

Loungers plc

17 December 2024

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

17 December 2024

RECOMMENDED ACQUISITION

OF

LOUNGERS PLC

BY

CF EXEDRA BIDCO LIMITED

(a newly-formed company indirectly owned by funds and accounts managed or advised by affiliates of Fortress Investment Group, LLC (“Fortress”))

PUBLICATION OF SCHEME DOCUMENT

AND

NOTIFICATION OF SHARE AWARDS TO LOUNGERS DIRECTORS AND OTHER PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES

Publication of Scheme Document

On 28 November 2024, the boards of directors of Loungers plc (**Loungers**) and CF Exedra Bidco Limited (**Bidco**), a newly-formed company indirectly owned by funds and accounts managed or advised by affiliates of Fortress, announced that they had reached agreement on the terms and conditions of a recommended acquisition by Bidco of the entire issued and to be issued share capital of Loungers (the **Acquisition**). The Acquisition is to be effected by means of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**).

Loungers is pleased to announce that the scheme document containing the full terms and conditions of the Acquisition (the **Scheme Document**) is being published and sent today to Loungers Shareholders and, for information only, to persons with information rights and participants in the Loungers Share Plans. Forms of Proxy for the Court Meeting and General Meeting and a Scheme Shares Form of Election in relation to the Alternative Offer are also being published and sent today to Loungers Shareholders who hold Loungers Shares in certificated form.

In addition, joint letters from Loungers and Bidco are being sent today to participants in the Loungers Share Plans regarding the effect of the Acquisition on their rights under the Loungers Share Plans and the arrangements applicable to them and, where required, setting out an appropriate proposal pursuant to Rule 15 of the Takeover Code (the **Share Plan Letters**). The Share Plan Letters will be made available on Loungers' website at <https://loungers.co.uk/offer-documentation>.

The Scheme Document and related documents will (subject to certain restrictions relating to persons in, or resident in, Restricted Jurisdictions) be made available on Loungers' website at <https://loungers.co.uk/offer-documentation>. The Scheme Document sets out, among other things, a letter from the chairman of Loungers, an explanatory statement pursuant to section 897 of the Companies Act 2006, the full terms and conditions of the Scheme, an expected timetable of principal events, notices of the Court Meeting and General Meeting and details of the actions to be taken by Loungers Shareholders.

Capitalised terms used in this announcement, unless otherwise defined, have the same meanings as set out in the Scheme Document. All references in this announcement to times are to London time unless otherwise stated.

Recommendation

The Loungers Directors, who have been so advised by Houlihan Lokey UK Limited (***Houlihan Lokey***) as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing its advice to the Loungers Directors, Houlihan Lokey has taken into account the commercial assessments of the Loungers Directors. Houlihan Lokey is providing independent financial advice to the Loungers Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Loungers Directors unanimously recommend that Loungers Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting as the Loungers Directors who are interested in Loungers Shares have irrevocably undertaken to do (or procure to be done) in respect of their own beneficial holdings, being, in aggregate, 7,759,526 Loungers Shares (representing approximately 7.5 per cent. of the issued ordinary share capital of Loungers as at close of business on 16 December 2024, being the latest practicable date prior to publication of this announcement).

As an alternative to the Cash Offer, Eligible Scheme Shareholders may also elect for the Alternative Offer in respect of some or all of their Loungers Shares. Houlihan Lokey is unable to advise the Loungers Directors as to whether or not the financial terms of the Alternative Offer are fair and reasonable. Accordingly, the Loungers Directors are unable to form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to Loungers Shareholders as to whether or not they should elect for the Alternative Offer.

Notices of the Court Meeting and General Meeting and actions required

As described in the Scheme Document, in order to become Effective the Scheme will require, among other things, the approval at the Court Meeting of a majority in number of the Scheme Shareholders present and voting in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders, the passing of the Resolution, among other things, to implement the Scheme at the General Meeting by the requisite majority of Loungers Shareholders at such General Meeting and the subsequent sanction of the Scheme by the Court. The Scheme is also subject to the satisfaction or waiver of the Conditions and to further terms that are set out in the Scheme Document.

Notices of the Court Meeting and the General Meeting, which will be held at the offices of Loungers at 26 Baldwin Street, Bristol, BS1 1SE on 30 January 2025, are set out in the Scheme Document. The Court Meeting will commence at 9.00 a.m. and the General Meeting at 9.15 a.m. (or, if later, as soon as the Court Meeting has concluded or been adjourned).

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is fair representation of the opinion of Scheme Shareholders. Scheme Shareholders are therefore strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, by hand, online or through CREST) set out in the Scheme Document. Doing so will not prevent a Scheme Shareholder from attending, speaking

and voting in person at the Court Meeting or the General Meeting, or any adjournment thereof, if that Scheme Shareholder wishes and is entitled to do so.

Expected Timetable of Principal Events

The Scheme Document contains an expected timetable of principal events relating to the Scheme, which is also attached as an Appendix to this announcement. Subject to obtaining the necessary approvals of the Scheme Shareholders at the Court Meeting, Loungers Shareholders at the General Meeting, the satisfaction or, where applicable, the waiver of the other Conditions (as set out in the Scheme Document) and the sanction of the Court, the Scheme is expected to become effective on or around 11 February 2025.

If any of the key dates and/or times set out in the expected timetable change, Loungers will give notice of this change by issuing an announcement through a Regulatory Information Service with such announcement being made available on Loungers' website at <https://loungers.co.uk/offer-documentation>.

Cancellation of admission to trading of the Loungers Shares

If the Scheme becomes Effective, it is expected that the last day of dealings in, and registration of transfers of, Loungers Shares on AIM will be the Business Day after the Court Sanction Hearing and no transfers will be registered after 6.00p.m. on that date. Dealings in Loungers Shares will be suspended from 7.30 a.m. on the second Business Day after the Court Sanction Hearing, which is currently expected to take place on 7 February 2025. It is intended that before the Effective Date, an application will be made to the London Stock Exchange for Loungers Shares to cease to be admitted to trading on AIM, to take effect at 8.00 a.m. on the Business Day immediately following the Effective Date.

It is also intended that, as soon as possible after the Effective Date and after its shares cease to be traded on AIM, Loungers will be re-registered as a private limited company under the relevant provisions of the Companies Act.

Shareholder helpline

If you have any questions in relation to this announcement, the Scheme Document, the Court Meeting or the General Meeting, or the completion and return of the Forms of Proxy or the Scheme Shares Form of Election, please telephone Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Notification of share awards to Loungers Directors and other persons discharging managerial responsibilities ("PDMRs")

Loungers also announces that, on 16 December 2024, incentive awards were granted over Loungers Shares under the Loungers plc Senior Management Restricted Share Plan to the following Loungers Directors and PDMRs (the "**PSP Awards**").

Name	Position	Number of Shares granted under PSP Awards
Alex Reilley	Founder Chairman	90,090
Nick Collins	Chief Executive Officer	218,790
Stephen Marshall	Chief Financial Officer	129,464
Justin Carter	Group Managing Director	82,143
Guy Youll	Chief People Officer	78,000

Kate Eastwood	Lounge Managing Director	60,714
Lucy Knowles	Cosy Club Managing Director	59,429

The remuneration committee of the Loungers Board would, in the ordinary course, have granted the PSP Awards in July 2024, following the announcement of Loungers' audited accounts for the 53 weeks to 21 April 2024. However, this was not possible due to the then ongoing sale process which resulted in the announcement on 28 November 2024 of the Acquisition.

The effective grant of the PSP Awards has therefore been backdated to 25 July 2024.

The PSP Awards have been granted in the form of nil-cost share options and in accordance with the performance conditions as set out in Loungers' FY23 Annual Report and Accounts. A portion of the PSP Awards will vest on the date of Court Sanction, based on time pro-rating. Assuming Court Sanction takes place as expected on 7 February 2025, time pro-rating will apply such that 19.44% of the PSP Awards will vest.

The PSP Awards have been granted with the consent of Fortress.

The notification below, made in accordance with the requirements of the UK Market Abuse Regulation, provides further detail:

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	<ol style="list-style-type: none"> 1. Alex Reilley 2. Nick Collins 3. Stephen Marshall 4. Justin Carter 5. Guy Youll 6. Kate Eastwood 7. Lucy Knowles
2	Reason for the notification	
a)	Position/status	<ol style="list-style-type: none"> 1. Founder Chairman 2. Chief Executive Officer 3. Chief Financial Officer 4. Group Managing Director 5. Chief People Officer 6. Lounge Managing Director 7. Cosy Club Managing Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Loungers plc
b)	LEI	213800FA4HQ339CRNN34
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Ordinary Shares of £0.01 each

	Identification code	ISIN: GB00BH4JR002																	
b)	Nature of the transaction	Grant of PSP Awards under the Loungers plc Senior Management Restricted Share Plan.																	
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>1. Nil</td> <td>1. 90,090</td> </tr> <tr> <td>2. Nil</td> <td>2. 218,790</td> </tr> <tr> <td>3. Nil</td> <td>3. 129,464</td> </tr> <tr> <td>4. Nil</td> <td>4. 82,143</td> </tr> <tr> <td>5. Nil</td> <td>5. 78,000</td> </tr> <tr> <td>6. Nil</td> <td>6. 60,714</td> </tr> <tr> <td>7. Nil</td> <td>7. 59,429</td> </tr> </tbody> </table>	Price(s)	Volume(s)	1. Nil	1. 90,090	2. Nil	2. 218,790	3. Nil	3. 129,464	4. Nil	4. 82,143	5. Nil	5. 78,000	6. Nil	6. 60,714	7. Nil	7. 59,429	
Price(s)	Volume(s)																		
1. Nil	1. 90,090																		
2. Nil	2. 218,790																		
3. Nil	3. 129,464																		
4. Nil	4. 82,143																		
5. Nil	5. 78,000																		
6. Nil	6. 60,714																		
7. Nil	7. 59,429																		
d)	Aggregated information: - Aggregated volume - Price	- 718,630 - Nil																	
e)	Date of the transaction	16 December 2024																	
f)	Place of the transaction	Outside of a trading venue																	

Enquiries:

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Houlihan Lokey UK Limited ("**Houlihan Lokey**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively for Loungers and no one else in connection with the Acquisition and will not be responsible to anyone other than Loungers for providing the protections afforded to clients of Houlihan Lokey or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Houlihan Lokey 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 Houlihan Lokey in connection with this announcement, any statement contained herein or otherwise.

HSBC Bank plc ("**HSBC**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser exclusively for Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of HSBC, or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither HSBC nor any of its group undertakings 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 HSBC in connection with this announcement or any matter referred to herein.

Panmure Liberum Limited ("**Panmure Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as corporate broker exclusively for Loungers and no one else in connection with the Acquisition and the matters set out in this announcement. Panmure Liberum will not regard any other person as its client in relation to the Acquisition or any other matter or arrangement set out in this announcement and will not be responsible to anyone other than Loungers for providing the protections afforded to clients of Panmure Liberum, nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this announcement. Neither Panmure Liberum nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Liberum in connection with the Acquisition, this announcement, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by Panmure Liberum as to the contents of this announcement.

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Further information

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of what action is required from Loungers Shareholders in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).

This announcement does not constitute a prospectus or prospectus equivalent document.

This announcement has been prepared for the purposes of complying with English law, the rules of the London Stock Exchange, the Listing Rules and the City Code on Takeovers and Mergers 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 and regulations of any jurisdictions outside the United Kingdom.

Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition would be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Acquisition (including, without limitation: (i) the inclusion of an acceptance condition set at 90 per cent. of the Loungers Shares to which such Offer relates (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, Bidco under applicable law, including US securities laws). Further, Bidco has agreed under the Co-operation Agreement that, if sufficient acceptances of such Offer are received and/or sufficient Loungers Shares are otherwise acquired, it will apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Loungers Shares to which such offer relates.

Overseas Shareholders

This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and 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 England and Wales.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements of their jurisdictions.

The availability of the Acquisition to Loungers Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Loungers Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by

applicable law and regulation, participation in the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

Notice to US investors in Loungers

Loungers Shareholders in the United States should note that the Acquisition relates to the shares of an English company with a quotation on AIM and is proposed to be made by means of a scheme of arrangement provided for under, and which is governed by, the laws of England and Wales. If the Acquisition is carried out under the Scheme, it is expected that any Rollover Units issued pursuant to the Acquisition would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof and would not be registered under the US Securities Act. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.

Neither proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Bidco exercises the right to implement the Acquisition by way of an Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by Bidco and no one else. In accordance with normal United Kingdom practice and consistent with Rule 14e-5 under the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Loungers outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the US either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with IFRS in the United States.

The receipt of consideration by a US holder for the transfer of its Loungers Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Loungers Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of

the Acquisition applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders of Loungers Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Bidco and Loungers are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Loungers Shares 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.

Cautionary Note Regarding Forward-Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Loungers contain certain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and/or Loungers (as the case may be) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof. These statements are based on assumptions and assessments made by Loungers and/or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements, include but are not limited to: the ability to complete the Acquisition, the ability to obtain requisite regulatory and shareholder approvals and changes in the global, political, economic, business, competitive, market and regulatory forces, financial regulatory matters, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Loungers nor Bidco assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

Dealing and Opening Position Disclosure Requirements

Rule 2.7(c)(xiii)

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. 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 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m.

