

PEMBERTON CLARKE LLP

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For the attention of Sophie Adair

10 October 2025

Our ref: JP/HALE — Your ref: SA/CAS/0381

WITHOUT PREJUDICE SAVE AS TO COSTS (paragraph 5 only);
otherwise open

Dear Sirs,

BRIGHTWATER ANALYTICS LTD — YOUR LETTER OF 19 SEPTEMBER 2025

We act for Imogen Hale and Rafael Duarte (the "Sellers"). We respond to your purported notice of Claims. Our clients reject each Claim for the reasons below.

1. Warranty 12.3 — Northgate

1.1 The Disclosure Letter at paragraph 3.2 specifically disclosed that Northgate Retail plc represented approximately 22% of ARR, that its agreement expired on 30 June 2025 and that renewal discussions were ongoing, and drew your client's attention to section 4.2 of the Hollis & Marr report, which identified the renewal as the key risk to the investment case and recommended a specific indemnity, a price adjustment or an earn-out. Your client chose the earn-out. The risk that Northgate would not renew was therefore fairly disclosed and, in any event, within your client's actual knowledge (clause 6.4): Mr Lindqvist raised the Northgate renewal at the 3 March 2025 call with Ms Hale.

1.2 The discussions with Northgate were ongoing on 14 March 2025: Northgate had proposed, and the Company was negotiating, a transition arrangement to December 2025, which was concluded in April 2025 at £320,000. The statement was accurate.

1.3 The board minutes of 11 February 2025 are a Company document which passed to your client at Completion; they record a decision not to volunteer a document, not a decision to conceal a fact your client could

and did ask about (Q23). Our clients deny wilful concealment.

1.4 The alleged loss is overstated: it applies a revenue multiple to the whole of Northgate's ARR, ignores the £320,000 transition fees and ignores that your client priced the risk through Schedule 7.

2. Warranty 15.1 and 15.2 — Okafor

2.1 Paragraph 3.5 of the Disclosure Letter disclosed Ms Okafor's grievance and paragraph 3.4 disclosed her departure and the settlement discussion. The tribunal claim was presented on 20 May 2025, three weeks after Completion, in respect of a dismissal on 31 March 2025 that was itself disclosed. A claim that post-dates Completion cannot be a breach of a warranty given on 14 March 2025.

2.2 Our clients do not accept that the email of 3 March 2025 amounted to a threatened claim; it was part of the disclosed settlement discussion. In any event your client's quantum (£220,000) is the Company's exposure, not the Sellers' liability, and has not been incurred.

3. Warranty 18.4 — open-source software

3.1 Paragraph 3.7 of the Disclosure Letter disclosed that an external audit had been commissioned, that it might identify copyleft components and that remediation might be required, and paragraph 3.8 disclosed the use of third-party PDF libraries. The Hollis & Marr report (finding 5) flagged the same point. Your client proceeded to Completion with that knowledge. The matter was fairly disclosed and the Claim is barred by paragraph 4 of Schedule 5.

3.2 The remediation cost of £180,000 is in any case below the basket of £185,000 once the Northgate Claim fails.

4. Escrow

4.1 Our clients do not agree to the retention of the Escrow Amount and require its release at the end of the Escrow Period. If your client maintains the Claims, our clients will seek a declaration under clause 10.1 that no amount is properly retained.

5. Without prejudice save as to costs

5.1 Without any admission, and solely to avoid the costs of proceedings, our clients would agree to a retention of £250,000 from the Escrow

Amount pending determination of the Okafor claim, with the balance of £1,600,000 released on 30 October 2026. This offer is open for 21 days.

Yours faithfully,

Pemberton Clarke LLP

Julian Pemberton, Partner