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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

24 April 2020

Shearwater Group plc
Results of Placing and Total Voting Rights

Shearwater Group plc (AIM: **SWG**) ("**Shearwater**", the "**Company**" or, together with its subsidiary undertakings, the "**Group**"), the organisational resilience group, is pleased to announce that, further to the announcement made earlier today (the "**Placing Announcement**") an aggregate of 1,562,500 new ordinary shares of 10 pence each ("**Ordinary Shares**") in the capital of the Company (the "**Placing Shares**") have been successfully placed with existing and new institutional investors by Berenberg at a price of 240 pence per Placing Share (the "**Placing Price**") to raise approximately £3.75 million (before expenses) (the "**Placing**").

Capitalised terms used in this announcement (this "**Announcement**") have the meanings given to them in the Placing Announcement, unless the context provides otherwise.

The Placing Price represents a discount of 17.2 per cent. to the closing middle market share price of 290 pence per Ordinary Share on 23 April 2020 and a discount of 3.6 per cent. to the volume weighted average price over the last 20 trading days of 249 pence.¹ The Placing Shares being issued represent approximately 7.1 per cent. of the existing issued ordinary share capital of the Company prior to the Placing.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM ("**Admission**"). Settlement for the Placing Shares and Admission is expected to take place on or before 8.00 a.m. on 30 April 2020. The Placing is conditional upon, amongst other things, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms.

The Placing Shares will, when issued, be credited as fully paid and rank *pari passu* with the existing Ordinary Shares in issue.

Director Participation in the Placing

Certain of the Directors of the Company have conditionally subscribed for an aggregate of 104,166 Placing Shares in the Placing. The individual subscriptions of the participating Directors are set out below:

<i>Director</i>	<i>Existing Ordinary Shares</i>	<i>Existing Ordinary Shares as % of issued Ordinary Share capital</i>	<i>Number of Placing Shares</i>	<i>Ordinary Shares on Admission</i>	<i>Ordinary Shares on Admission as % of enlarged Ordinary Share capital</i>
David Williams	1,381,674*	6.2%	52,083	1,433,757	6.1%
Phil Higgins	2,251,667**	10.2%	52,083	2,303,750	9.7%

*including 75,000 Ordinary Shares held by Wentworth Limited, a company in which David Williams has a beneficial interest.

**including 122,500 Ordinary Shares held by VJM Investments, a company closely associated with Philip Higgins.

¹ Bloomberg as at 24 April 2020

The notifications below, made in accordance with the requirements of the EU Market Abuse Regulation, provide further details in relation to the Directors' participation in the Placing.

Total voting rights

On Admission, the Company will have 23,671,817 Ordinary Shares in issue. There are no Ordinary Shares held in treasury. Therefore, the Company confirms that the total number of voting rights in the Company will, from Admission, be 23,671,817. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

The person responsible for arranging the release of this Announcement on behalf of the Company is David Williams, Chairman of the Company.

Enquiries:

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This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

About Shearwater

Shearwater is an award-winning organisational resilience group that provides cyber security, advisory and managed security services to help assure and secure businesses in a connected global economy. The Group's comprehensive cyber security solutions and advisory services maintain trust between users, provide assurance around the protection of information assets and critical infrastructure, and support organisations' operational effectiveness. Its capabilities include identity and access management and data security, cyber security solutions and managed security services, and security governance, risk and compliance. The Group is headquartered in the UK with offices in the US, UK and Europe, serving customers across the globe who are active in a broad spectrum of industries. Shearwater's shares are admitted to trading on the London Stock Exchange's AIM market under the ticker "SWG". For more information, please visit www.shearwatergroup.com.

NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Wentworth Limited
2	Reason for the notification	
a)	Position/status	A company in which David Williams, Shearwater Chairman, has a beneficial interest

b)	Initial notification /Amendment	Initial Notification				
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name	Shearwater Group plc				
b)	LEI	213800ZRUKUYDJLKD504				
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 Identification code	Ordinary shares of 10 pence each GB00B00T3528				
b)	Nature of the transaction	Purchase of Ordinary Shares				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>240 pence</td> <td>52,083</td> </tr> </tbody> </table>	Price(s)	Volume(s)	240 pence	52,083
Price(s)	Volume(s)					
240 pence	52,083					
d)	Aggregated information - Aggregated volume - Price	N/A – single transaction				
e)	Date of the transaction	24 April 2020				
f)	Place of the transaction	Outside of a trading venue				

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	VJM Investments
2	Reason for the notification	
a)	Position/status	A company closely associated with Phil Higgins, Shearwater Chief Executive Officer
b)	Initial notification /Amendment	Initial Notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Shearwater Group plc
b)	LEI	213800ZRUKUYDJLKD504
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 10 pence each

	Identification code	GB00B00T3528	
b)	Nature of the transaction	Purchase of Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		240 pence	52,083
d)	Aggregated information - Aggregated volume - Price	N/A – single transaction	
e)	Date of the transaction	24 April 2020	
f)	Place of the transaction	Outside of a trading venue	

IMPORTANT NOTICES

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN THE UNITED KINGDOM OR A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE "**PROSPECTUS REGULATION**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN SHEARWATER GROUP PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT

AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Berenberg or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Berenberg to inform themselves about and to observe any such restrictions.

This Announcement or any part of it is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**" or the "**US**")), Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares in the United Kingdom or the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

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This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the

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Berenberg, which is authorised and regulated by the German Federal Financial Supervisory Authority and subject to limited regulation in the United Kingdom by the Financial Conduct Authority (the "**FCA**"), is acting exclusively for the Company in connection with the Placing and will not be acting for any other person (including any Placees) and will not be responsible to any person other than the Company for providing the protections afforded to clients of Berenberg or for advising any other person in respect of the matters referred to in this Announcement.

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No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.