

Recommended Revised Final Cash Offer
for
Brady plc ("Brady")
by
Hanover Acquisition Limited ("Hanover Bidco")
(an investment vehicle ultimately wholly owned
by Hanover Active Equity Fund II,
S.C.A. SICAV-RAIF)

Introduction

On 14 October 2019, the Boards of Hanover Bidco and Brady announced (the "**Offer Announcement**") that they had reached agreement on the terms of a unanimously recommended final cash offer of 10 pence in cash for each Brady Share to be made by Hanover Bidco for the entire issued and to be issued share capital of Brady (the "**Offer**"). Hanover Bidco is an investment vehicle ultimately wholly-owned by Hanover Active Equity Fund II, S.C.A. SICAV-RAIF.

The full terms and conditions and the procedures for acceptance of the Offer are set out in full in the Offer Document published by Hanover Bidco on 17 October 2019 (the "**Offer Document**"). Terms and expressions used in this announcement shall, unless defined herein or unless the context otherwise requires, have the same meanings as given to them in the Offer Document, a copy of which is available on Hanover Bidco's website at www.hanoverinvestors.com and Brady's website at www.bradyplc.com.

As stated in the Offer Announcement and the Offer Document, Hanover Bidco's Offer was final and, pursuant to Rule 32.2 of the Takeover Code, the Offer consideration could not be increased except if there was an announcement on or after 14 October 2019 of an offer or a possible offer for Brady by a third party offeror or potential offeror. Brady has earlier today announced that there is a possible competing offeror in respect of Brady and therefore Hanover Bidco's reservation under Note 1 on Rule 32.2 of the Code has been activated and Hanover Bidco is permitted to increase its Offer.

Increased Offer

The Board of Hanover Bidco announces today that it is increasing the cash offer price in respect of its recommended final cash offer for Brady plc announced on 14 October 2019 (the "**Revised Offer**").

Under the terms of the Revised Offer, Brady Shareholders will receive 18 pence in cash for each Brady Share held. The Revised Offer is final and will not be increased. The Revised Offer values the entire issued share capital of Brady plc at approximately £15 million.

The Revised Offer represents a premium of 171 per cent. over the closing middle market price of 6.63 pence per Brady Share on 11 October 2019, being the Business Day immediately prior to the date of the Offer Announcement, and 136 per cent. over the closing middle market price of 7.63 pence per Brady Share on 3 October 2019, being the Business Day on which Hanover Bidco made the approach to the Brady Directors regarding the Offer.

An offer document will be posted to Brady Shareholders in respect of the Revised Offer as soon as practicable. The closing date of the Revised Offer will be 14 days from the date the offer document in respect of the Revised Offer is

published (which may be further extended by Hanover Bidco, subject to the Code).

Recommendation

In Brady's announcement of 13 November 2019, the Brady Directors confirmed that an on demand loan facility put in place on that same day would provide sufficient funding to enable Brady to manage its working capital position until the end of January 2020 but that, should the Offer lapse, it would be essential that Brady is able to obtain additional funding before the end of January 2020 to begin to implement the Company's previously announced strategic product plan, to enhance Brady's execution fundamentals and expand Brady's market reach to secure its long-term competitive position, and to secure Brady's long-term future. Whilst the Brady Directors are evaluating options available to the Company in this regard, Brady has not, at this time, secured additional unconditional funding.

The Brady Directors, who have been so advised by Cenkos as to the financial terms of the Revised Offer, consider the terms of the Revised Offer to be fair and reasonable and in the best interests of Brady and Brady Shareholders as a whole. In providing advice to the Brady Directors, Cenkos has taken into account the commercial assessments of the Brady Directors. Cenkos is providing independent financial advice to the Brady Directors for the purposes of Rule 3 of the Code. Accordingly, the Brady Directors unanimously recommend that Brady Shareholders accept the Revised Offer.

Conditions

The Revised Offer remains conditional upon Hanover Bidco receiving valid acceptances (which have not been withdrawn) in respect of and/or having otherwise acquired or agreed to acquire Brady Shares which constitute more than 50 per cent. of the voting rights attached to the Brady Shares and to the other Conditions and certain further terms set out in Appendix I to the Offer Document, including that no member of the wider Brady Group becomes insolvent or undergoes any analogous procedure in any jurisdiction and to the further terms and conditions contained in the Offer Document, when issued.

Immediately upon the Revised Offer becoming unconditional as to acceptances, subject to Hanover Bidco not having invoked or sought to invoke any Condition prior to that time, Hanover Bidco shall declare the Revised Offer wholly unconditional.

Financing of the Revised Offer

The Consideration due under the Revised Offer will be funded by cash from the equity subscription of Hanover Bidco ordinary shares by the Hanover Fund.

