

9 December 2016

**NORTHACRE PLC**  
**(“Northacre” or the “Company”)**

**Proposed Cancellation of Admission to Trading on AIM**  
**and**  
**Notice of General Meeting**

**Northacre PLC (AIM: NTA)**, announces that, as a result of a review of the benefits and drawbacks of being a quoted company, the Board has concluded that the cancellation of admission of its Ordinary Shares to trading on AIM ("**Cancellation**") is in the best interests of the Company and its Shareholders as a whole.

The Company therefore announces its intention to seek its Shareholders' approval for the Cancellation. An explanatory circular will be posted to Shareholders today (the "**Circular**") setting out the background to and reasons for the Cancellation, the reasons why the Directors believe that this is in the best interests of the Company and its Shareholders as a whole and their recommendation to Shareholders to vote in favour of the resolution to approve the Cancellation (the "**Resolution**").

A General Meeting of the Company will be held at the Company's registered office at 12.00 p.m. on Wednesday 4 January 2017 at the Company's registered office at 8 Albion Riverside, 8 Hester Road, London SW11 4AX at which the Resolution will be proposed to Shareholders for approval. A notice convening the General Meeting is set out in the Circular which will shortly also be available on the Company's website ([www.northacre.com](http://www.northacre.com)).

The Company has received an irrevocable undertaking from the Company's major shareholder, Spadille Limited, to vote in favour of the Resolution for 39,916,257 Ordinary Shares in aggregate, representing approximately 94.29 per cent. of the issued share capital of the Company.

In addition, Spadille Limited has advised the Company that it will today give an order to purchase Ordinary Shares in the market at a price of 100 pence per Ordinary Share. Such order will remain open until the Company's last trading day on AIM, being Wednesday 11 January 2017 (unless the order is fulfilled in advance of this date). Shareholders should consult with their own independent financial adviser and/or broker should they wish to consider selling their interests in the market prior to the Cancellation becoming effective.

Subject to the Resolution being passed at the General Meeting, the expected last day of dealings in Ordinary Shares on AIM will be Wednesday 11 January 2017 and the Cancellation will become effective at 7.00 a.m. on Thursday 12 January 2017. Pursuant to Rule 41 of the AIM Rules, the Company, through its nominated adviser, finnCap Limited, has notified the London Stock Exchange of the proposed Cancellation.

Further information regarding the background to and principal effects of the Cancellation is set out below.

**For further information, please contact:**

**Northacre plc**

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**finnCap Ltd**

(Nominated Adviser & Broker)

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

## 1. BACKGROUND AND REASONS FOR CANCELLATION

The Board has conducted a review of the advantages and disadvantages to the Company and its Shareholders in retaining its quotation on AIM, and believes that the Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Board has considered the following key factors:

- the considerable cost, management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM which, in the Directors' opinion, are disproportionate to the benefits to the Company;
- as at the date of this announcement, the Major Shareholder holds in total 94.29 per cent. of the Company's current issued share capital and, as a result, the free float and liquidity of the Ordinary Shares is significantly limited;
- the AIM listing of the Ordinary Shares does not, in itself, offer investors the opportunity to trade in meaningful volumes or with any frequency within an active market. With little trading volume, the Company's share price can move up or down significantly following trades of small numbers of shares; and
- due to the Company's limited liquidity in its shares and, in practical terms, a small free float and market capitalisation, continuing admission to trading on AIM no longer sufficiently provides the Company with the advantages of providing access to capital or enabling the Ordinary Shares to be used to effect acquisitions.

Following careful consideration, the Board believes that it is in the best interests of the Company and its Shareholders as a whole to seek the Cancellation at the earliest opportunity.

## 2. PROCESS FOR, AND PRINCIPAL EFFECTS OF, THE CANCELLATION

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. **Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.**

Under the AIM Rules, the Company is required to give at least 20 Business Days' notice of the Cancellation. Additionally, the Cancellation will not take effect until at least 5 clear Business Days have passed following the passing of the Resolution. If the Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 11 January 2017 and the Cancellation will take effect at 7.00 a.m. on 12 January 2017.

