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30 April 2015

**Flowgroup plc
(the "Company")**

**Proposed Firm Placing to raise approximately £21.0m
Open Offer to raise up to approximately £2.0m
Notice of General Meeting**

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy technology products, announces a conditional Firm Placing to raise approximately £21.0m and an Open Offer to raise up to approximately £2.0m, primarily to accelerate the development of a combination version of the Flow mCHP boiler and reducing supply chain and production costs of its boilers.

Reasons for the Fundraising

- Accelerating development of the combination boiler to increase the addressable market in the UK from current 400,000 to 1.7m units per year and provide early entry into European markets
- Reducing supply chain costs and upgrading systems to reduce production costs
- Expanding existing sales team to turn installers into resellers
- Upgrading systems and processes to enable management of a wider range of UK boiler installers
- Developing integrated smart home connectivity – to be included in the combination boiler from outset
- Exploiting intellectual property through licensing

Details of the Fundraising

- **Firm Placing** - Firm Placing of 73,684,210 new Ordinary Shares at 28.5p each to raise c. £21.0m before expenses by means of a placing by Investec Bank and Cenkos Securities
- **Jabil investment** – Jabil Circuit Netherlands B.V., an indirectly wholly-owned subsidiary of Jabil Circuit, Inc., Flowgroup's manufacturing partner, to invest c. £7.4m as part of the Firm Placing
- **Open Offer** - Up to 7,043,896 new Ordinary shares at 28.5p to raise up to c. £2.0m. Qualifying Shareholders are entitled to apply for 1 Offer Share for every 34 Existing Ordinary Shares
- **Offer Price** – The Offer Price of the new Ordinary Shares at 28.5 pence per ordinary share, represents a discount of 5 per cent. to the closing middle market share price of 30 pence on 27 April 2015
- **Notice of GM** - Shareholder approval will be sought at a General Meeting on 18 May 2015
- **Admission** - Admission and commencement of dealings in the new Ordinary Shares on AIM expected on 19 May 2015
- The Directors unanimously recommend Shareholders to vote in favour of the Resolutions

Tony Stiff, Chief Executive Officer of the Flowgroup, said: “We have demonstrated significant progress towards the commercialisation of Flow’s product division, alongside the success of our Flow energy division. The Board believes now is an appropriate time to accelerate the development and delivery of a range of low cost mCHP combination and system boilers. These developments would significantly expand the number of homes that Flow mCHP boilers can be installed into and accelerate the rate of doing so; we believe the Flow mCHP combination version can be in production by H2 2016, a year in advance of the current plan with current resources.”

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The information reproduced below is extracted from the Circular which has been published and posted to Shareholders today. The full Circular is available on the Company's website: www.flowgroup.uk.com

**Firm Placing of 73,684,210 new Ordinary Shares at 28.5 pence per share including
25,835,088 new Ordinary Shares subscribed for by Jabil Circuit Netherlands B.V.
Open Offer of up to 7,043,896 new Ordinary Shares at 28.5 pence per share and
Notice of General Meeting**

Introduction

The Board is pleased to announce a conditional Firm Placing of 73,684,210 new Ordinary Shares at 28.5 pence each to raise £21.0 million before expenses by means of a placing by Investec Bank and Cenkos Securities. As part of the Firm Placing Jabil Circuit Netherlands B.V., an indirectly wholly-owned subsidiary of Jabil ("Jabil Netherlands"), is investing approximately £7.4 million resulting in Jabil Netherlands holding approximately 8.25 per cent. in the Enlarged Share Capital (excluding the Open Offer).

In addition, in order to provide Shareholders who have not taken part in the Firm Placing with an opportunity to participate in the proposed issue of new Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Offer Price for an aggregate of 7,043,896 Offer Shares, to raise up to approximately £2.0 million, on the basis of 1 new Ordinary Share for every 34 Existing Ordinary Shares, at 28.5 pence each, payable in full on acceptance.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the Offer Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

Background to and reasons for the Fundraising

The Directors believe that with Type CE approval having been granted on 8 April 2015 and volume production having since begun with Jabil in Scotland, over the last six months, the Company has demonstrated significant progress towards commercialisation of its Flow products division alongside the success of its Flow energy division. The sales launch of the Flow mCHP boiler via the internet started in late January 2015, covering the North West and North East of the UK. It has now been expanded to cover London, the South East and the Midlands, with full coverage of the UK expected by June 2015. Reservations for the Flow mCHP boiler have been taken and the fulfilment of these reservations would give rise to sales being in line with April and May's internal plan. Marketing campaigns have generated increased traffic to our website which is currently receiving around 24,000 visitors a month.

The Company is presently marketing the Flow mCHP boiler directly to customers and also expects to expand quickly into third party sales relationships, such as that envisaged by the memorandum of understanding announced with entu Plc on 10 February 2015.

