

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) or, if you are a person outside of the United Kingdom, from a person otherwise duly qualified in your jurisdiction.**

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document together with the accompanying Form of Proxy immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was affected for onward delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred some of your Ordinary Shares, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was affected.

The Directors (whose names and functions appear on page 9 of this document) and the Company (whose registered office appears on page 9 of this document) accept responsibility, both collectively and individually, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on 22 May 2018. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. Neither the UK Listing Authority nor the London Stock Exchange has itself examined or approved the contents of this document.**

This document contains no offer of transferable securities to the public within the meaning of section 102B of FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 FSMA, and has not been drawn up in accordance with the Prospectus Rules or approved by or filed with the FCA or any other competent authority. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List.

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# SPRINGFIELD PROPERTIES PLC

*(incorporated and registered in Scotland with registered no. SC031286)*

## **Acquisition of DHomes 2014 Holdings Limited and proposed Placing of 12,500,000 New Ordinary Shares at 120 pence per New Ordinary Share**

### **Admission of New Ordinary Shares and Notice of General Meeting**

***Nominated Adviser and Broker***

**N+1 SINGER**

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This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. This document should not be copied or distributed by recipients and, in particular, should not be distributed, published, reproduced or otherwise made available by any means, including electronic transmission, in, into or from the United States of America, Canada, the Republic of South Africa or Japan or any other jurisdiction where to do so would be in breach of any other law and/or regulation. The New Ordinary Shares have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) (the "Securities Act") or under the securities laws of any state of the United States of America or under the securities laws of any of Canada, the Republic of South Africa, or Japan and, subject to certain exemptions, may not be offered or sold, directly or indirectly, within or into the United States of America, Canada, the Republic of South Africa or Japan or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, the Republic of South Africa, or Japan. Neither this document nor any copy of it may be distributed in or sent to or taken into the United States, Canada, the Republic of South Africa or Japan, nor may it be distributed to any US person (within the meaning of Regulation S under the Securities Act). In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

This document is not a disclosure document under the Australian Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a disclosure document or product disclosure document under the Australian Corporations Act. Neither this document, any other disclosure document nor product disclosure statement in relation to the offer of the New Ordinary Shares has been lodged with the Australian Securities and Investments Commission ("ASIC"). This document does not constitute an offer, invitation, or recommendation in Australia to Australian retail investors to subscribe for or purchase any New Ordinary Shares and neither this document nor anything contained in it shall form the basis of any such contract or commitment.

Nplus1 Singer Advisory LLP ("N+1 Singer"), which is authorised and regulated by the FCA, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies in connection with the Placing and Admission and, as such, its responsibilities are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person or entity. N+1 Singer will not be responsible to any person other than the Company for providing the protections afforded to clients of N+1 Singer, or for providing advice to any other person in connection with the Placing and Admission or any acquisition of shares in the Company or warrants over or options to subscribe for shares in the Company. N+1 Singer is not making any representation or warranty, express or implied, as to the contents of this document. N+1 Singer has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by N+1 Singer for the accuracy of any information or opinions contained in this document or for the omission of any material information.

**Notice of a General Meeting of the Company to be held at Alexander Fleming House, 8 Southfield Drive, Elgin IV30 6GR at 1.00 p.m. on 21 May 2018, is set out at the end of this document. The enclosed Form of Proxy for use in connection with the meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 1.00 p.m. on 17 May 2018. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish. Alternatively, eligible Shareholders may use the CREST Proxy Voting Service, details in respect of which are contained in the notes to the notice of General Meeting.**

A copy of this document will be made available on the Company's website, [www.springfield.co.uk](http://www.springfield.co.uk). Neither the content of the Company's website nor any website accessible by hyperlinks from or to the Company's website is incorporated in, or forms part of, this document.

## **FORWARD-LOOKING STATEMENTS**

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “projects”, “expects”, “intends”, “may”, “will”, “could”, “seeks”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company’s and the Directors’ current intentions, beliefs or expectations concerning, amongst other things, investment strategy, financing strategy, performance, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risks (including unknown risks) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not an assurance of future performance. The Company’s actual performance, results of operations, financial condition, liquidity and dividend policy and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if the Company’s performance, results of operations, financial condition, liquidity and dividend policy and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may or may not occur.

Any forward-looking statement in this document reflects the Company’s current view with respect to future events and is subject to risks relating to future events and other risks, uncertainties and assumptions relating to the matters referred to above. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Other than in accordance with the Company’s obligations under the AIM Rules for Companies, neither the Company nor N+1 Singer undertakes any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither the forward-looking statements nor the underlying assumptions have been verified or audited by any third party.

