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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 8 of this document) and the Company (whose registered office appears on page 8 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 21 December 2021. 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 of FSMA, and has not been drawn up in accordance with the Prospectus Regulation 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.

SPRINGFIELD PROPERTIES PLC

(incorporated and registered in Scotland with company number SC031286)

**Acquisition of Thistle SPV2 Limited and proposed Placing of
15,714,286 New Ordinary Shares at 140 pence per New Ordinary Share**

Admission of New Ordinary Shares and Notice of General Meeting

Nominated Adviser, Sole Bookrunner and Broker



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) (the "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.

Singer Capital Markets Advisory LLP (the "Nomad") and Singer Capital Markets Securities Limited ("Singer"), which are authorised and regulated in the United Kingdom by the FCA, are acting as nominated adviser, broker and sole bookrunner (as appropriate) to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Singer or the Nomad or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. The Nomad's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer or the Nomad by the FSMA or the regulatory regime established thereunder, Singer and the Nomad do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company the Placing and Admission. Each of the Nomad and Singer accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice of a General Meeting of the Company to be held at Alexander Fleming House, 8 Southfield Drive, Elgin IV30 6GR at 9.00 a.m. on 20 December 2021, 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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, not later than 9.00 a.m. on 16 December 2021. 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. 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 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, the Company undertakes no 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:

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|---|--|
| “Acquisition” | the acquisition of the entire issued share capital of Tulloch Homes |
| “Act” | the Companies Act 2006 |
| “Admission” | admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules |
| “AIM” | AIM, a market of the London Stock Exchange |
| “AIM Rules” | the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as applicable |
| “AIM Rules for Companies” | the rules for AIM companies published by the London Stock Exchange, as amended or re-issued from time to time |
| “AIM Rules for Nominated Advisers” | the rules for nominated advisers to AIM companies published by the London Stock Exchange, as amended or re-issued from time to time |
| “Board” or “Directors” | the directors of the Company |
| “Certificated” or “in certificated form” | the description of a share or other security which is not in uncertificated form (that is, not in CREST) |
| “Company” or “Springfield” | Springfield Properties plc, a company incorporated in Scotland with company number SC031286 and having its registered office at Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire, IV30 6GR |
| “CREST” | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations) |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time) |
| “Enlarged Share Capital” | the enlarged share capital of the Company following Admission, comprising the Existing Ordinary Shares and the Placing Shares |
| “Existing Ordinary Shares” | the Ordinary Shares in issue as at the date of this document |
| “FCA” | the United Kingdom Financial Conduct Authority |
| “Form of Proxy” | the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting |
| “FSMA” | the UK Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto |
| “GDV” | estimated gross development value |
| “General Meeting” or “GM” | the general meeting of the Company which has been convened for 9.00 a.m. on 20 December 2021, notice of which is set out in Part 2 of this document |
| “Group” | the Company and its subsidiaries |
| “London Stock Exchange” | the London Stock Exchange plc |

| | |
|--|---|
| “New Ordinary Shares” or the “Placing Shares” | the 15,714,286 new Ordinary Shares to be issued by the Company pursuant to the Placing |
| “Official List” | the official list of the UK Listing Authority |
| “Ordinary Shares” | ordinary shares in the share capital of the Company each with a par value of 0.125 pence |
| “Placing” | the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement |
| “Placing Agreement” | the conditional agreement dated 1 December 2021 between (1) the Company (2) Nomad and (3) Singer relating to the Placing |
| “Placing Price” | 140 pence per Placing Share |
| “Prospectus Regulation Rules” | the prospectus regulation rules made by the FCA pursuant to the section 73A of the FSMA |
| “Registrar” | Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL |
| “Resolutions” | the resolutions set out in the notice of General Meeting |
| “Revolving Credit Facility” | the Company’s revolving credit facility with Bank of Scotland |
| “Securities Act” | the United States Securities Acts of 1933, as amended, and the rules and regulations promulgated thereunder |
| “Shareholders” | holders of the Ordinary Shares from time to time |
| “Singer” | together, Singer Capital Markets Advisory LLP and Singer Capital Markets Securities Limited, the Company’s nominated adviser, sole bookrunner and broker |
| “SPA” | has the meaning in paragraph 7 of Part 1 of this document |
| “Sterling” or “£” | pounds sterling, the lawful currency from time to time of the United Kingdom |
| “Tulloch Homes” | Thistle SPV2 Limited, a private company limited by shares incorporated in Scotland with registered number SC715925 with its registered office at Exchange Tower, 19 Canning Street, Edinburgh, Scotland EH3 8EH |
| “Tulloch Group” | Tulloch Homes and its subsidiaries |
| “UK Listing Authority” | 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 | 9.00 a.m. on 16 December 2021 |
| General Meeting | 9.00 a.m. on 20 December 2021 |
| Admission of New Ordinary Shares to trading on AIM | 8.00 a.m. on 21 December 2021 |