The Company's installer network continues to grow and it is expected that many of these businesses will sell the Company's products as well as install them. International interest continues to develop. Evaluation projects are progressing with NRG Energy and a major European utility which could offer potential commercialisation in these markets.

The Directors believe that the Flow products division has an opportunity to increase scale that requires further investment in order to accelerate the development and delivery of a range of low cost mCHP combination and system boilers. These developments would significantly expand the number of homes that Flow mCHP boilers can be installed into and accelerate the rate of doing so. The additional funding will therefore provide for investment in the following key areas:

- Over 75% of new boilers installed in the UK are combination boilers. Our accelerated design, development, testing and cost down from launch of a range of combination mCHP boilers will increase the addressable market in the UK by 250% and also provide early entry into European markets;

- Getting the cost of the product down to target a 2 year pay back in UK and Europe from product launch (currently 5 years);
- Expansion of existing sales team and infrastructure support;
- Upgrading systems and processes to enable management of third party boiler installers and third party sales channels in the UK including an enhanced direct sales team;
- Development of integrated smart home connectivity in the combination boiler as standard which would be an opportunity to embed a smart control system in homes to allow Flow to cross sell a wide variety of intelligent efficient products;
- Growing the supply chain and engineering teams, to work with Jabil and the Company's supply chain in an effort to reduce supply chain costs and to reduce production costs; and
- Exploitation of intellectual property through licensing under a "Flow Inside" brand.

The Board is targeting to be net cash flow generative by Q4 2015 and profitable by Q1 2016.

The Directors believe that to delay the investment would result in a missed opportunity of significant size and as such have concluded that now is the right time to increase its investment expenditure for the benefit of shareholders in the long term. With this investment the Directors believe that the Flow mCHP combination version can be in production by H2 2016, a year in advance of the current plan with the current resources. This would increase the range of homes that the Flow mCHP boiler can be installed into in the UK from 400,000 to 1.7 million units per annum. It would also open up the European markets where circa 8 million boilers are replaced per annum, with a target launch in H1 2017.

Jabil is a US listed company which describes itself as a global manufacturing services provider with revenue in its fiscal year 2014 of \$15.8bn and manufacturing operations in 24 countries. Jabil Netherlands is an indirectly wholly-owned subsidiary of Jabil based in the Netherlands. Jabil Netherlands is investing in Flowgroup through participation in the Firm Placing.

Flowgroup and Jabil have entered into an exclusive manufacturing services agreement to manufacture Flow boilers, components and derivatives and Jabil is providing working capital support to Flowgroup within agreed parameters. Flowgroup and Jabil are committed to working more closely together going forwards on cost reduction and product development programmes using Jabil's design engineers and other relevant design engineering capability.

Jabil has developed the knowledge to produce the Company's products, and built a volume production facility, which has achieved BSI (British Standards Institute) certification.

Use of proceeds

The funds raised through the Firm Placing and Open Offer will be used to develop a range of combination boilers, to bring forward component cost down programmes and to enhance boiler support infrastructure and sales support. In particular the funds will be applied to:

- Accelerating development of the combination boiler to increase the addressable market in the UK by 250% and then make early entry into European markets;
- Expanding existing sales team to turn installers into resellers;
- Upgrading systems and processes to enable management of a wider range of UK boiler installers;
- Developing integrated smart home connectivity, which will be integrated into the combination boiler from the outset;
- Reducing supply chain costs and upgrading systems to reduce production costs; and
- Exploiting intellectual property through licensing.

Jabil will be supplying services to support some of the foregoing initiatives.

Current Trading

On the 10 March 2015, the Company announced a pre-close statement for the year ended 31 December 2014. In that statement, the Company said results were expected to be in-line with current analyst forecasts. For the year ended 31 December 2014 the Company expects to report unaudited revenues of £33.4 million and an operating loss of £10.0 million. Cash on the balance sheet as at 31 December 2014 was £8.4 million. As at the 31 March 2015, the Company had generated unaudited revenues of £13.5 million and as at 7 April 2015 net cash on the balance sheet was £4.1 million.

The Company expects to announce its audited results for the year ended 31 December 2014 on 26 May 2015.

Flow Energy

Due to the changing of consumer behaviour and government and media focus on consumers switching energy supplier, the Directors believe that opportunities may exist to grow the existing energy business from the current 55,000 to over 800,000 customer fuel accounts in the next three years. To achieve this, Flow energy would need to enter into a contractual arrangement where trading collateral (cash deposits per customer) would be reduced. Currently the Group has circa £2.5m on deposit, which, under a new collateral energy purchasing contract, currently under discussion whereby a charge is taken over Flow's energy customers, would be returned. With the return of these funds and a trading collateral free arrangement in place the Directors believe that Flow energy could grow without further significant investment. To the extent a suitable collateral energy purchasing contract cannot be agreed, the cost of growing the energy business is commensurately higher and is unlikely to be as attractive.

