

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Shearwater Group plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Shearwater Group plc

(Incorporated and registered in England & Wales with registered number: 05059457)

Notice of General Meeting

Notice of a GM of the Company, to be held at the Company's office at 32 Threadneedle Street, London, EC2R 8AY on 13 October 2026 at 10 a.m, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the GM should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen B62 8HD no later than 9 October 2026 at 10 a.m.. Completion and return of a Form of Proxy will not preclude shareholders from attending and voting at the GM if they so wish.

Letter from the Chairman of the Company
(Incorporated and registered in England and Wales with registered number 05059457)

Registered office:
1 Chancery Lane
London
WC2A 1LF

Directors:

Robin Southwell (**Non-Executive Chairman**)
Phil Higgins (**Chief Executive Officer**)
Jonathan Hall (**Chief Financial Officer**)
Stephen Ball (**Non-Executive Director**)
Jonathan Entract (**Non-Executive Director**)

25 September 2026

Dear Shareholder

Notice of General Meeting of Shearwater Group plc (the "Company")

A general meeting ("GM") of the Company is to be held at 10 a.m. on 13 October 2026 at the Company's office at 32 Threadneedle Street, London, EC2R 8AY. The notice convening the GM is set out at the end of this document.

Shareholders will be asked to approve two special resolutions at the GM (together, the "Resolutions"). Resolution 1 will, subject to confirmation by the High Court of Justice in England and Wales (the "Court"), cancel and extinguish the Company's existing deferred shares and cancel the Company's share premium account. Resolution 2 will, subject to and with effect from the capital reduction becoming effective, amend the Company's articles of association to remove the provisions which relate specifically to the deferred shares.

Each of the Resolutions will require a majority in favour of at least 75 per cent. of the votes cast by shareholders entitled to vote (whether in person or by proxy).

Background and rationale

Shearwater Group plc currently has an accumulated historic deficit on its profit and loss reserve, principally arising from accounting write-downs in the carrying value of its investments. Whilst the Company's recent trading performance has been positive, the profits generated have not been sufficient to eliminate that accumulated deficit and restore distributable reserves. As a consequence, the Company is currently unable to make distributions to shareholders or undertake share repurchases.

The Board believes that it is in the best interests of the Company and its shareholders for the Company to have flexibility, where appropriate and subject to applicable law and the Company's financial position at the relevant time, to return value to shareholders by way of dividends. The Directors also believe that share repurchases could provide an additional tool to support liquidity in the Company's ordinary shares and reduce short-term share price volatility associated with historically low trading volumes. For the avoidance of doubt, however, any future dividend or share repurchase would require a separate decision of the Board and is not being approved by the Resolutions.

Accordingly, the Company is proposing a court-approved reduction of capital (the "Reduction") comprising (i) the cancellation and extinguishment for no consideration of all 22,106,460 deferred shares of £0.90 each in the capital of the Company (the "Deferred Shares"), having an aggregate nominal value of £19,895,814, and (ii) the cancellation in its entirety of the amount standing to the credit of the Company's share premium account immediately prior to the Reduction becoming effective (the "Share Premium Account"). The Company's merger reserve (the "Merger Reserve") will not form part of the Reduction and will remain unaffected.

The Reduction is subject to shareholder approval by special resolution and subsequent confirmation by the Court. If Resolution 1 is passed, the Company intends to apply to the Court for confirmation of the Reduction. The Court may require appropriate creditor protection measures or undertakings. The Reduction will become effective only when the Court order confirming the Reduction and the required statement of capital have been registered by the Registrar of Companies in accordance with the Companies Act 2006 (the "Reduction Effective Date").

Former Barclays revolving credit facility

The Group's former £4.0 million revolving credit facility with Barclays Bank PLC expired on 23 March 2024 without having been utilised. Certain related registered security remained in place following expiry in order to facilitate any future reinstatement of the facility. The Company has now decided not to reinstate the facility. Barclays has confirmed that the related security has been released and the Company and the relevant Group companies are taking the necessary steps to file statements of satisfaction at Companies House so that the public registers reflect the discharge of the relevant charges. This will form part of the Company's assessment of creditor protection in connection with the Court application.