PLACING STATISTICS

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|--|---------------|
| Placing Price | 140 pence |
| Ordinary Shares currently in issue | 102,555,765 |
| Placing Shares to be issued pursuant to the Placing | 15,714,286 |
| Enlarged Share Capital | 118,270,051 |
| Percentage of Enlarged Share Capital represented by the Placing Shares | 13.3% |
| Gross proceeds of the Placing at the Placing Price | £22.0 million |

DIRECTORS, COMPANY SECRETARY AND ADVISERS

| | |
|---|--|
| Directors | Alexander (Sandy) William Adam (<i>Executive Chairman</i>) Innes Smith (<i>Chief Executive Officer</i>) Michelle Hunter Holm (known as Michelle Motion) (<i>Finance Director</i>) Roger James Eddie (<i>Non-executive Director</i>) Matthew James Benson (<i>Non-executive Director</i>) Nicholas Ian Cooper (<i>Non-executive Director</i>) Colin Kenneth Rae (<i>Non-executive Director</i>) |
| Company Secretary | Andrew Todd |
| Registered Office | Alexander Fleming House 8 Southfield Drive Elgin Morayshire IV30 6GR |
| Nominated Adviser | Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX |
| Sole bookrunner and broker | Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX |
| Solicitors to the Company | Pinsent Masons LLP 141 Bothwell Street Glasgow G2 7EQ |
| Auditors | BDO LLP City Point 65 Haymarket Terrace Edinburgh EH12 5HD |
| Solicitors to the Nominated Adviser Broker | Burness Paul LLP 50 Lothian Road Edinburgh EH3 9WJ |
| Registrars | Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL |

PART 1

LETTER FROM THE CHAIRMAN OF SPRINGFIELD PROPERTIES PLC

(registered in Scotland number SC031286)

Directors:

Alexander (Sandy) William 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*)
 Nicholas Ian Cooper (*Non-executive Director*)
 Colin Kenneth Rae (*Non-executive Director*)

Registered Office:

Alexander Fleming House
 8 Southfield Drive
 Elgin
 Morayshire IV30 6GR

Dated: 3 December 2021

Dear Shareholder

Acquisition of Thistle SPV2 Limited and proposed Placing of 15,714,286 new Ordinary Shares at 140 pence per new Ordinary Share

Admission of New Ordinary Shares and Notice of General Meeting

1. Introduction

The Company announced on 1 December 2021 that it had acquired Thistle SPV2 Limited, the owner of Tulloch Homes, an Inverness-based housebuilder focused on building high-quality private housing in the Scottish Highlands, for a net consideration of £56.4 million (being gross consideration of £77.6 million less expected net cash in the Tulloch Homes business, on completion, of not less than £21.2 million), and has conditionally placed 15,714,286 new Ordinary Shares at 140 pence per share with certain new and existing investors. The Placing will raise gross proceeds for the Company of £22.0 million.

The net consideration for the Acquisition comprises:

- (a) initial cash consideration of £43.4 million; and
- (b) deferred cash consideration of £13.0 million.