The Directors also believe that growing the energy business would provide opportunities to cross sell the Flow mCHP boiler and smart home products from businesses that could potentially be introduced by, among others, Jabil. Discussions are underway on the first product that maybe released – a 'smart home hub' and initial commercial terms and market introduction plans have been prepared.

Principle terms of the Firm Placing

The Company has conditionally raised £21.0 million before expenses by the conditional Firm Placing of 73,684,210 Firm Placing Shares at the Offer Price to the Firm Placees.

The Firm Placing is conditional, *inter alia*, upon:

- i. the passing of all of the Resolutions;
- ii. the Firm Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- iii. Admission becoming effective by no later than 8.00 a.m. on 19 May 2015 or such later time and/or date (being no later than 8.00 a.m. on 20 June 2015) as Investec Bank and Cenkos Securities and the Company may agree.

If any of the conditions are not satisfied, the Firm Placing Shares will not be issued and all monies received from the Firm Placees will be returned to them (at the Firm Placees' risk and without interest) as soon as possible thereafter.

The Firm Placing Shares are not subject to clawback and are not part of or subject to any condition related to the Open Offer.

The Firm Placing Shares (and the Offer Shares) will be issued free of all liens, charges and encumbrances and

will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the Admission of the Firm Placing Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 19 May 2015 at which time it is also expected that the Firm Placing Shares will be enabled for settlement in CREST.

Related Party

The participation of Aviva plc (“Aviva”) in the Firm Placing of 11,477,192 new Ordinary Shares constitutes a related party transaction under the AIM Rules for Companies by virtue of Aviva being a substantial shareholder in the Company. The Directors consider, having consulted with Investec Bank, its nominated adviser, that the terms of the transaction are fair and reasonable in so far as its Shareholders are concerned.

Principal Terms of the Open Offer

The Company is proposing to raise up to approximately £23.0 million before expenses through the issue of up to 80,728,106 New Ordinary Shares, of which £21.0 million will be raised from the Firm Placing and the balance of up to circa £2.0 million will be raised from the Open Offer.

A total of 7,043,896 new Ordinary Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Offer Price, payable in full on acceptance. Any Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Offer Shares not subscribed for under the Excess Application Facility will not be available to Firm Placees under the Firm Placing.

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

1 Offer Share for every 34 Existing Ordinary Shares

and so in proportion for any number of Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of the Circular.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 1 May 2015. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 15 May 2015. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue

of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 15 May 2015. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part 3 of the Circular.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of the Circular and on the accompanying Application Form.

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). The principal conditions to the Firm Placing are:

- a) the passing of all of the Resolutions at the General Meeting;
- b) the Firm Placing and Open Offer Agreement having become unconditional; and
- c) Admission becoming effective by no later than 8.00 a.m. on 19 May 2015 or such later time and/or date (being no later than 8.00 a.m. on 20 June 2015) as Investec Bank, Cenkos Securities and the Company may agree.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Offer Shares will not be issued and all monies received by Neville Registrars will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Offer Shares (and the Firm Placing Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 19 May 2015 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward the Circular or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of the Circular.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

General Meeting

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting. A notice convening the General Meeting, which is to be held at Third Floor, Castlefield House, Liverpool Road, Castlefield, Manchester M3 4SB at 10.30 a.m. on 18 May 2015, is set out in a circular which is expected to be posted to Shareholders today.

Action to be taken

In respect of the General Meeting

You will find enclosed with the Circular a Form of Proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later than 10.30 a.m. on 16 May 2015, being 48 hours before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so choose.

In respect of the Open Offer

Qualifying non-CREST Shareholders wishing to apply for Offer Shares or the Excess Shares must complete the Application Form (enclosed with the Circular) in accordance with the instructions set out in paragraph 3.1 of Part 3 (Terms and Conditions of the Open Offer) of the Circular and on the Application Form and return it with the appropriate payment to Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, so as to arrive no later than 11.00 a.m. on 15 May 2015.

If you do not wish to apply for any Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part 3 (Terms and Conditions of the Open Offer) of the Circular. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part 3 of the Circular by no later than 11.00 a.m. on 15 May 2015.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with the Open Offer.

Recommendation

The Directors believe that the Firm Placing and Open Offer and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. The Directors unanimously recommend Shareholders vote in favour of the Resolutions, as they have irrevocably undertaken to do in respect of their own holdings which, in aggregate, total 4,397,165 Existing Ordinary Shares, representing 1.84 per cent. of the Existing Ordinary Shares.

