information on the members of the Concert Party is set out below.

2.2 SCF Partners is incorporated in the State of Delaware, USA, with company number 218676, and its registered office is at Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The directors of SCF are:

- (a) L.E. Simmons
- (b) Andrew L. Waite
- (c) David C. Baldwin
- (d) Anthony F. DeLuca

2.3 SCF-IX is a limited partnership established in the State of Delaware, USA, with company number 6584259, and its registered office is at Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The General Partner of SCF-IX is SCF-IX G.P., L.P and the ultimate General Partner of SCF-IX G.P., L.P is SCF G.P. LLC.

2.4 Steve Lockard is an Operating Partner of SCF Partners. Further details of his business activities are given in section 5 of Part I of this Document.

3. Effect of the Proposals on the Concert Party

3.1 As at the Disclosure Date, the Concert Party held no holdings or interests in the issued or to be issued share capital of the Company.

3.2 Under the terms of the Subscription Agreement the Concert Party will subscribe for the Subscription Shares conditional on the approval of Shareholders at the General Meeting.

3.3 Under the terms of the Convertible Loan Note Instrument, SCF may serve a conversion notice to convert any outstanding Convertible Loan Notes that it holds at any time after the note has been

issued, subject to such notice being given not less than ten days prior to the relevant maturity date for such notes, with conversion pursuant to such notice occurring no later than 10 days after receipt of the notice (or later if regulatory consents are required prior to such conversion). Therefore, if all Convertible Loan Notes were issued immediately after the creation of the Convertible Loan Notes Instrument and admission of the Subscription Shares to trading on AIM then the earliest date on which 155,172,414 Conversion Shares could be issued and allotted would be on or around 21 May 2023. If the Convertible Loan Notes were held for a full term of two years to maturity and all the interest was accrued and then converted into Conversion Shares, this would result in an additional 31,034,483 Conversion Shares being issued. In such circumstances the earliest date on which the maximum number of 186,206,897 Conversion Shares would be issued and allotted would be on or around 21 May 2025.

- 3.4 Based on the assumptions below, conversion of the Convertible Loan Notes would result in the issue to the Concert Party of up to 186,206,897 Ordinary Shares increasing the total holding of the Concert Party to 233,712,355 Ordinary Shares representing approximately 70.4 per cent. of the Company's Further Enlarged Ordinary Share Capital:
- (a) All the Convertible Loan Notes are subscribed for by SCF at the earliest possible date and then held to maturity of the full term of two years and that the Company does not elect to pay the interest on the Convertible Loan Notes in cash so that at maturity all the principal and accrued interest is converted into Ordinary Shares at the Conversion Price.
- (b) Following completion of the Proposals, there are no intervening changes to the Company's share capital prior to the issue of all of the Conversion Shares.
- 3.5 The effect of the issue of the Conversion Shares on the Concert Party, based on the assumptions set out in paragraph 3.4. above, is set out in the table below:

<i>Concert Party member</i>	<i>SCF</i>		<i>Steve</i>	<i>Totals</i>
	<i>Partners</i>	<i>SCF-IX</i>	<i>Lockard</i>	
Current Interest in Ordinary Shares	–	–	–	–
Subscription Shares	–	43,616,569	3,888,889	47,505,458
Interest in Enlarged Ordinary Share Capital	–	43,616,569	3,888,889	47,505,458
		29.9%	2.7%	32.6%
Conversion Shares before accrued interest	–	155,172,414	–	155,172,414
Minimum Interest in Further Enlarged Ordinary Share Capital	–	198,788,983	3,888,889	202,677,872
		66.0%	1.3%	67.3%
Conversion Shares from accrued interest	–	31,034,483	–	31,034,483
Maximum Interest in Further Enlarged Ordinary Share Capital	–	229,823,466	3,888,889	233,712,355
		69.2%	1.2%	70.4%

- 3.6 The Proposals will not affect SCF Partners and will not affect its intentions with regard to the continued employment of employees and management of SCF Partners including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management or its strategic plans, and their likely repercussions on employment and on the locations of SCF Partners' places of business, including on the location of its headquarters and headquarters functions.