The issue of the Placing Shares pursuant to the Placing is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions to be proposed at the General Meeting of the Company convened for 20 December 2021. Subject to Shareholders approving the Resolutions, it is expected that Admission of the Placing Shares will take place on or around 21 December 2021.

The Placing 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 dis-apply statutory pre-emption rights. Shareholders will find a Notice of General Meeting set out at Part 2 of this document, which General Meeting has been convened for 9.00 a.m. on 20 December 2021, at which the Resolutions will be proposed to approve the allotment and issue of the Placing Shares and to dis-apply statutory pre-emption rights in respect of such allotment.

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 2 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 by no later than 9.00 a.m. on 16 December 2021.

2. Background to and reasons for the Acquisition and Placing

Background to the Group

Springfield Properties plc is an award-winning housebuilder developing a mix of private, affordable and private rented sector housing in Scotland. The Group's business model focuses 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. The Company will also commence receiving income from housing for the private rented sector this financial year.

Information on the Acquisition

Overview

Tulloch Homes is an Inverness-based housebuilder, focused on building high-quality private housing in the Scottish Highlands. Tulloch Homes has an established and respected brand and strong management. The Tulloch Group sold 219 houses (160 private and 59 affordable) in its financial year ended 30 June 2021, at average selling prices of £237,000 (private) and £136,000 (affordable). Tulloch Group's average number of employees in the year ended 30 June 2021 was 136.

Land bank

Tulloch Group has a land bank of 1,791 plots, of which 87 per cent. have planning permission. The total GDV of the land bank is approximately £375.4 million, and equates to approximately 7 years of development at current rates of activity.

Tulloch Group has 11 active sites, representing 558 units, with a target gross margin of around 21 per cent..

In relation to the composition of Tulloch Group's land bank, 91 per cent. is owned (and paid for) and 9 per cent. is contracted. The Tulloch Group also has an option over land at Welltown of Leys, Inverness for 600 homes for future development.

Financial information

In its financial year ended 30 June 2021, the Tulloch Group sold 219 homes. In the year ended 30 June 2021, the Tulloch Group generated revenue of £46.4 million, an operating profit of £6.3 million and profit before tax of £6.0 million.

In the three years to 30 June 2021 the Tulloch Group had an adjusted average gross margin of 21 per cent.

As at 30 June 2021, the Tulloch Group had net assets of approximately £71.8 million. On a pro forma basis, excluding two sites that were not included in the Acquisition and reflecting the revaluation of two sites which had historically been impaired and have subsequently received planning permission, the Tulloch Group had net assets of £74.6m.

Consideration

Under the terms of the Acquisition, the total net consideration of £56.4 million, being gross consideration of £77.6 million less net expected cash in the Tulloch Homes business on completion of not less than £21.2 million, comprises:

- initial net cash consideration of £43.4 million, financed by the Company's increased Revolving Credit Facility and an additional term loan facility which has been established by the Company, as follows:
 - £22.0 million under a new term loan facility which has been established for the purposes of providing bridge finance for the Acquisition (Bridging Facility B), which will be repaid in full through the issue of the Placing Shares; and

- £21.4 million drawn under the Company's increased Revolving Credit Facility; and
- deferred cash consideration of £13.0 million, (£6.5 million of which is payable in December 2022 (i.e. one year after completion of the Acquisition) and the remaining £6.5 million of which is payable in August 2023 (i.e. 20 months after completion of the Acquisition)).

The Company has also established two further additional term loan facilities to provide bridge finance during the period between completion of the Acquisition and the Company being able to access the net cash in the Tulloch Group (which is expected to be not less than £21.2 million), being:

- a term loan facility (Bridging Facility A Tranche 1) in the amount of £9.2 million (repayable within two Business Days of the Acquisition from cash in the Tulloch Group); and
- a term loan facility (Bridging Facility A Tranche 2) in the amount of £12.1 million (which will be repaid on or before 17 January 2022 from cash in the Tulloch Group).