Expected timetable of events

Record Date for the Open Offer	5.00 p.m. on 29 April 2015
Ex-entitlement Date	30 April 2015
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	1 May 2015

Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	10.30 a.m. on 16 May 2015
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 8 May 2015
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 12 May 2015
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 May 2015
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (if appropriate)	11.00 a.m. on 15 May 2015
General Meeting	10.30 a.m. on 18 May 2015
Announcement of result of General Meeting and Open Offer	18 May 2015
Admission and commencement of dealings in the Firm Placing Shares and Offer Shares on AIM	8.00 a.m. on 19 May 2015
Firm Placing Shares and Offer Shares credited to CREST members' accounts	19 May 2015
Dispatch of definitive share certificates in certificated form	By 29 May 2015

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.

All references are to London time unless stated otherwise.

Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise:

“Act”	Companies Act 2006 (as amended)
“Admission”	the admission of the New Ordinary Shares to trading on AIM in accordance with the AIM Rules for Companies
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
“Application Form”	the non-CREST Application Form
“Board” or “Directors”	the directors of the Company as at the date of this announcement
“Business Day”	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business
“Cenkos Securities”	Cenkos Securities plc
“Circular”	The document published by the Company setting out the terms of the Firm Placing and the Open Offer and containing the notice of

	General Meeting
"Company" or "Flowgroup"	Flowgroup Plc
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
"CREST member account ID"	the identification code or number attached to a member account in CREST
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
"CREST participant ID"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"Enlarged Share Capital"	the entire issued share capital of the Company following completion of the Firm Placing and Open Offer on Admission
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full
"Excess Shares"	Offer Shares applied for by Qualifying Shareholders under the Excess Application facility
"Ex-entitlement Date"	the date on which the Existing Ordinary Shares are marked "ex" for entitlement under the Open Offer, being 30 April 2015
"Existing Ordinary Shares"	the 239,492,478 Ordinary Shares in issue on the date of this announcement
"FCA"	the Financial Conduct Authority of the UK
"Firm Placees"	subscribers for Firm Placing Shares
"Firm Placing"	the placing by the Company of the Firm Placing Shares with certain investors, existing Shareholders (or their associated investment vehicles) and Jabil Netherlands, otherwise than on a pre-emptive basis, at the Offer Price
"Firm Placing and Open Offer Agreement"	the agreement entered into between the Company, Investec Bank and Cenkos Securities in respect of the Firm Placing and Open Offer dated 30 April 2015, as described in the Circular
"Firm Placing Shares"	the 73,684,210 Ordinary Shares the subject of the Firm Placing
"Form of Proxy"	the form of proxy for use in relation to the General Meeting to be enclosed with the Circular
"FSMA"	Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the General Meeting of the Company, convened for 10.30 a.m. on 18 May 2015 or at any adjournment thereof, notice of which is set out in the Circular
"Group"	the Company and its subsidiaries

"HMRC"	Her Majesty's Revenue and Customs
"Investec Bank"	Investec Bank plc
"ITA 2007"	Income Taxes Act 2007
"Jabil"	Jabil Circuit, Inc
"Jabil Netherlands"	Jabil Circuit Netherlands B.V., an indirect wholly-owned subsidiary of Jabil
"London Stock Exchange"	London Stock Exchange plc
"mCHP"	micro combined heat and power
"Money Laundering Regulations"	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
"Neville Registrars or Registrars"	Neville Registrars Limited, registrars to Flowgroup and Receiving Agents to the Open Offer
"New Ordinary Shares"	the Firm Placing Shares and the Offer Shares
"Notice of General Meeting"	the notice convening the General Meeting as set out herein
"Offer Price"	28.5 pence per New Ordinary Share
"Offer Shares"	the 7,043,896 Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer
"Open Offer"	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 of the Circular and, where relevant, in the Application Form
"Open Offer Entitlement"	the entitlement of Qualifying Shareholders to subscribe for Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Overseas Shareholders"	a Shareholder with a registered address outside the United Kingdom
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any Restricted Jurisdiction)
"Receiving Agents"	Neville Registrars
"Record Date"	5.00 p.m. on 29 April 2015 in respect of the entitlements of Qualifying Shareholders under the Open Offer
"Regulatory Information Service"	has the meaning given in the AIM Rules for Companies
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"Restricted Jurisdiction"	United States of America, Canada, Australia, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of the Firm Placing and Open Offer would breach any applicable law
"Securities Act"	US Securities Act of 1933 (as amended)
"Shareholders"	the holders of Existing Ordinary Shares
"Type CE approval"	for a gas fired appliance, the approval by a Notified Body that the product has passed the EC Type Examination, demonstrating it has met the requirements of all relevant Directives that apply to it, allowing the product to be series produced, marketed and distributed in the European Union
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

“United States”, “United States of America” or “US”

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction

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