4. Interests

For the purpose of this paragraph 4, the definitions in paragraph 3.1 of Part II shall apply.

- 4.1 As at the close of business on the Disclosure Date, and save as disclosed in the table in paragraph 3.4 above, none of: (i) the Concert Party; (ii) the directors of the Concert Party or any of their close relatives, related trusts and any Connected Persons; nor (iii) any person with whom the Concert Party has any arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code (so far as the Directors are aware having made due enquiry) had interests, rights to subscribe for or short positions in the relevant securities of the Company nor, save for any borrowed share which have either been on-lent or sold, had borrowed or lent any relevant Company securities

(including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code).

- 4.2 Save as set out in paragraph 3.1 of Part III of this Document, none of: (i) the Concert Party; (ii) the directors of the Concert Party or any of their close relatives, related trusts and any Connected Persons; nor (iii) any person with whom the Concert Party has any arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code has dealt in relevant securities of the Company during the Disclosure Period.
- 4.3 The Concert Party has not entered into any agreement, arrangement or understanding with any of the Directors which has any connection with or dependence upon the Rule 9 Waiver Resolution. In addition, there is no agreement, arrangement or understanding having any connection with or dependence upon the Rule 9 Waiver Resolution between the Concert Party and any person interested or recently interested in shares in the Company, or any other recent director of the Company. Neither the Company nor any person acting in concert with the Company has any arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code with any person.

5. Relationships between the Concert Party, the Directors, the Independent Shareholders and Bamburgh Capital

- 5.1 There are no relationships (personal, financial or commercial), arrangements or understandings between any members of the Concert Party and any of the Directors.
- 5.2 No member of the Concert Party has any relationships (personal, financial or commercial), arrangements or understandings with any of the Independent Shareholders or any person who is, or is presumed to be, acting in concert with any such Independent Shareholder.
- 5.3 There are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party and Bamburgh Capital or any person who is, or presumed to be, acting in concert with Bamburgh Capital.

6. Intentions of the Concert Party

- 6.1 The Concert Party's long-term commercial justification for the transaction is that they want to support the Company to become a global leader in offshore wind services, and the Concert Party believes the Company is a market leader in its space with growth potential and has confidence in the management of the Company.
- 6.2 The Concert Party has confirmed that, if the Rule 9 Waiver Resolution is passed by the Independent Shareholders on a poll, there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares (including any Conversion Shares) to any third party.
- 6.3 The Concert Party is not intending to seek any changes in respect of:
- (a) the future of the Group's business;
 - (b) the research and development functions of the Group;
 - (c) the continued employment of the Group's employees and management, including any material change in conditions of employment or balance of skills and functions;
 - (d) the location of the Company's places of business, headquarters and headquarter functions;
 - (e) employer contributions into the Company's pension schemes, the accrual of benefits for existing members and the admission of new members;
 - (f) the deployment of the fixed assets of the Group; and
 - (g) the maintenance of any existing trading facilities for the relevant securities of the Company.
- 6.4 The Concert Party has also confirmed that, it does not intend to change its own current business strategy or strategic plans of the Company or in relation to itself, any other matter referred to in paragraph 6.3 above as a result of the Proposals.

6.5 The Independent Directors note that the Concert Party does not intend to change any matter referred to in paragraph 6.3 above and agree with that intention.

7. Financial Information of the Concert Party

7.1 SCF Partners and SCF-IX are not required under the laws of the United States of America to make their accounts publicly available and, accordingly, they are not providing further details of their historical financial information in this Document.

7.2 Neither SCF Partners nor SCF-IX are the subject of any ratings and outlooks publicly accorded by credit rating agencies.

8. Material Contracts

There are no material contracts (not being in the ordinary course of business) entered into by the Concert Party in the two years immediately preceding the date of this Document.

TEKMAR GROUP PLC

(THE "COMPANY")

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11383143)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (Meeting) of Tekmar Group plc (**Company**) will be held on Wednesday 19 April 2023 at 10.30 a.m. at the Company's registered office, Innovation House, Centurion Way, Darlington, DL3 0UP, to consider and, if thought fit, to pass the following resolutions (**Resolutions** and each a **Resolution**).

Please complete and submit a proxy form as soon as possible, but in any event by no later than 10.30 a.m. on Monday 17 April 2023. Details of how to appoint a proxy are set out in the Shareholder Notes below.

In this Notice, defined terms shall have the same meaning as defined terms in the Document of which this Notice forms part.

ORDINARY RESOLUTION

To consider and, if thought fit, to pass the following Resolution which will be proposed as an ordinary resolution of the Company and will be taken on a poll on which only Independent Shareholders are entitled to vote.

1. Rule 9 Waiver

That, the waiver granted by the Panel of any obligation that would otherwise arise on members of the Concert Party, both individually or collectively, to make a general offer to shareholders of the Company for all the issued ordinary shares in the capital of the Company pursuant to Rule 9 of the Takeover Code as a result of the issue of the Subscription Shares and any future issue of Conversion Shares as more fully described in the Document, be and is hereby approved.

To consider and, if thought fit, to pass the following Resolutions, which in the case of Resolutions 2 and 4 will be proposed as ordinary resolutions, and in the case of Resolutions 3 and 5, will be proposed as special resolutions of the Company.

ORDINARY RESOLUTION

2. Allotment of shares and issue of Convertible Loan Notes

That, in accordance with section 551 of the Act, and subject to and conditional on the passing of Resolution 1 and Resolutions 3 to 5 set out in the Notice of General Meeting, the Directors be and are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot Ordinary Shares, and to grant rights to subscribe for or to convert any security into Ordinary Shares (such shares and rights to subscribe for or convert any security into shares of the Company being relevant securities) up to a maximum aggregate nominal amount of £2,377,881 (being equal to 237,788,143 Ordinary Shares) pursuant to, or in connection with, the Subscription, issue of Management Shares, issue of Convertible Loan Notes (including the granting of rights to convert securities into Ordinary Shares in connection therewith) and the issue of Conversion Shares, provided that, unless renewed, varied or revoked by the Company, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this Resolution and the conclusion of the next General Meeting of the Company save that the Company may, at any time before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

3. Pre-emption rights

That, in accordance with section 570 of the Act and subject to and conditional on the passing of Resolutions 1 and 2 and Resolutions 4 and 5 set out in the Notice of General Meeting, the Directors be and are hereby authorised to allot equity securities (as defined in section 560(1) of the Act) in the capital of the Company for cash, pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 2 above, as if section 561(1) of the Act did not apply to such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities up to a maximum nominal amount of £2,377,881 (being equal to 237,788,143 Ordinary Shares) pursuant, or in connection with, the Subscription, issue of Management Shares, issue of Convertible Loan Notes (including the granting of rights to convert securities into Ordinary Shares in connection therewith) and the issue of Conversion Shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) unless previously revoked, renewed, varied or extended, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this Resolution and the conclusion of the next General Meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority granted by this Resolution had not expired.

ORDINARY RESOLUTION

4. Allotment of shares

That, in accordance with section 551 of the Act, the Directors be and are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot Ordinary Shares, and to grant rights to subscribe for or to convert any security into Ordinary Shares (such shares and rights to subscribe for or convert any security into shares of the Company being relevant securities) up to a maximum aggregate nominal amount of £33,333 (being equal to 33,333,333 Ordinary Shares) pursuant to or in connection with the Placing and Retail Offer provided that, unless renewed, varied or revoked by the Company, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this Resolution and the conclusion of the next General Meeting of the Company save that the Company may, at any time before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

5. Pre-emption rights

That, in accordance with section 570 of the Act and subject to and conditional on the passing of Resolution 4 set out in the Notice of General Meeting, the Directors be and are hereby authorised to allot equity securities (as defined in section 560(1) of the Act) in the capital of the Company for cash, pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 4 above, as if section 561(1) of the Act did not apply to such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities up to a maximum nominal amount of £33,333 (being equal to 33,333,333 Ordinary Shares) pursuant to or in connection with the Placing and Retail Offer, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) unless previously revoked, renewed, varied or extended, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this Resolution and the conclusion of the next General Meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry

and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority granted by this Resolution had not expired.

By order of the Board

Anthony James Pearson

Company Secretary

3 April 2023

Tekmar Group plc (CRN: 11383143)

Registered office:

Innovation House, Centurion Way, Darlington, England, DL3 0UP

Shareholder Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Company's register of members at 6:30 p.m. on 17 April 2023, or, if this meeting is adjourned, at 6:30 pm two days prior to the adjourned meeting, shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. In accordance with the requirements of the Takeover Code, voting on the Resolutions will be taken on a poll. SCF-IX L.P, Steve Lockard and persons acting in concert with them, do not hold any shares in the capital of the Company and will not be voting on the Resolutions.

Appointment of proxy

3. If you are a shareholder who is entitled to vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to vote at the meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Appointment of a proxy will not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
4. A proxy does not need to be a shareholder of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman of the Meeting) and give your instructions directly to them. You are recommended to appoint the Chairman of the Meeting as your proxy, in case a person who you choose to appoint is unable to attend the Meeting, in which case they would not be able to cast any votes on your behalf.
5. The notes to the proxy form explain how to direct your proxy to vote on each resolution or to withhold their vote. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to the same shares. To appoint more than one proxy, please contact the Company's registrars at their address set out in Note 9 below.
8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Appointment of proxy using the proxy form

9. A Form of Proxy is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and sent or delivered to the office of the Company's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA to be received by the registrars not less than 48 hours before the time for holding the meeting (or any adjourned meeting).
10. In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be submitted with the proxy form.

Appointment of proxy online

11. Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through the Sharevote website, www.sharevote.co.uk using the series of numbers printed under the headings Voting ID, Task ID and Shareholder Reference Number on the Proxy Form. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk by using their usual user ID and password. Once logged in, simply click 'view' on the 'My Investments' page, click on the link to vote and then follow the on-screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites.

Appointment of proxy through CREST

12. CREST members who wish to appoint the chair of the meeting as proxy through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the

Company's Registrars, Equiniti Limited (CREST Participant ID: RA19), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. Following this time, any change in instructions to a proxy appointed through CREST should be communicated to the appointee through other means.

14. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
15. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Changing proxy instructions

16. To change your proxy instructions simply submit a new proxy appointment using the methods set out in these notes. The deadlines for receipt of proxy appointments as set out above also applies in relation to any amended instructions and any amended proxy appointment received after the relevant cut-off time will be disregarded.

Termination of proxy appointments

17. Shareholders may revoke a proxy instruction delivered to the Registrar, but to do so must inform the Company in writing by sending a signed hard copy notice clearly stating their intention to revoke the proxy appointment to Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.
18. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
19. The revocation notice must be received by the Company no later than 10.30 a.m. on 17 April 2023.
20. If a shareholder attempts to revoke their proxy appointment but the revocation is received after this time, the original proxy appointment will remain valid unless the shareholder attends the General Meeting and votes in person, should this be possible.

Communication

21. Except as provided above, shareholders who have general queries about the business of the Meeting should send them in advance to investors@tekmar.co.uk and we will respond to your query directly.

Share capital

22. As at the Disclosure Date (being the last practicable date prior to the publication of this notice), the Company's total issued share capital consisted of 60,960,234 Ordinary Shares, each carrying one vote per share. Therefore, the total voting rights in the Company as at that date were 60,960,234.