The consideration assumes that the Tulloch Group had at completion of the Acquisition not less than £21.2 million of net cash in its business. Accordingly, the enterprise value in respect of the Acquisition is £56.4 million (i.e. gross consideration of £77.6 million, less £21.2 million of net cash). In the event that the Tulloch Group had less than £21.2 million of net cash in its business at completion of the Acquisition (to be determined by reference to a set of completion accounts which will be prepared in due course) the sellers of Tulloch Homes are required to pay Springfield £ for £ in respect of any shortfall. No additional consideration is payable by Springfield in the event that the net cash in the Tulloch Group's business is in excess of £21.2 million.

Rationale for the Acquisition

The Acquisition, which is in line with the Company's stated strategy of expanding via acquisition and into new territories to accelerate growth, is expected to enhance earnings per share from the current year and significantly enhance earnings in its first full year of ownership, before consideration of potential synergies. The Board considered that the terms of the Acquisition and the valuation of Tulloch Homes were attractive given that it expands the Company's land bank in the Highlands of Scotland around Inverness, which is an area of high and growing demand where the Company has been strategically building a presence over the last few years. 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 and creating opportunities for affordable housing. The Company is also gaining a strong, established management team through the Acquisition.

The enlarged Group

Following the Acquisition, the Group will have a land bank GDV of approximately £3.5 billion, equating to approximately 14 years of development at current rates of activity. The enlarged Group's total land bank will comprise 17,072 plots (56% with planning) across 56 active sites and 83 planned future sites.

The Directors intend to maintain Tulloch Homes' strong brand identity and will operate it as a separate business unit within the enlarged Group with an independent sales team and business targets. Tulloch Homes will be led by the newly appointed Managing Director, Alexander (Sandy) Grant, who has been with the business for over 18 years, succeeding the longstanding CEO, George Fraser, who will be retiring. Tulloch Homes' office in Inverness will be retained to maintain presence in the region and there are no immediate plans to rationalise Tulloch Homes' operational employees.

3. Current Trading and Prospects

In the Company's results for the year ended 31 May 2021, published on 14 September 2021, the Company noted that it had entered the 2022 financial year delivering against a strong order book, was continuing to receive excellent demand across the business and expected to report strong growth for the year to 31 May 2022 (on an underlying basis to exclude the contribution from land sales in 2021).

This momentum has been maintained throughout the first half of the 2022 financial year, with good reservations in private housing and the Company continuing to deliver against its record order book in affordable housing. The Company will also commence receiving income from housing for the private rented sector this financial year. With sustained house price inflation and active management of cost

and supply chain pressures, the Company continues to trade in line with market expectations for FY2022.

Notwithstanding the increase in the Company's share capital as a result of the Acquisition and the Placing, the Company intends to pay a final dividend per Ordinary Share in respect of the year ending 31 May 2022 in line with previous expectations.

4. Banking Facilities

The Company has entered into an amendment and restatement agreement with Bank of Scotland in relation to its existing facilities agreement, pursuant to which it has increased the amounts available to it under its Revolving Credit Facility, and has established new term loan facilities for the purposes of funding the Acquisition. The margin and basis of interest calculations remain the same under the increased Revolving Credit Facility as they were prior to increase.

Increased Revolving Credit Facility

Pursuant to the terms of the amendment and restatement agreement, the amount available under the Company's Revolving Credit Facility has been increased from £64.5 million to £87.5 million. Part of the increase under the Revolving Credit Facility has been used to fund a portion of the initial cash consideration in relation to the Acquisition.

Bridging Finance Facilities

Pursuant to the terms of the amendment and restatement agreement, three term loan facilities, totalling £43.2 million, were established under the Company's facilities agreement, for the purposes of financing the Acquisition. These comprise:

- a £9.1 million term loan facility (named Bridging Facility A, Tranche 1);
- a £12.1 million term loan facility (named Bridging Facility A, Tranche 2); and
- a £22 million term loan facility (named Bridging Facility B).

Each of these term loan facilities was used for the purposes of funding the initial cash consideration in relation to the Acquisition, and in particular:

- Bridging Facility A, Tranche 1 and Bridging Facility A, Tranche 2 (being in aggregate £21.2 million) are being used for the purposes of bridging the period between payment of the initial gross consideration of £64.6 million and release of the net cash in the Tulloch Group at completion (expected to be not less than £21.2 million); and
- Bridging Facility B is being used for the purposes of bridging the period between payment of the initial gross consideration and receipt of the proceeds from the Placing.

5. The Placing

The Company is proposing to raise £22.0 million, before expenses, by the issue of the Placing Shares at 140 pence per Placing Share to certain new and existing investors. When issued, the Placing Shares will represent 13.3 per cent of the enlarged issued share capital of the Company and will rank *pari passu* with the Existing Ordinary Shares in the Company.

The Placing has not been underwritten. The issue of the Placing Shares is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions to be sought at the General Meeting convened for 20 December 2021 and upon Admission becoming effective on 21 December 2021 (or such later date as the Company and Singer may agree but not later than 7 January 2022).

On 1 December 2021, the Company, the Nomad and Singer entered into the Placing Agreement pursuant to which the Nomad and Singer agreed, subject to certain conditions, to procure subscribers for the New Ordinary Shares at the Placing Price. The Placing Agreement contains provisions entitling the Nomad and 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 the Nomad's or 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 that have been 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 the Nomad or Singer.

The Company has agreed to pay the Nomad and 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.

6. Use of Proceeds

The net proceeds of the Placing will be used by the Company principally to re-finance part of the initial cash consideration paid in respect of the Acquisition, together with associated transaction costs.

7. Sale and Purchase Agreement

On 1 December 2021, the Company entered into a share purchase agreement ("**SPA**") pursuant to which the Company agreed to purchase the entire issued share capital of Tulloch Homes from its shareholders. The initial consideration paid was £64.6 million, all of which was paid in cash on 1 December 2021. Deferred consideration of £13.0 million is payable in cash (£6.5 million of which is payable in December 2022, on the anniversary of completion of the Acquisition, and the remaining £6.5 million of which is payable in August 2023, being 20 months after completion of the Acquisition).

The SPA provides that in the event that the net cash in the Tulloch Group as at completion (i.e. 1 December 2021) is less than £21.2 million then the consideration will be reduced by the amount by which the net cash is less than £21.2 million, with each seller being severally obliged to pay to Springfield that seller's relevant proportion of the amount by which the net cash is less than £21.2 million. The consideration is not subject to increase in the event that the net cash is greater than £21.2 million.

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

8. General Meeting

A notice of a General Meeting to be held at Alexander Fleming House, 8 Southfield Drive, Elgin IV30 6GR at 9.00 a.m. on 20 December 2021 is set out at Part 2 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 Placing 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 Placing 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. 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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, as soon as possible and in any event so as to arrive no later than 9.00 a.m. on 16 December 2021. 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.

Yours faithfully

Sandy Adam
Executive Chairman

PART 2

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 9.00 a.m. on 20 December 2021 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 (the “**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 £19,642.86 (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 December 2021, provided that, unless previously renewed, extended, varied or revoked by the Company in general meeting, this authority shall expire on the earlier of 31 December 2022 and the conclusion of the next Annual General Meeting of the Company unless and to the extent that such authority is renewed, extended, varied or revoked 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.

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 of the Company (the “**Directors**”), in accordance with section 570 of the Companies Act 2006 (the “**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 £19,642.86, in connection with the placing detailed in a circular to shareholders of the Company dated 3 December 2021, and shall, unless previously renewed, extended, varied or revoked by the Company, expire on the earlier of 31 December 2022 and the conclusion of the next Annual General Meeting of the Company unless and to the extent that such authority is renewed, extended, varied or revoked 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 December 2021

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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, so as to arrive no later than 48 hours (excluding non 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 December 2021, which is the latest practicable date before the publication of this document, was 102,555,765 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 16 December 2021 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 Group (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 Group 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.