Deferred Shares

The Deferred Shares were created as part of the Company's 2019 share capital reorganisation. They carry no right to receive notice of, attend or vote at general meetings of the Company, no entitlement to dividends and only highly limited rights to participate in a return of capital. Article 4.7 of the Company's articles of association expressly provides that cancellation of the Deferred Shares for no consideration by means of a court-approved reduction of capital does not constitute a variation, modification or abrogation of the rights attaching to them and may be effected without the sanction of the holders of the Deferred Shares. Accordingly, no separate class meeting of the holders of the Deferred Shares is proposed in connection with the Reduction.

The Resolutions

Resolution 1 seeks shareholder approval for the following components of the Reduction:

Resolution 1 - Reduction of Capital

- a) the cancellation and extinguishment for no consideration of all 22,106,460 Deferred Shares of £0.90 each, having an aggregate nominal value of £19,895,814;
- b) the cancellation in its entirety of the amount standing to the credit of the Share Premium Account immediately prior to the Reduction Effective Date;
- c) the aggregate amount arising from the cancellations referred to in paragraphs (a) and (b) being credited to the Company's accumulated profits and losses reserve, to be applied first against the Company's accumulated losses and, to the extent a positive balance remains, available for lawful purposes subject to applicable law, the Court order and any creditor protection arrangements; and
- d) the directors being authorised to take the steps and make the applications necessary or desirable to implement the Reduction.

Resolution 2 - Amendment of Articles

Resolution 2 is consequential upon the Reduction and will take effect only on the Reduction Effective Date. It will delete the definition of "Deferred Shares" inserted into Article 2.1 in 2019 and delete Article 4.7 (Deferred Shares) in its entirety, as those provisions will become redundant once the Deferred Shares have been cancelled.

The Merger Reserve will not be cancelled, transferred or otherwise affected by either Resolution. The Reduction itself will not involve any payment or distribution to shareholders.

Action to be taken

You will find enclosed with this document a form of proxy (the "Form of Proxy") for use in connection with the GM. Whether or not you are able to attend the GM, you are requested to complete the Form of Proxy and return it to the Company's registrars, Neville Registrars Ltd at Neville House, Steelpark Road, Halesowen B62 8HD so as to arrive as soon as possible but in any event not later than 10 a.m. on 9 October 2026.

The return of the appropriate Form of Proxy will not prevent you from attending the GM and voting in person if you are entitled to do so and so wish.

If the Form of Proxy is not completed and returned by 10 a.m. on 9 October 2026, your vote by proxy at the GM will not count.

Shareholders who wish to appoint a proxy are recommended to appoint the Chairman of the meeting as their proxy.

Recommendation

The directors consider that the Resolutions to be considered at the GM are in the best interests of the Company and Shareholders as a whole. Accordingly, the directors recommend that you vote in favour of each Resolution, as each of the directors intends to do in respect of their own beneficial holding of shares in the Company, which, as at 24 September 2026 (being the latest practicable date before publication of this document), amount in aggregate to 2,957,293 ordinary shares representing approximately 12.4 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

Robin Southwell
Chairman

Notice of General Meeting

Notice is hereby given that a general meeting ("GM") of Shearwater Group plc will be held at the Company's office at 32 Threadneedle Street, London, EC2R 8AY on 13 October 2026 at 10:00 a.m. for the following purposes:

As special business to consider and, if thought fit, pass the following resolutions, each of which is proposed as a special resolution:

Special Resolution 1 - Reduction of Capital

1. THAT, subject to and conditional upon confirmation by the High Court of Justice in England and Wales (the "Court") pursuant to Chapter 10 of Part 17 of the Companies Act 2006 (the "Act"), the capital of the Company be reduced as follows:

- (a) all 22,106,460 deferred shares of £0.90 each in the issued share capital of the Company (the "Deferred Shares"), having an aggregate nominal value of £19,895,814, be cancelled and extinguished for no consideration;
- (b) the amount standing to the credit of the Company's share premium account immediately prior to the Reduction Effective Date be cancelled in its entirety;
- (c) the aggregate amount by which the issued share capital and share premium account of the Company are reduced pursuant to paragraphs (a) and (b) above be credited to the Company's accumulated profits and losses reserve; and
- (d) the directors of the Company be and are hereby authorised to take all such steps, execute or approve all such documents and make all such applications as they consider necessary, desirable or appropriate to implement and give effect to the reduction of capital contemplated by this Resolution, including applying to the Court for confirmation of the reduction and agreeing such modifications, conditions, undertakings or other arrangements as may be required by the Court or any regulatory authority.