## **BASIS ON WHICH INFORMATION IS PRESENTED**

Various figures and percentages in the tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

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## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006
<b>“Acquisition”</b>	the proposed acquisition of the entire issued share capital of Dawn
<b>“Admission”</b>	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	AIM, a market of the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as applicable
<b>“AIM Rules for Companies”</b>	the rules for AIM companies published by the London Stock Exchange, as amended or re-issued from time to time
<b>“AIM Rules for Nominated Advisers”</b>	the rules for nominated advisers to AIM companies published by the London Stock Exchange, as amended or re-issued from time to time
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“Certificated” or “in certificated form”</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
<b>“Company” or “Springfield”</b>	Springfield Properties PLC, a company incorporated in Scotland with registration number SC031286 with its registered office at Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire, IV30 6GR
<b>“Consideration Shares”</b>	the 1,750,000 new Ordinary Shares issued under the terms of the SPA as part of the initial consideration of £17.6 million due in respect of the Acquisition
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
<b>“Dawn”</b>	DHomes 2014 Holdings Limited, a private company limited by shares incorporated in Scotland with registered number SC467701 with its registered office at 220 West George Street, Glasgow, G2 2PG
<b>“Dawn Group”</b>	Dawn and its subsidiaries
<b>“Dawn Homes”</b>	Dawn Homes Limited, a private company limited by shares incorporated in Scotland with registered number SC090866 with its registered office at 220 West George Street, Glasgow, G2 2PG
<b>“Enlarged Share Capital”</b>	the enlarged share capital of the Company following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue as at the date of this document including the Consideration Shares issued pursuant to the SPA which will be admitted to trading on 3 May 2018
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority

<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto
<b>“GDV”</b>	estimated gross development value
<b>“General Meeting” or “GM”</b>	the general meeting of the Company which has been convened for 1.00 p.m. on 21 May 2018, notice of which is set out in Part II of this document
<b>“Group”</b>	the Company and its subsidiaries
<b>“London Stock Exchange”</b>	the London Stock Exchange plc
<b>“N+1 Singer”</b>	Nplus1 Singer Advisory LLP, acting as nominated adviser and broker to the Company for the purposes of the AIM Rules, and where the context allows, its affiliates
<b>“New Ordinary Shares”</b>	the 12,500,000 new Ordinary Shares to be issued by the Company pursuant to the Placing
<b>“Official List”</b>	the official list of the UK Listing Authority
<b>“Ordinary Shares”</b>	ordinary shares in the share capital of the Company each with a par value of 0.125 pence
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Placing”</b>	the conditional placing of the New Ordinary Shares at the Placing Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 2 May 2018 between N+1 Singer and the Company relating to the Placing
<b>“Placing Price”</b>	120 pence per Placing Share
<b>“SPA”</b>	has the meaning in paragraph 6 of Part I of this document
<b>“Prospectus Rules”</b>	the prospectus rules made by the FCA pursuant to the section 73A of the FSMA
<b>“Registrar”</b>	Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting
<b>“Securities Act”</b>	the United States Securities Acts of 1933, as amended, and the rules and regulations promulgated thereunder
<b>“Shareholders”</b>	holders of the Ordinary Shares from time to time
<b>“£” or “Sterling”</b>	pounds sterling, the lawful currency from time to time of the United Kingdom
<b>“UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA

**“uncertificated”** or  
**“uncertificated form”**

recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by of CREST

**“United Kingdom”** or **“UK”**

the United Kingdom of Great Britain and Northern Ireland

## EXPECTED TIMETABLE

Last date and time for receipt of Proxy Forms for the General Meeting	1.00 p.m. on 17 May 2018
General Meeting	1.00 p.m. on 21 May 2018
Admission of New Ordinary Shares to trading on AIM	8.00 a.m. on 22 May 2018

## PLACING STATISTICS

Placing Price	120 pence
Ordinary Shares currently in issue <sup>1</sup>	83,833,642
New Ordinary Shares to be issued pursuant to the Placing	12,500,000
Enlarged Share Capital (approximate)	96,333,642
Percentage of Enlarged Share Capital represented by the New Ordinary Shares (approximate)	13.0%
Gross proceeds of the Placing at the Placing Price	£15.0 million

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1 Includes the Consideration Shares issued pursuant to the SPA



## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Alexander (Sandy) Adam ( <i>Executive Chairman</i> ) Innes Smith ( <i>Chief Executive Officer</i> ) Michelle Hunter Holm ( <i>known as Michelle Motion</i> ) <i>Finance Director</i> Roger James Eddie ( <i>Non-executive Director</i> ) Matthew James Benson ( <i>Non-executive Director</i> )
<b>Company Secretary</b>	Andrew Todd
<b>Registered Office</b>	Alexander Fleming House 8 Southfield Drive Elgin Morayshire IV30 6GR
<b>Nominated Adviser and Broker</b>	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
<b>Solicitors to the Company</b>	Pinsent Masons LLP 141 Bothwell Street Glasgow G2 7EQ
<b>Auditors</b>	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE
<b>Solicitors to the Nominated Adviser Broker</b>	Burness Paull LLP 50 Lothian Road Edinburgh EH3 9WJ
<b>Registrars</b>	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## PART I

### LETTER FROM THE CHAIRMAN OF SPRINGFIELD PROPERTIES PLC

(registered in Scotland number SC031286)

*Directors:*

Alexander (Sandy) Adam (*Executive Chairman*)  
Innes Smith (*Chief Executive Officer*)  
Michelle Hunter Holm (*known as Michelle Motion*) (*Finance Director*)  
Roger James Eddie (*Non-executive Director*)  
Matthew James Benson (*Non-executive Director*)

*Registered Office:*

Alexander Fleming House  
8 Southfield Drive  
Elgin  
Morayshire IV30 6GR

Dated: 3 May 2018

Dear Shareholder

#### **Acquisition of DHome 2014 Holdings Limited and proposed Placing of 12,500,000 new Ordinary Shares at 120 pence per new Ordinary Share**

#### **Admission of New Ordinary Shares and Notice of General Meeting**

##### **1. Introduction**

The Company announced on 2 May 2018 that it had acquired Dawn, a Glasgow based housebuilder focussed on private housing in West Central Scotland and Ayrshire, for a total consideration of up to £20.1 million and has conditionally placed 12,500,000 new Ordinary Shares at 120 pence per share with certain new and existing investors. The Placing will raise gross proceeds for the Company of £15.0 million.

The consideration for the Acquisition comprises:

- (a) initial consideration of £17,585,000 of which £15.5 million was paid in cash, with the remaining £2.1 million satisfied by the issue of the Consideration Shares; and
- (b) deferred contingent consideration of up to £2.5 million in cash.

In addition, net debt of approximately £6.7 million was assumed by the Company following completion of the Acquisition.

The proceeds of the Placing are proposed to be used principally to re-finance the initial cash consideration paid in respect of the Acquisition (such initial cash consideration having been funded largely through the Company drawing down on its existing revolving credit facility with Bank of Scotland).

The issue of the New Ordinary Shares is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions to be proposed at the General Meeting of the Company convened for 21 May 2018. Subject to Shareholders approving the Resolutions to be proposed at the General Meeting, it is expected that Admission of the New Ordinary Shares will take place on or about 22 May 2018.

The New Ordinary Shares are not being offered on a pro rata basis to existing Shareholders and accordingly the Placing is conditional, *inter alia*, upon Shareholders resolving to disapply statutory pre-emption rights. Shareholders will find set out at Part II of this document a Notice of General Meeting which has been convened for 1.00 p.m. on 21 May 2018 at which the Resolutions will be proposed to approve the allotment and issue of the New Ordinary Shares and to disapply statutory pre-emption rights in respect of such allotment. Pursuant to shareholder resolutions passed on 9 October 2017, the Directors have already been granted sufficient authority pursuant to section 551 of the Act to allot the Consideration Shares and statutory pre-emption rights in respect of the issue of the Consideration Shares have been disapplied pursuant to s570(1) of the Act.

The purpose of this document is to provide further details on the Placing and explain the background to and reasons for the Placing and why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote

in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at Part II of this document.

The contents of this letter are important and I would urge you to read it carefully and to complete, sign and return the enclosed Form of Proxy in accordance with the instructions given on it and in the paragraph below headed "Action to be Taken", as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 17 May 2018.

## **2. Background to and reasons for the Acquisition and Placing**

### ***Background to the Group***

Springfield Properties plc is an award winning housebuilder focussed on developing a mix of private and affordable housing in Scotland. The Group's business model focusses on securing land for residential use which often requires considerable remediation works and significant investment in infrastructure prior to commencing development of private or affordable houses.