The principal effects of the Cancellation will be that:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares and, furthermore, no other recognised market or trading facility will be available to enable trading of the Ordinary Shares. However in order to mitigate the impact of the loss of liquidity following the Cancellation, the Company will consider setting up a matched bargain facility as a trading mechanism for the Ordinary Shares (see paragraph 3 below);
- while the Ordinary Shares will remain freely transferrable, it is possible that following the Cancellation, the liquidity and marketability of the Ordinary Shares may be significantly reduced and the value of such shares may be adversely affected as a consequence;
- it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;

- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, including the requirement to be notified of certain events, and otherwise in relation to substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business;
- the levels of transparency and corporate governance within the Company are unlikely to be as stringent as for a company quoted on AIM;
- the Company will cease to have an independent nominated adviser and broker; and
- the Cancellation may have taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The Company will remain subject to the 2006 Act. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of 10 years from the date of Cancellation. The Company will also continue to be bound by the Articles (which requires shareholder approval for certain matters) following the Cancellation; the Company may, however, seek Shareholder approval in the future to amend the Articles so as to reflect the Company's change from listed to unlisted status.

The above considerations are non-exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

Following the Cancellation, the Company will:

- continue to communicate information about the Company to its Shareholders and to hold annual general meetings, in each case as required by law; and
- continue to maintain its website, <http://www.northacre.com/> and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under AIM Rule 26 or to update the website as required by the AIM Rules.

### **3. TRANSACTION IN THE ORDINARY SHARES PRIOR TO AND FOLLOWING THE PROPOSED CANCELLATION**

#### *3.1 Prior to the Cancellation*

The Major Shareholder has advised the Company that it has today made an order to purchase Ordinary Shares in the market at a price of 100 pence per Ordinary Share, being a 35 per cent. premium to the closing mid-market price on the day prior to the publication of this announcement. Such order will remain open until the last trading day of the Ordinary Shares on AIM, being 11 January 2017 (unless the order is fulfilled in advance of this date). Shareholders should consult with their own independent financial adviser and / or broker should they wish to consider selling their interests in the Company prior to the Cancellation becoming effective.

#### *3.2 Following the Cancellation*

The Board is aware that the Cancellation, should it be approved by Shareholders at the General Meeting, would make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so.

Following Cancellation, and depending on the number of Shareholders remaining after the Cancellation becomes effective, the Company will consider putting in place a matched bargain facility to assist Shareholders to trade in the Ordinary Shares. If implemented, the matched

bargain facility would be made available either directly through the Company or through a third party provider. Under the matched bargain facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares would be able to leave an indication with the matched bargain facility provider that they are prepared to buy or sell at an agreed price. In the event that the matched bargain facility provider is able to match that order with an opposite sell or buy instruction, the matched bargain facility provider would contact both parties and then effect the bargain. Should the Company put in place a matched bargain facility; details will be made available to Shareholders on the Company's website at <http://www.northacre.com/> and directly by letter or e-mail (where appropriate).

As the Major Shareholder already has an interest in over 50 per cent. of the issued share capital of the Company, the purchase of Ordinary Shares by the Major Shareholder, whether prior to the proposed Cancellation or afterwards will not have any consequences under the Takeover Code.

#### **4. CURRENT TRADING AND STRATEGY**

The Company released its Interim Results for the six months ending 30 June 2016 on 15 September 2016. In them, the Company noted that even though the Brexit vote has brought some further uncertainty to the high-end housing market the Board made the point that in this uncertain market Northacre is fully committed to delivering the most desirable and beautifully crafted homes. In addition, the Board strongly believe that the flight to quality will become apparent in the short to medium term and that quality will be rewarded with premium exit values.

What is more, the Board considers that the strength of the US Dollar towards the Sterling makes London a much more attractive market for US Dollar denominated (or pegged) buyers and the Company has seen this borne out in the recent viewings.