Pursuant to the Subscription Agreement, the General Partner has agreed, on behalf of the Hanover Fund, that it will subscribe for a sufficient number of Hanover Bidco Ordinary Shares at a price of £1 per Hanover Bidco ordinary share so as to provide Hanover Bidco with the amount required to satisfy the aggregate Consideration payable in accordance with the Revised Offer. The obligation to subscribe for Hanover Bidco Ordinary Shares is conditional upon the Revised Offer becoming Effective.

Panmure Gordon is satisfied that Hanover Bidco has the necessary financial resources available to satisfy full acceptance of the Revised Offer. Full acceptances of the Revised Offer would involve a maximum cash payment of approximately £15 million.

Other

The conditions and certain further terms applicable to the Revised Offer shall be set out in the offer document to be published as soon as possible after the date of this announcement.

Brady Shareholders who have previously validly accepted the Offer (and have not withdrawn those acceptances (if applicable)) will automatically be deemed to have accepted the Revised Offer by virtue of their prior acceptances and therefore need take no further action.

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Further information

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Revised Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Brady in any jurisdiction in contravention of applicable law. This announcement does not constitute a prospectus or equivalent document.

Any acceptance or other response to the Revised Offer should only be made on the basis of the information contained in the Offer Document and the Form of Acceptance. Brady Shareholders who have not yet accepted the Revised Offer are advised to read the formal documentation in relation to the Revised Offer carefully.

Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Hanover Bidco and no-one else in connection with the Revised Offer and other matters referred to in this announcement and will not be responsible to anyone other than Hanover Bidco for providing the protections afforded to clients of Panmure Gordon nor for providing advice in relation to the Revised Offer, this announcement or any other matter referred to herein. Neither Panmure Gordon nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Gordon in connection with this announcement, any statement contained herein or otherwise.

Overseas jurisdictions

The availability of the Revised Offer or the release, publication or distribution of this announcement in or into, jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes who are not resident in the United Kingdom should inform themselves about, and observe, any applicable restrictions. Brady Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The statements contained in this announcement are not to be construed as legal, business, financial or tax advice.

Notice to US shareholders of Brady Shares

It may be difficult for US holders of Brady securities to enforce their rights under and any claim arising out of the US federal securities laws, since Hanover Bidco and Brady are located outside the United States, and some or all of their officers and directors may be resident outside the United States. US Brady Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement and a US court may lack jurisdiction over such persons.

The Revised Offer will be made for securities of an English company and is being made in the United States in compliance with, and in reliance on, Section 14(e) of the United States Securities Exchange Act of 1934 (the "Exchange Act"), Regulation 14E thereunder and the exemption therefrom provided by Rule 14d-1(d) under the Exchange Act. The Revised Offer is being made in the United States by Hanover Bidco and no one else. The Revised Offer is subject to disclosure and procedural requirements of the United Kingdom which are different from those in the United States. In addition, US investors should be aware that this announcement has been prepared in accordance with English law and the Code and applicable disclosure requirements, format and style thereunder, all of which differ from those in the United States. Furthermore, the payment and settlement procedures with respect to the Revised Offer will comply with the relevant UK rules, which differ from US payment and settlement procedures. Neither the United States Securities Exchange Commission, nor any securities commission of any state or other jurisdiction of the United States, has approved the Revised Offer or passed upon the adequacy or completeness of this announcement.

The receipt of cash pursuant to the Revised Offer may have tax consequences in the United States and under other applicable tax laws and such consequences, if any, are not described herein. US Brady Shareholders are urged to consult with their own legal, tax and financial advisors in connection with making a decision regarding the Revised Offer.

To the extent permitted by applicable law, in accordance with, and to the extent permitted by, the Code and normal UK market practice, Hanover Bidco or nominees or brokers of Hanover Bidco (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, Brady Shares or other Brady securities outside the United States other than pursuant to the Revised Offer at any time prior to completion of the Revised Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any such purchases, or arrangements to purchase, will comply with all applicable requirements of the Code, the Listing Rules and Regulation 14E under the US

Exchange Act including Rule 14e-5, to the extent applicable. In addition, in accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Panmure Gordon and Cenkos Securities plc will continue to act as connected exempt market maker or connected exempt principal trader in Brady Shares or other Brady securities on the London Stock Exchange. To the extent required to be disclosed in accordance with applicable regulatory requirements, information about any such purchases and activities, including without limitation, such purchases and activities by the connected exempt market maker or connected exempt principal trader, will be disclosed on a next day basis to the Panel and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will as applicable also be publicly disclosed in the United States.

Publication of this announcement

A copy of this announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on www.hanoverinvestors.com and www.bradyplc.com by no later than 12 noon on the business day following the date of this announcement. The contents of Hanover Investors' website and Brady's website are not incorporated into and do not form part of this announcement.