The Group offers both private and affordable housing through its two operating divisions. In addition to developing affordable housing on new private developments under Section 75 agreements, the Affordable division also includes developments which consist entirely of affordable housing using a proven business model.

Prior to the Acquisition the Group's existing land bank was located in the North East and Central Belt of Scotland.

### ***Information on the Acquisition***

#### *Overview*

Dawn Homes, which commenced trading in 1984, is a Glasgow based housebuilder focussed on private housing in West Central Scotland and Ayrshire with an established brand and strong management. The Dawn Group sold 87 houses in the year ended 31 January 2018 at an adjusted average selling price of approximately £220,000 (adjusted to exclude 8 properties completed through Dawn Homes' joint venture with Housing Growth Partnership). Dawn Homes has 49 employees.

#### *Land bank*

The Dawn Group has a land bank of 1,410 plots, of which 47 per cent. have planning permission. The total GDV of the land bank is approximately £295 million, and equates to approximately 15 years of development at current rates of activity.

The Dawn Group has six active sites representing 452 units with a target gross margin of around 17 per cent.. The Company expects to generate a gross margin of 19 per cent. on the 958 units expected to be constructed on future sites, of which 205 units have planning. The Board expects two of Dawn Homes' future sites to become active in the year ending 31 May 2019.

In relation to the composition of the Dawn Group's land bank, 60 per cent. is owned and 34 per cent. is contracted. The balance of 6 per cent. relates to a single site at Cambuslang held by Dawn Homes' joint venture with Housing Growth Partnership.

#### *Financial information*

In the year to 31 January 2018 Dawn Homes sold 87 homes, plus a further 8 through its joint venture with Housing Growth Partnership. Under Springfield's ownership and with further working capital investment, there are plans to grow annual unit sales to 130 in the year ending 31 May 2020. The Dawn Group had revenue of £22.4 million, EBITDA of £2.3 million, operating profit of £2.3 million (both before the contribution of Dawn Homes' joint venture) and profit before tax and exceptional items of £2.2 million in the year ended 31 January 2018.

In the three years to 31 January 2018 the Dawn Group had an adjusted average gross margin of 17 per cent. after adjustment for exceptional land sales in the year ended 31 January 2017. With increased scale, gross margins are also expected to rise with admin expenses remaining constant.

As at 30 April 2018 the Dawn Group had net assets of approximately £17 million, £26.8 million of assets that related to active sites and net debt of approximately £6.7 million.

#### *Rationale for the Acquisition*

The Acquisition is expected to accelerate the Company's growth and to significantly enhance earnings per share in its first full year before consideration of potential synergies. The Board considered the terms of the Acquisition and the valuation of Dawn Homes were attractive given it expands the Company's land bank in Western Scotland in line with its stated strategy to enter new regions. Furthermore, the acquisition of an established housebuilder has the advantage of being able to benefit from existing supply chains with access to labour and subcontractors in the local area whilst strengthening the Company's private housebuilding land bank.

#### *The enlarged group*

Following the Acquisition, the Group has a land bank GDV of £2.3 billion equating to 17 years of development at current rates of activity. Based on the Board's estimates it is anticipated that its total land bank of 12,281 plots (41 per cent. with planning) will yield an average gross margin of 19.3 per cent.. The Group currently operates on 35 active sites and has 49 planned future sites in its land bank.

The Directors intend to maintain Dawn Homes' strong brand identity and will operate it as a separate business unit within the enlarged group. Martin Egan will remain as managing director of Dawn Homes and will oversee an independent sales team. Dawn Homes' office in Glasgow will be retained to maintain presence in the region and there are no current plans to rationalise Dawn Homes' operational employees.

### **3. Current Trading and Prospects**

In the Company's unaudited interim results for the six months ended 30 November 2017 published on 20 February 2018 the Company noted that, due to significant sales progress made in the first half of the year, revenue and profit for full year 2017/18 were anticipated to be 5-10 per cent. ahead of previous expectations. Since 30 November 2017 trading has been in line with the Company's revised expectations.

In addition to continued positive trading, cash outflows have been lower due to fewer land purchases and an increased focus on securing land under contract (as opposed to outright purchase) which results in deferred cash outflows. As a result net debt is currently lower than previously expected, but is dependent on the timing of land purchases and general trading conditions through to the end of the fiscal year.

Notwithstanding the increase in the Company's share capital as a result of the Acquisition and the Placing, it intends to pay a final dividend per Ordinary Share in respect of the year ending 31 May 2018 in line with previous expectations.

### **4. The Placing**

The Company is proposing to raise approximately £15.0 million, before expenses, by the issue of the New Ordinary Shares at 120 pence per new Ordinary Share to certain new and existing investors. The New Ordinary Shares represent 13.0 per cent of the existing issued share capital of the Company and will, when issued, rank *pari passu* with the Existing Ordinary Shares in the Company.

Institutional investors have conditionally agreed to subscribe for the New Ordinary Shares at the Placing Price. The Placing has not been underwritten. The issue of the New Ordinary Shares is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions to be sought at the General Meeting convened for 21 May 2018 and upon Admission becoming effective on 22 May 2018 (or such later date as the Company and N+1 Singer may agree but not later than 30 June 2018).

On 2 May 2018, the Company and N+1 Singer entered into the Placing Agreement pursuant to which N+1 Singer agreed, subject to certain conditions, to procure subscribers for the New Ordinary Shares at

the Placing Price. The Placing Agreement contains provisions entitling N+1 Singer to terminate the Placing (and the arrangements associated with it), at any time prior to Admission in certain circumstances, including in the event of a material breach of the warranties given in the Placing Agreement, the failure of the Company to comply with its obligations under the Placing Agreement, the occurrence of a force majeure event which in N+1 Singer's reasonable opinion may be material and adverse to the Company or the Placing, or a material adverse change affecting the financial position or business or prospects of the Company. If this right is exercised, the Placing will not proceed, any monies received in respect of the Placing will be returned to the applicants without interest and Admission will not occur. The Placing is not being underwritten by N+1 Singer.

The Company has agreed to pay N+1 Singer upon Admission a placing commission and all other costs and expenses of, or in connection with, the Placing, plus any VAT thereon.

The Directors believe that raising new funds by way of the Placing is the most appropriate method of funding the Company at the present time. The Board considers that a general offer to existing Shareholders by way of rights or other pre-emptive issue is not appropriate at this stage of the Company's development due to the significant additional costs that would be incurred and the delay that would be caused by the production and approval of a prospectus.

## **5. Use of Proceeds**

The net proceeds of the Placing will be used by the Company principally to re-finance the initial cash consideration paid in respect of the Acquisition, together with associated transaction costs. In order to capitalise on the opportunity available to the Company to acquire Dawn and having considered the available headroom under its bank facilities, the Directors considered the temporary increase in the utilisation of the Company's bank facilities to be in Shareholders' best interests.

## **6. Sale and Purchase Agreement**

On 2 May 2018, the Company entered into a share purchase agreement ("**SPA**") pursuant to which the Company agreed to purchase the entire issued share capital of Dawn from its shareholders. The initial consideration paid was £17.6 million; £15.5 million of which was paid in cash with the remaining £2.1 million satisfied by the issue of the Consideration Shares. The initial consideration was satisfied on completion of the Acquisition. The Consideration Shares were admitted to trading on AIM on 3 May 2018.

Additional deferred consideration (of up to £2.5 million) is contingent on zoning being received in respect of Dawn Homes' site at Johnstone, near Glasgow.

The SPA contains certain customary warranties and was accompanied by a tax deed given by all of the sellers in relation to Dawn and its business, subject to certain customary limitations.

## **7. Lock in agreement**

Each of the sellers of Dawn, being Alan MacDonald, Barry MacDonald, Stewart Rough and Martin Egan, have, pursuant to lock-in agreements, undertaken to the Company and N+1 Singer not to dispose of any interests in their respective Consideration Shares for a certain period following their admission to trading on AIM. In the case of Alan MacDonald, Barry MacDonald and Stewart Rough, they have undertaken that they will not dispose of any interests in their respective Consideration Shares for 6 months following their admission to trading on AIM. Thereafter they will be permitted to sell 25 per cent. of their interests every 6 months with the restriction on their disposal terminating after two years. In the case of Martin Egan, he has undertaken that he will not dispose of any interests in his Consideration Shares for 18 months following their admission to trading on AIM.

The lock-in agreements contain customary exceptions on disposal of the Consideration Shares including, *inter alia*, a transfer pursuant to acceptance of a takeover offer and a transfer to a family member.

