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HSS Hire Group plc

("HSS Hire" or the "Company",
together with its consolidated subsidiaries, the "Group")

Publication of Prospectus

Further to the announcement by the Company on 26 October 2020 regarding its intention to raise gross proceeds of up to c.£54.0 million by way of a Placing and Open Offer and Firm Placing (the "**Capital Raise**"), the Company announces that the combined prospectus and circular (the "**Prospectus**") regarding the Placing and Open Offer and Firm Placing has been approved by the Financial Conduct Authority. In addition, the Company also provides an update on current trading.

Subject to the terms and conditions set out in the Prospectus, each Qualifying Shareholder is being given an opportunity to apply for 25 New Shares at 10 pence per New Share for every 12 Existing Shares held as at 12 November 2020. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also apply, under the Excess Application Facility, for Excess Shares not taken up under the Open Offer Entitlements of other Qualifying Shareholders. The Open Offer is not underwritten but any Open Offer shares not subscribed for under the Open Offer may be issued to places procured by Numis Securities Limited ("**Numis**"). A further announcement will be made in due course following the result of the Open Offer and additional information in relation to the timetable is set out in the appendix to this Announcement.

The Company announced on 26 October 2020 its intention to seek an alternative listing venue as the Board believed it may be more suitable than the Company's existing listing on the premium segment of the Official List of the FCA. The Board believes that AIM is a market and environment which is more suited to the Company's current size and shareholder base. It is therefore intended that, subject to

shareholder approval, the Company will apply for the admission of all of its issued and to be issued Shares to trading on AIM with the proposed cancellation of the listing of the Company's Shares on the

Official List and from trading on the London Stock Exchange's main market for listed securities and AIM Admission to take effect simultaneously. It is expected that the admission to AIM will take place in January 2021.

The Prospectus contains a notice convening a general meeting to be held at 11.00 a.m. on 4 December 2020 and shareholders will shortly be sent a copy of the Prospectus or notification of availability of the Prospectus. The Prospectus is not, subject to certain exceptions, available (whether through the Company's website or otherwise) to shareholders in the United States or any of the other Excluded Territories.

The Prospectus containing full details of the Placing and Open Offer and Firm Placing is available on the Company's website (www.hsshiregroup.com). The Prospectus will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

Current trading

Since H120, the Group's performance has continued to improve with revenue recovering from approximately 50% of FY19 levels in April 2020, to 63% of FY19 levels in the second quarter of FY20 and to above 90% by the end of September. Performance for the subsequent six week period has continued this momentum.

The Group has now completed the strategic restructuring of its operating model, which included branch closures and redundancies, as previously announced on 8th October 2020. The Directors are encouraged by the progress of discussions with landlords to reduce amounts owed under the leases for those branches closed as part of this restructure (Dark Store Liabilities). As at the date of this announcement the Group is on track to achieve a reduction of at least 75% in its Dark Store Liabilities in the coming months with agreements reached in principal on approximately 57% of these closed branches, subject to documentation. Given the COVID-19 situation is likely to remain uncertain for some time, the Board continues to consider it prudent not to provide market guidance in the near-term.

All capitalised terms in this announcement but not defined herein have the meaning given to them in the Prospectus, unless otherwise defined herein.

For further information, please contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

The person responsible for releasing this announcement is Daniel Joll, Company Secretary.

HSS Hire Group plc LEI: 2138004DGL1J6VQO6S92

Important notices

This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its accuracy or completeness. The information in this announcement is subject to change.

This announcement is not a prospectus but an advertisement. Neither this announcement nor anything contained in it shall form the basis of, or be relied upon in conjunction with, any offer or commitment whatsoever in any jurisdiction. Investors should not acquire any Shares referred to in this announcement except on the basis of the information contained in the Prospectus to be published by the Company in connection with the Capital Raise.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Capital Raise. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Numis is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Numis is acting exclusively for the Company and is acting for no one else in connection with the Capital Raise and will not regard any other person as a client in relation to the Capital Raise and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Capital Raise or any other matter, transaction or arrangement referred to in this announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Numis, nor any of its affiliates, directors, officers, employees or advisers, accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this announcement, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Shares, the Capital Raise or Admission. Numis and its affiliates, directors, officers, employees and advisers accordingly disclaim to the fullest

extent permitted by law any and all liability whatsoever, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this announcement or any such statement.

Copies of the Prospectus when published will be available on the Company's website at www.hsshiregroup.com. 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. The Prospectus will provide further details of the New Shares being offered pursuant to the Capital Raise.

This announcement does not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The new shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable 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. There will be no public offer of the new shares in the United States.

Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that they are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Shares may decline and investors could lose all or part of their investment; the New Shares offer no guaranteed income and no capital protection; and an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Capital Raise.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Shares and determining appropriate distribution channels.

APPENDIX

Expected Timetable of Principal Events

Announcement of the Capital Raise ⁽¹⁾ ⁽²⁾ ⁽³⁾	7.00 a.m. on 26 October 2020
Record Date for entitlements under the Open Offer	close of business on 12 November 2020
Publication and posting of the Prospectus, the notice of General Meeting and the Form of Proxy	16 November 2020
Ex-entitlement date for the Open Offer	8.00 a.m. 17 November 2020
Open Offer Entitlements and Excess Open Offer Entitlements enabled in CREST and credited to stock accounts of Qualifying CREST Shareholders in CREST	18 November 2020
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST ⁽⁴⁾	4.30 p.m. on 27 November 2020
Latest time and date for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST ⁽⁵⁾	3.00 p.m. on 30 November 2020
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only).....	3.00 p.m. on 1 December 2020
Latest time and date for electronic proxy appointments or receipt of form of proxy.....	11.00 a.m. on 2 December 2020
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate).....	11.00 a.m. on 3 December 2020
Announcement of the results of the Open Offer through a Regulatory Information Service	7.00 a.m. on 4 December 2020
General Meeting	11.00 a.m. on 4 December 2020
Results of General Meeting and Placing announced through a Regulatory Information Service	4 December 2020
Admission of, and dealings commence in, the New Shares on the Main Market	8.00 a.m. on 8 December 2020
CREST members' accounts credited in respect of New Shares in uncertificated form.....	From 8.00 a.m. on 8 December 2020
Schedule 1 announcement of Delisting and application for AIM Admission	9 December 2020
Expected despatch of definitive share certificates for New Shares in certificated form.....	Within 14 days of Admission

It is expected that the subsequent admission of the Company's Shares to AIM will take place in January 2021, with a more detailed timetable to be provided in due course.

Notes:

- (1) The times and dates set out in this expected timetable and mentioned in this document, the Application Form and in any other document issued in connection with the Capital Raise are subject to change by the Company with the agreement of, in certain instances, the Sponsor, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, to Shareholders.
- (2) References to times in this document are to London time unless otherwise indicated.
- (3) The ability to participate in the Placing and Open Offer is subject to certain restrictions relating to Shareholders with registered addresses outside the United Kingdom, details of which are set out in paragraph 8 of Part III of the Prospectus (Terms and Conditions of the Placing and Open Offer)
- (4) If Open Offer Entitlements and Excess Open Offer Entitlements are in CREST and are intended to be converted into certificated form.
- (5) If Open Offer Entitlements and Excess Open Offer Entitlements are represented by an Application Form and are intended to be converted to uncertificated form.