



Completion of bookbuild

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Costain Group PLC
("Costain" or the "Group" or the "Company")

Completion of bookbuilding process

Following this morning's announcement, the Company announces the successful completion of the bookbuilding process for the Firm Placing and conditional Placing of Open Offer Shares, which has now closed, and subject to the conditions set out below, will raise gross proceeds of £100 million.

Capitalised terms not otherwise defined in this announcement have the meanings given to them in the announcement made by the Company at 7.00 a.m this morning.

Firm Placing

Pursuant to the Firm Placing, the Firm Placees have agreed to subscribe for 133,348,799 Firm Placing Shares at the Offer Price.

Placing and Open Offer

In addition, pursuant to the Placing and Open Offer, the Joint Bookrunners have placed 33,317,868 Open Offer Shares at the Offer Price with the Placing Placees, subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to apply for the Open Offer Shares at the Offer Price, on and subject to the terms and conditions of the Open Offer, pro rata to their holdings of Existing Ordinary Shares on the Record Date on the following basis:

4 Open Offer Shares for every 13 Existing Ordinary Shares

Open Offer Shares will also be made available to Qualifying Shareholders under the Excess Application Facility.

The Group expects to publish a Prospectus, setting out full details of the Open Offer and incorporating a Notice of General Meeting, later today. Shareholders should read the Prospectus in full before making any application for Open Offer Shares and/or Excess Open Offer Shares.

The Firm Placing and the Placing and Open Offer are conditional, inter alia, upon:

- (i) the Resolution being passed by Shareholders at the General Meeting;
- (ii) Admission becoming effective by not later than 8.00 a.m. on 29 May 2020 (or such later time and/or date (being not later than 8.00 a.m. on 12 June 2020) as the Company and the Banks may agree); and
- (iii) the Placing Agreement having become unconditional in all respects.

Applications will be made to the FCA for admission of the New Ordinary Shares to listing on the premium listing segment of the Official List of the FCA and to the London Stock Exchange for admission of the New Ordinary Shares to trading on its main market for listed securities. Subject to the conditions above being satisfied, it is expected that Admission will become effective on 29 May 2020 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on the same day.

The New Ordinary Shares will be issued credited as fully paid and will 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 on the Existing Ordinary Shares by reference to a record date on or after Admission.

Director Participation

The Directors have subscribed for an aggregate of 362,498 New Ordinary Shares through the Firm Placing, representing approximately 0.13% of the Company's Enlarged Share Capital following the Capital Raising.

	Ordinary Shares		Firm Placing Shares subscribed for	Ordinary Shares immediately following the Issue	
	Number	% of issued share capital at the date of this announcement	Number	Number	% of Enlarged Share Capital
Paul Golby	35,000	0.03%	83,333	118,333	0.04%
Alex Vaughan	119,176	0.11%	83,333	202,509	0.07%
Tony Bickerstaff	300,850	0.28%	83,333	384,183	0.14%
Jane Lodge	24,658	0.02%	41,666	66,324	0.02%
Alison Wood	6,666	0.01%	12,500	19,166	0.01%
David McManus	-	-	50,000	50,000	0.02%
Jacqueline de Rojas	4,495	0.00%	8,333	12,828	0.00%

Alex Vaughan, Chief Executive Officer, commented:

"We are pleased to have secured significant support from investors for this fundraising. With a stronger balance sheet and the positive long term outlook for UK infrastructure, Costain will be better placed to benefit from the significant market opportunity in front of us."

This announcement contains inside information for the purposes of article 7 of EU Regulation 596/2014. The person who arranged the release of this announcement on behalf of Costain was Tracey Wood, General Counsel and Company Secretary.

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The distribution of this announcement and the offering of the New Ordinary Shares may be restricted by law in certain jurisdictions.

No action has been taken by the Company, the Banks or any of their respective affiliates that would permit an offer of the New Ordinary Shares or possession or distribution of this announcement or any other offering or publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and the New Ordinary Shares may not be offered, sold, transferred or delivered, directly or indirectly in, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Capital Raising or the accuracy or adequacy of these terms and conditions. Any representation to the contrary is a criminal offence in the United States.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Capital Raising. 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. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor 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.

The New Ordinary Shares to be issued or sold pursuant to the Firm Placing and Placing and Open Offer will not be admitted to trading on any stock exchange other than 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.

Information to Distributors

Solely for the purposes of Article 9(8) of the Delegated Directive regarding the responsibilities of manufacturers under the product governance requirements contained within: (a) 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 Placing Shares have been subject to the Target Market Assessment. Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing 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 Raising. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 Placing Shares.

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Unless the context otherwise requires, all references to time are to London time.

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