## **8. General Meeting**

A notice of a General Meeting to be held at Alexander Fleming House, 8 Southfield Drive, Elgin IV30 6GR at 1.00 p.m. on 21 May 2018 is set out at Part II of this document. At this meeting two resolutions will be proposed:

- the first resolution is an ordinary resolution to grant a new authority and power to the Directors to permit them to allot the New Ordinary Shares pursuant to the Placing as described in this document; and
- the second resolution, which is a special resolution, is to grant the Directors the authority to allot the New Ordinary Shares pursuant to the Placing on a non pre-emptive basis.

## **9. Further Information**

Further copies of this document are available to the public free of charge from the Company's offices at Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire IV30 6GR at any time up until and including the date of the General Meeting, and can also be downloaded from the Company's website at [www.springfield.co.uk](http://www.springfield.co.uk). Shareholders' attention is drawn to the remainder of this document.

## **10. Action to be taken**

Shareholders will also find enclosed with this document a Form of Proxy for use at the General Meeting

**It is important that Shareholders complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to arrive no later than 1.00 p.m. on 17 May 2018. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the meeting, should they wish to do so. Eligible Shareholders are encouraged to use the CREST Proxy Voting Service, details of which are contained in the notes to the notice of General Meeting.**

## **11. Recommendation**

**The Directors consider the Placing to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, as I have irrevocably undertaken to do in respect of my own beneficial holding of 24,900,000 Ordinary Shares representing 29.7 per cent. of the issued share capital of the Company.**

Yours faithfully

**Sandy Adam**  
Executive Chairman

**PART II**

**NOTICE OF GENERAL MEETING**

**SPRINGFIELD PROPERTIES PLC**

*(Registered in Scotland number SC031286)*

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at Alexander Fleming House, 8 Southfield Drive, Elgin IV30 6GR at 1.00 p.m. on 21 May 2018 for the purposes of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

**ORDINARY RESOLUTION**

1. That, in accordance with section 551 of the Companies Act 2006 (“**Act**”), the directors of the Company (the “**Directors**”), in addition to all previous authorities granted to the Directors, be generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company, and grant rights to subscribe for or convert any securities into shares in the Company, up to an aggregate nominal amount of £15,625.00 (within the meaning of sections 551(3) and (6) of the said Act), in connection with the placing detailed in a circular to shareholders of the Company dated 3 May 2018, provided that, unless previously renewed, varied extended or revoked by the Company in general meeting, this authority shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date. The Company may before such expiry make any offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares in the Company, or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and

**SPECIAL RESOLUTION**

2. That, subject to and conditional upon the passing of resolution 1 and in addition to all previous authorities granted to the Directors, in accordance with section 570 of the Companies Act 2006 (“**Act**”), the Directors be generally empowered to allot equity securities (as defined in section 560(1) of the Act) which are the subject of the authority conferred by that resolution as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £15,625.00, in connection with the placing detailed in a circular to shareholders of the Company dated 3 May 2018, and shall, unless previously renewed, extended, varied or revoked by the Company, expire on the earlier of the conclusion of the next Annual General Meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date. The Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this Resolution had not expired.

By order of the Board

**Andrew Todd**  
Company Secretary

3 May 2018

*Registered Office:*

Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire IV30 6GR

Notes:

1. A Shareholder is entitled to appoint another person as his proxy to exercise all of his rights to attend and to speak and vote at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder.
2. A form of proxy is enclosed. The appointment of a proxy (whether by completing the enclosed form of proxy, or by completing a CREST Proxy Instruction as set out below) will not prevent a Shareholder from subsequently attending and voting at the meeting in person.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must either be sent:
  - 3.1 to the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 48 hours (excluding days which are not working days) before the time for holding the meeting or any adjournment of it or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used; or
  - 3.2 lodged using the CREST Proxy Voting Service – see note 6 below.
4. Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on 2 May 2018, which is the latest practicable date before the publication of this document, was 83,833,642 Ordinary Shares. On a vote by show of hands every Shareholder who is present has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote. On a poll vote every shareholder who is present in person or by proxy has one vote for every Ordinary Share of which he is the holder.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that entitlement to attend and vote at the General Meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at the close of business on 17 May 2018 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual subject to the provisions of the Company's articles of association. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider(s)) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy) must in order to be valid, be transmitted so as to be received by Link Asset Services (ID CREST RA10) by the latest time(s) for receipt of proxy appointments specified in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him/her by other means.
8. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstance set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. A copy of the articles of association is available for inspection at the registered office of the Company during normal business hours from the date of this notice until the close of the General Meeting (Saturdays, Sundays and public holidays excepted), will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting, and may be downloaded from the Company's website at [www.springfield.co.uk](http://www.springfield.co.uk).