Northacre, is continuing its work on two significant projects, 1 Palace Street and The Broadway. Following the Cancellation, the Company will continue with this strategy, which for the purpose of clarity, is to strengthen its position as "developer of choice" for high-end residential (or residentially-led) developments in Central London.

It should be noted that the construction market in Central London is still experiencing significant constraints hence construction costs are squeezing profit margins. The Board expects this to slightly subside from the second half of 2017 onwards.

#### **5. IRREVOCABLE UNDERTAKING**

The Company has received an irrevocable undertaking from the Major Shareholder to vote in favour of the Resolution in respect of 39,916,257 Ordinary Shares representing approximately 94.29 per cent. of the issued share capital of the Company as at the date of this announcement.

#### **6. PROCESS FOR CANCELLATION**

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a General Meeting. Accordingly the Notice of General Meeting set out in Part II of the Circular contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires an AIM company to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified AIM of the Company's intention, subject to the Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 12 January 2017. Accordingly, if the Resolution is passed at the General Meeting, the Cancellation will be effective at 7.00 a.m. on 12 January 2017.

#### **7. GENERAL MEETING**

The General Meeting will be held at 8 Albion Riverside, 8 Hester Road, London SW11 4AX commencing at 12.00 p.m. on 4 January 2017. If approved it is expected that the Cancellation will take effect from 7.00 a.m. on 12 January 2017.

If the Cancellation becomes effective, finnCap Ltd will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

## **8. RECOMMENDATION**

The Directors consider that the Cancellation is in the best interests of the Company and its Shareholders as a whole. The Directors therefore unanimously recommend that you vote in favour of the Resolution.

### **EXPECTED TIMETABLE OF PRINCIPAL EVENT**

Notice provided to the London Stock Exchange of the proposed Cancellation	1.00 p.m. on Friday 9 December 2016
Publication and posting of the Circular and Form of Proxy to Shareholders	Friday 9 December 2016
Latest time and date for receipt of completed Forms of Proxy in respect of the General Meeting	12.00 p.m. on Monday 2 January 2017
Time and date of the General Meeting	12.00 p.m. on Wednesday 4 January 2017
Expected last day of dealings in Ordinary Shares on AIM	Wednesday 11 January 2017
Expected time and date of Cancellation	7.00 a.m. on Thursday 12 January 2017

### **DEFINITIONS**

“2006 Act”	the UK Companies Act 2006 as amended from time to time
“AIM”	AIM, the market operated by the London Stock Exchange
“AIM Rules”	the rules and guidance for companies whose shares are admitted to trading on AIM entitled "AIM Rules for Companies" published by the London Stock Exchange, as amended from time to time
“Articles”	the articles of association of the Company as at the date of this announcement
"Business Day"	a day (excluding Saturday, Sunday and public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM, subject to the passing of the Resolution and in accordance with Rule 41 of the AIM Rules
“Circular”	the explanatory circular with details of the proposed Cancellation and which sets out the Notice of General Meeting being posted to Shareholders today

“Company” or “Northacre”	Northacre plc, a company registered in the United Kingdom with company number 03442280 and whose registered office is 8 Albion Riverside, 8 Hester Road, London SW11 4AX
“Directors” or “Board”	the board of directors of the Company
“Form of Proxy”	the form of proxy enclosed in the Circular for use in the General Meeting or any adjournment thereof
“General Meeting”	the General Meeting of the Company convened for 12.00 p.m. on 4 January 2017 and any adjournment thereof
“London Stock Exchange”	London Stock Exchange plc
“Major Shareholder”	Spadille Limited
“Notice of General Meeting”	the notice of General Meeting which is set out in Part II of the Circular
“Ordinary Shares”	the ordinary shares of £0.025 each in the capital of the Company, and “Ordinary Share” means any one of them
“Resolution”	the resolution to be proposed at the General Meeting to approve the Cancellation in the form set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares from time to time and “Shareholder” means any one of them
“Takeover Code”	the City Code on Takeovers and Mergers
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland