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**Braime Group PLC**  
**(“Braime” or the “Company” and together with its subsidiaries the “Group”)**

**Acquisition of Electronics manufacturing businesses**

The Company is pleased to announce that it has today completed the acquisition of the entire issued share capital of Don Electronics Limited (“**Don Electronics**”), which itself holds 100% of the equity in Synatel Instrumentation Limited (“**Synatel**”) from Donelec Group Limited (the “**Seller**”) (together the “**Acquisition**”). As a result, the Company has obtained control of two businesses that supply electronic component parts to the Group.

**Rationale for Acquisition**

The Acquisition has been undertaken to strengthen control over the Group’s key supply chain, secure valuable intellectual property in a fast-growing sector and broaden its customer base. While the Acquisition is not expected to result in a material increase in revenues in the short-term, it is anticipated to enhance the Group’s profitability through captured margin. These businesses also further strengthen and enhance the Group’s capabilities to bring new designs to market, in line with the Group’s strategy for continually developing innovative end-user products.

The Acquisition was settled for initial cash consideration of £5.0 million; deferred cash consideration with a principal value of £4.9 million (the “**Deferred Consideration**”) and additional contingent consideration as detailed below. The Deferred Consideration is recorded as an amount owing to the Seller. Interest accrues on the Deferred Consideration at the rate of Bank of England base rate plus 3% and the Deferred Consideration is payable at a rate of £750,000 per annum for three years, with the remaining balance payable in full six-months after the third anniversary of completion.

In addition, the sale and purchase agreement also provides for additional contingent consideration payable in the fourth, fifth and sixth years following completion, conditional upon the two businesses acquired achieving certain combined annual profit targets agreed to between the Seller and the Company. For guidance purposes only, the fair value of the estimated contingent consideration has been calculated as £1.5 million, based on Braime’s management’s estimate of the profits expected to be achieved over the six-year period by Don Electronics and Synatel and discounted to a net present value using a discount rate of 6.25%. The estimated nominal undiscounted value of the consideration, based on these assumptions and inclusive of interest on the Deferred Consideration, is £13.1 million. However, the additional contingent consideration, and therefore the total consideration payable under the Acquisition agreement is uncapped, although the terms are structured such that profits earned by achieving the targets always exceed the contingent consideration.

Braime’s estimated fair value of the net assets acquired, including intangible assets but excluding balances with the Group is £9.0 million. This remains subject to adjustment once the Completion Accounts become available.

For the year ended 31 March 2025 (audited), Don Electronics reported revenue of £7.1 million, a profit before tax of £1.6 million and net assets of £3million. Don Electronics only acquired Synatel on 1 February 2026 and accordingly there are no consolidated accounts for the two companies, however for the year ended 31 March 2025 (audited), Synatel reported revenue of £3.5 million with a profit before tax of £0.4 million and net assets of £3.1m.

**New Loan Agreement**

The cash consideration payable on completion was funded through a new £5.2 million term loan facility entered into today with the Company’s incumbent banking partner, HSBC for an initial term of 41 months, expiring on 31 August 2029. Repayment is to be amortised over seven years and interest on the loan is payable at 2.6% above Bank of England base rate. Standard covenants are in place and the debt is secured on fixed and floating charges on all the assets of the UK entities within the Group.

The Company was advised on the Acquisition by Hill Dickinson, Armstrong Watson and Moore Kingston Smith.

Nicholas Braime, Chairman said “Both Don Electronics and Synatel have strong reputations for quality and engineering capability, and we are delighted to welcome their teams into the Group. These two businesses have been long-standing suppliers to our Group with whom we have worked for over 40 years and bringing them into the Braime family marks an important milestone. We believe this partnership will help us drive forward new ideas, support future product launches and broaden the solutions we can offer customers”.

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