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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

**Renishaw plc ("Renishaw" or the "Company")
Commencement of Formal Sale Process**

2 March 2021

Renishaw today announces that Sir David McMurtry and John Deer, Executive Chairman and Non-Executive Deputy Chairman, respectively (together, the "Founders") have indicated to the Board their intention to sell their very substantial shareholdings in Renishaw. Together, the Founders (and certain persons connected with them) own approximately 53% of the issued share capital of the Company and have expressed a preference for the disposal of their entire combined shareholding.

The Board has considered various options with its advisers. In considering these options the Board, including the Founders, has had regard to the interests of all the Company's stakeholders. The Board has unanimously concluded that it would be appropriate to investigate the sale of the Company and is therefore launching a formal sale process for the Company.

The Board intends to seek a buyer who will respect the unique heritage and culture of the business, its commitment to the local communities in which its operations are based, and who will enable the Company to continue to prosper in the long-term.

Since its foundation in 1973, the Company has grown into one of the world's leading engineering and scientific technology companies, with expertise in precision measurement and healthcare. At the heart of everything the Company does lies a culture of innovation and a fundamental belief that success comes from patented and innovative products and processes, high quality manufacturing, and the ability to provide local customer support in all its markets around the globe. This has resulted in a long-term track record of strong operational and financial performance, bringing significant economic and social benefits to its local communities.

UBS is acting as sole financial adviser and corporate broker to the Company in relation to the sale process.

Formal sale process

The Takeover Panel has agreed that any discussions with a third party will take place within the context of a "formal sale process" as defined in The Takeover Code (the "Code") in order to enable conversations with parties interested in making such a proposal to take place on a confidential basis.

Parties with a potential interest in making an offer for Renishaw should contact UBS (contact details as set out below). Any interested party will be required to enter into a non-disclosure and standstill agreement with the Company on terms satisfactory to the Board and on the same terms, in all

material respects, as any other interested parties, before being permitted to participate in the process. The Board reserves the right to reject any approach or terminate discussions with any interested party or participant at any time.

Neither the Company nor the Founders are currently in discussions with any potential offeror or in receipt of a possible offer for the Company or for the shareholdings in the Company of the Founders (and certain persons connected with them) as at the date of this announcement.

The Board reserves the right to alter any aspect of the process or to terminate it at any time and will make further announcements as appropriate.

There can be no certainty that any offer will be made for the Company, or even proposed, or as to the terms of any proposal or offer that may be made.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified (subject to note 3 to Rule 2.2 of the Code) and will not be subject to the 28-day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process.

Sir David McMurtry, Executive Chairman of Renishaw, and John Deer, Non-Executive Deputy Chairman, commented:

" We are both grateful for our continued good health, however we recognise that neither of us is getting any younger. Now finding ourselves in our 80s, our thoughts have increasingly turned to considering the future of our shareholdings in the Company and how we can actively contribute to securing the future success of the business. With that in mind, we approached the rest of the Board to indicate that we felt the time was now right to discuss the best way to achieve this.

As the founders of Renishaw, we understand the importance of Renishaw's culture, our place in the communities in which we operate, our commitment to research and development, and the loyalty of our staff, our suppliers, and the customers we serve; these together have been the foundation of our success for almost 50 years. With the Board, we are therefore focused on ensuring that we find the right new owner for our business - one who respects and will continue to nurture these important attributes. "

Sir David Grant, Senior Independent Non-Executive Director at Renishaw, commented:

"David and John have been exceptional stewards and majority holders of Renishaw as evidenced by the Company's long-term track record of innovation, success and value creation.

Following the indication from David and John that they would like to sell their shares, my fellow directors and I have thoroughly considered various alternatives in partnership with our advisers. In considering these options the Board, including David and John, has had regard to the interests of all the Company's stakeholders. The Board has unanimously concluded that it would be appropriate to investigate the sale of the Company and is therefore launching a formal sale process.

The Board intends to seek a buyer who will recognise the value of Renishaw as an innovation-led business and respect the unique heritage and culture of the business, its commitment to the local communities in which its operations are based, and who will enable the Company to continue to prosper in the long-term."

The person responsible for arranging release of this announcement on behalf of the Company is Jacqueline Conway, General Counsel and Company Secretary.

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Notes to Editor

Renishaw is a global high-precision metrology and healthcare technology group. Founded in 1973, the Company has grown into one of the world's leading engineering and scientific technology companies, driven by a culture of innovation and a fundamental belief that success comes from patented and innovative products and processes, high quality manufacturing, and the ability to provide local customer support in all its markets around the globe.

Further information

UBS AG London Branch ("UBS") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS provided financial and corporate broking advice to Renishaw and no one else in connection with the contents of this announcement. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the Takeover Code. As a result of this announcement, an "offer period" has commenced in respect of the Company in accordance with the rules of the Takeover Code and the dealing disclosure requirements will apply as set out below.

Dealing Disclosure Requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any

securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on Renishaw's website at www.renishaw.com/fsp by no later than 12 noon (London time) on 3 March 2021. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 of the Takeover Code

In accordance with Rule 2.9 of the Code, the Company confirms that it has in issue 72,788,543 ordinary shares of 20 pence each ("Ordinary Shares"). The International Securities Identification Number for the Ordinary Shares is GB0007323586.