(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 Takeover Code, any person who is, or becomes, interested in one per cent. 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, 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 p.m. (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

Rule 26.1(b)Rule
2.7(c)(xiii)

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available and other documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Loungers' website at <https://loungers.co.uk> and Fortress' website at <https://www.fortress.com/loungers-offer> by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this announcement.

Requesting hard copy documents

Rule 30.3(e)

In accordance with Rule 30.3 of the Takeover Code, Loungers Shareholders, persons with information rights and participants in Loungers Share Plans may request a hard copy of this announcement by contacting Loungers' registrars, Link Group 10th Floor, Central square, 29 Wellington Street, Leeds, LS1 4DL, between 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) by calling +44 345 922 0044 or by submitting a request in writing to Link Group. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

Electronic Communications

Please be aware that addresses, electronic addresses and certain other information provided by Loungers Shareholders, persons with information rights and other relevant persons for the receipt of communications from Loungers may be provided to Bidco during the Offer Period as required

under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11 of the Takeover Code.

General

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco has agreed under the Co-operation Agreement to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 so as to acquire compulsorily the remaining Loungers Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase Loungers Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Appendix

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times. All dates and times, other than those relating to the Court Meeting and the General Meeting, are based on Loungers' and Bidco's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Loungers Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on Loungers' website at <https://loungers.co.uk/offer-documentation> and on Fortress' website at <https://www.fortress.com/loungers-offer>.

Event	Expected time/date⁽¹⁾
Latest time for lodging Forms of Proxy for:	
Court Meeting (BLUE form)	9.00 a.m. on 28 January 2025 ⁽²⁾
General Meeting (WHITE form)	9.15 a.m. on 28 January 2025 ⁽²⁾
Scheme Voting Record Time	6.00 p.m. on 28 January 2025 ⁽³⁾
Court Meeting	9.00 a.m. on 30 January 2025
General Meeting	9.15 a.m. on 30 January 2025 ⁽⁴⁾
<i>The following dates are indicative only and subject to change⁽¹⁾</i>	
Court Sanction Hearing	7 February 2025
Election Return Time for the Scheme Shares Form of Election (GREEN form)	6.00 p.m. on the date of the Court Sanction Hearing
Last day of dealings in, and for registration of transfers of, Loungers Shares	10 February 2025
Scheme Record Time	6.00 p.m. on 10 February 2025
Disablement of CREST in respect of Loungers Shares	6.00 p.m. on 10 February 2025
Suspension of dealings in Loungers Shares	by 7.30 a.m. on 11 February 2025
Effective Date of the Scheme	11 February 2025
Cancellation of admission of Loungers Shares to trading on AIM	By 7.00 a.m. on 12 February 2025
Latest date for despatch of cheques and crediting of CREST for cash consideration due under the Scheme	14 days after the Effective Date
Latest date for issue of share certificates in respect of Rollover Units due, subject to the implementation of the Rollover Process, under the Alternative Offer	14 days after the Effective Date
Long Stop Date	11.59 p.m. on 28 August 2025 ⁽⁶⁾

Notes:

- (1) The times and dates are indicative only and will depend on, among other things, the dates upon which (i) the Court sanctions the Scheme, and (ii) a copy of the Court Order sanctioning the Scheme is delivered to the Registrar of Companies.
- (2) The BLUE Form of Proxy for the Court Meeting, if not received by the time stated above (or, if the Court Meeting is adjourned, 48 hours (excluding any day which is not a Business Day) before the adjourned Court Meeting), may be handed to a representative of Link

Group, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of that Meeting. However, in order to be valid, the WHITE Form of Proxy must be received no later than 9.15 a.m. (London time) on 28 January 2025 (or, if the General Meeting is adjourned, 48 hours (excluding any day which is not a Business Day) before the time fixed for the adjourned General Meeting). Please see "Action to be taken" on pages 12 to 18 and paragraph 22 of Part II **Error! Reference source not found.** (*Explanatory Statement*) of the Scheme Document.

- (3) If either the Court Meeting or the General Meeting is adjourned, the Scheme Voting Record Time for the relevant adjourned Meeting will be 6.00 p.m. on the date which is two Business Days before the date set for such adjourned Meeting.
- (4) To commence at 9.15 p.m. or as soon thereafter as the Court Meeting shall have concluded or is adjourned.
- (5) The Election Withdrawal Deadline will be the later of (i) the Election Return Time and (ii) such other date and time as Bidco and Loungers may agree.
- (6) The latest time and date by which the Scheme must become Effective, which may be extended by agreement between Loungers and Bidco with the Panel's consent and as the Court may approve (if such approval(s) are required).