

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

THIS IS AN ANNOUNCEMENT OF A POSSIBLE OFFER 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.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 AS IT FORMS PART OF RETAINED EU LAW (AS DEFINED IN THE EUROPEAN UNION (WITHDRAWAL) ACT 2018) ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN FOR THE PURPOSES OF MAR.

FOR IMMEDIATE RELEASE

1 April 2022

CareTech Holdings PLC

("CareTech" or "the Group")

Extension to deadline under Rule 2.6(c) of the Code

On 7 March 2022, Sheikh Holdings Group (Investments) Limited ("Sheikh Holdings"), the family office of Haroon and Farouq Sheikh, Group CEO and Group Executive Chairman of CareTech respectively, announced it was in the early stages of forming a consortium (the "Consortium") for the purpose of considering making a possible offer for the entire issued, and to be issued, share capital of CareTech. This announcement stated that Sheikh Holdings is required in accordance with Rule 2.6(a) of the City Code on Takeovers and Mergers (the "Code"), by no later than 5.00 p.m. on 4 April 2022, either to announce a firm intention to make an offer for CareTech or to announce that it does not intend to make an offer for CareTech, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

The Consortium, alongside Sheikh Holdings, consists of Belgravia Investments Limited ("Belgravia"), Kensington Capital Limited ("Kensington") and funds managed by THCS IV GP S.a.r.l and advised by THCP Advisory Limited ("THCP"). Belgravia is a company owned by The Belgravia Trust, which is a discretionary trust. Kensington is a company owned by The Kensington Trust, which is a discretionary trust. The beneficiaries of Belgravia and Kensington include Haroon and Farouq Sheikh and their respective families. THCP is an investment house with over \$2 billion of assets under management and provides flexible structured capital solutions to entrepreneurs in the European mid-market.

Further to the announcement on 7 March 2022, the independent directors of CareTech, being Jamie Cumming, Moira Livingston and Adrian Stone (the "Independent Directors"), confirm that they received an initial proposal (the "Initial Proposal") from the Consortium on 22 March 2022. Under the Initial Proposal, the Consortium would offer each CareTech shareholder 710 pence in cash for each CareTech ordinary share. Following discussions between the parties, on 30 March 2022, the Independent Directors received a revised proposal (the "Revised Proposal") including an indicative offer of 725 pence per CareTech ordinary share in cash. The Independent Directors, having evaluated the Revised Proposal together with their advisers, have confirmed to the Consortium that the Revised Proposal is at a value

the Independent Directors would be minded to recommend should an offer be made at that price, subject to satisfactory resolution of the other terms of the Revised Proposal.

In accordance with Rule 2.6(c) of the Code, the Consortium has requested, and the Independent Directors and Panel on Takeovers and Mergers (the "Takeover Panel") have consented to, an extension to the date by which the Consortium is required either to announce a firm intention to make an offer for CareTech in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. Such announcement must now be made by not later than 5.00pm on 02 May 2022. This deadline can be further extended by the Independent Directors with the consent of the Takeover Panel, in accordance with Rule 2.6(c) of the Code.

This announcement 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 a firm offer will be made. Further announcements will be made in due course as appropriate.

CareTech remains in an "Offer Period" as defined in the Code. Accordingly, the dealing disclosure requirements listed below will apply.

This announcement is being made with the consent of the Consortium.

Pursuant to Rule 2.5 of the Code, the Consortium reserves the right to vary the form and / or mix of the offer consideration and vary the transaction structure. The Consortium also reserves the right to make an offer at a lower value than 725 pence per share:

- a) with the recommendation or consent of the Independent Directors;
- b) if CareTech announces, declares or pays any dividend or any other distribution or return of value to its shareholders (other than or in excess of the previously declared FY21 dividend of 9.5 pence per CareTech share) after the date of this announcement, in which case the Consortium reserves the right to make an equivalent adjustment to the cash consideration payable;
- c) following the announcement by CareTech of a whitewash transaction pursuant to the Code; or
- d) if a third party announces a firm intention to make an offer for CareTech on less favourable terms.

The person responsible for arranging for the release of this announcement on behalf of CareTech Holdings PLC is Jamie Cumming, Non-Executive Director.

For further information, please contact:

CareTech Holdings PLC 01707
601800

Jamie Cumming, Non-Executive Director

Panmure Gordon (Joint Financial Adviser, Nomad and Joint Broker) 020
7886 2500

Emma Earl

Freddy Crossley

Charles Leigh-Pemberton

James Sinclair-Ford

Mark Rogers

Numis (Joint Financial Adviser and Joint Broker) 020
7260 1000

Jonathan Wilcox

James Black

Alec Pratt
Duncan Monteith

Consilium Strategic Communications
3709 5700

020

Mary-Jane Elliott
Chris Welsh
Angela Gray

About CareTech

CareTech Holdings plc is a leading provider of specialist social care and education services, supporting around 5,000 adults and children with a wide range of complex needs in more than 550 residential facilities and specialist schools around the UK and employing approximately 11,500 staff.

Committed to the highest standards of care and care governance, CareTech provides its innovative care pathways covering; Adult learning disabilities and specialist services; Children's residential and education services; Foster care and Technology solutions.

CareTech, which was founded in 1993, began trading on the AIM market of the London Stock Exchange in October 2005 under the ticker symbol CTH.

For further information please visit: www.caretech-uk.com

Further information

This announcement contains 'forward-looking statements' concerning CareTech and the Consortium that are subject to risks and uncertainties. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'targets', 'plans', 'expects', 'aims', 'intends', 'anticipates' or similar expressions or negatives thereof identify forwardlooking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond CareTech and the Consortium's ability to control or estimate precisely. CareTech and the Consortium cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. CareTech and the Consortium does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

This announcement is not intended to, and does not, constitute or form part of an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

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.

Notice related to financial advisers

Panmure Gordon (UK) Limited ("Panmure Gordon"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for CareTech and no one else in connection with the possible offer and will not be responsible to anyone other than CareTech for providing the protections afforded to clients of Panmure Gordon nor for providing advice in relation to the possible offer or any other matters referred to in this announcement. Neither Panmure Gordon nor any of its 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.

Numis Securities Limited ("Numis"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for CareTech and no one else in connection with the possible offer and will not be responsible to anyone other than CareTech for providing the protections afforded to clients of Numis nor for providing advice in relation to the possible offer or any other matters referred to in this announcement. Neither Numis nor any of its 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 Numis in connection with this announcement, any statement contained herein or otherwise.

Disclosure requirements of the Code

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 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

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available on the Company's website (www.caretech-uk.com) no later than 12 noon (London time) on 01 April 2022. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