For the purposes of this Resolution, the "Reduction Effective Date" means the date on which the order of the Court confirming the reduction of capital and the statement of capital approved by the Court are registered by the Registrar of Companies in accordance with the Act.

Special Resolution 2 - Amendment of Articles

2. THAT, pursuant to section 21 of the Companies Act 2006 and subject to and with effect from the Reduction Effective Date, the Company's articles of association (the "Articles") be amended as follows:

- (a) the definition of "Deferred Shares" in Article 2.1 of the Articles be deleted in its entirety;
- (b) Article 4.7 (Deferred Shares) of the Articles be deleted in its entirety; and
- (c) the directors and the Company Secretary be and are hereby authorised to make such strictly consequential formatting, numbering and cross-reference changes as are necessary to produce a clean copy of the Articles reflecting the amendments above and to make or procure all filings required in connection with those amendments.

By order of the Board

Jonathan Hall
Company Secretary

25 September 2026

Registered office:

1 Chancery Lane
London
WC2A 1LF

Company Number: 05059457

Notes:

- a) Only those shareholders entered on the relevant register of members of the Company at 10:00 a.m. on 9 October 2026 will be entitled to attend or vote at the GM in respect of the number of shares registered in their name at the time. Changes to entries on the relevant register after that deadline will be disregarded in determining the rights of any person to attend or vote at the GM. Should the GM be adjourned to a time not more than 48 hours after the deadline, the same deadline will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned GM. Should the GM be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours (excluding non-working days) before the time fixed for the adjourned GM or, if the Company gives notice of the adjourned GM, at the time specified in the notice.
- b) Any member may appoint a proxy to attend, speak and vote on his/her behalf. A member may appoint more than one proxy in relation to the GM provided that each proxy is appointed to exercise the rights attached to a different share or shares of the member. A proxy appointed to attend, speak and vote on behalf of a member must attend the meeting in order to exercise those rights. A proxy need not be a member. Completion and return of the appropriate proxy form does not prevent a member from attending and voting in person if he/she is entitled to do so and so wishes. Proxy forms should be lodged with the Company's Registrar or submitted not later than 10:00 a.m. on 9 October 2026.
- c) Any person to whom this notice is sent who is a person nominated under s146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement with the member who nominated him/her, have a right to be appointed, or have someone else appointed, as a proxy for the GM. If a Nominated Person does not have this right or does not wish to exercise it, he or she may have a right under such an agreement to give the member voting instructions.
- d) The statement of the rights of members in relation to the appointment of proxies in Note (b) does not apply to Nominated Persons.
- e) As at 24 September 2026 (being the last working day before publication of this notice), the Company's issued share capital consisted of 23,829,712 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury. So, the total voting rights in the Company as at that date are 23,829,712.
- f) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- g) Under s527 Companies Act 2006, members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the GM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with s437 Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with ss527 or 528 Companies Act 2006. Where the Company is required to place a statement on a website under s527 Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the GM includes any statement that the Company has been required, under s527 Companies Act 2006, to publish on a website.
- h) A copy of this notice and other information required by s311A Companies Act 2006 can be found at www.shearwatergroup.com.
- i) Any member attending the GM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no answer needs to be given if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or if the answer has already been given on a website in the form of an answer to a question or, finally, if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- j) Except as set out in the notes to this notice, any communication with the Company in relation to the GM, including in relation to proxies, should be sent to the Company's Registrars Neville Registrars at Neville House, Steelpark Road, Halesowen B62 8HD. No other means of communication will be accepted.