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**THIS ANNOUNCEMENT IS DEEMED BY THE PROPERTY FRANCHISE GROUP PLC AND HUNTERS PROPERTY PLC TO CONTAIN INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN**

**THIS ANNOUNCEMENT IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW TPFGB SHARES EXCEPT ON THE BASIS OF INFORMATION IN THE SCHEME DOCUMENT AND THE TPFGB CIRCULAR WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE**

**FOR IMMEDIATE RELEASE**

**28 January 2021**

**RECOMMENDED ACQUISITION TO BE IMPLEMENTED BY WAY OF A CASH AND SHARE OFFER**

**for**

**HUNTERS PROPERTY PLC**

**by**

**THE PROPERTY FRANCHISE GROUP PLC**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

Further to the announcement by Hunters on 4 December 2020 in which Hunters confirmed it had received a preliminary approach from The Property Franchise Group, the Boards of Directors of The Property Franchise Group and Hunters are pleased to announce that they have reached agreement on the terms of a recommended cash and share offer pursuant to which The Property Franchise Group will acquire the entire issued and to be issued ordinary share capital of Hunters (the "**Acquisition**" forming the "**Enlarged Group**"). The Acquisition is to be effected by means of a court-sanctioned scheme of arrangement between Hunters and the Scheme Shareholders under Part 26 of the Companies Act.

**Key terms of the Acquisition**

Under the terms of the Acquisition, for each Hunters Share, Hunters Shareholders will be entitled to receive:

**0.1655 New TPFGB Shares**

**and**

## 43.2 pence in cash

On the basis of a price of 174 pence per TPF Share, being the price agreed at the time of the approach by The Property Franchise Group to Hunters, the Acquisition values each Hunters Share at 72 pence (the "Offer Price") and the entire issued and to be issued share capital of Hunters at approximately £24.2 million.

In addition, the Hunters Directors intend to declare a special interim dividend of 2.7 pence per Hunters Share for the year ended 31 December 2020 ("Special Dividend"). The Special Dividend would be payable to the holders of Hunters Shares on a record date to be announced on or before the publication of the Scheme Document.

The Offer Price represents:

- a 4.0 per cent. discount to the Closing Price per Hunters Share of 75 pence on the Latest Practicable Date;
- a 23.1 per cent. premium to the Closing Price per Hunters Share of 58.5 pence on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period);
- a 16.3 per cent. premium to the three-month volume-weighted average price per Hunters Share of 61.9 pence (being the volume weighted average Closing Price for the three-month period ended on the Latest Practicable Date; and
- a 32.3 per cent. premium to the six-month volume -weighted average price per Hunters Share of 54.4 pence (being the volume weighted average Closing Price for the six-month period ended on the Latest Practicable Date

On the basis of a price of 191.5 pence per TPF Share, being the Closing Price on the Latest Practicable Date, the Acquisition values each Hunters Share at 74.9 pence and the entire issued and to be issued share capital of Hunters at approximately £25.2 million, which represents a premium of 28.0 per cent. to the Closing Price per Hunters Share of 58.5p on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period).

Immediately following completion of the Acquisition, existing TPF Shareholders will hold approximately 82.3 per cent. and Hunters Shareholders will hold approximately 17.7 per cent. respectively of The Property Franchise Group, on a non-diluted basis.

### Highlights of the Acquisition

The TPF Board and the Hunters Board each believe that the Acquisition provides compelling value for Hunters Shareholders and potential for TPF Shareholders in the context of a potentially challenging housing market and broader macro-economic uncertainty as a result of the Covid-19 pandemic. The terms of the Acquisition provide Hunters Shareholders with a combination of certain cash, as well as the New TPF Shares, allowing participation in the future capital and income returns of the enlarged business, with the Offer Price representing a significant premium to Hunters' share price performance prior to the Rule 2.4 Announcement by Hunters on 4 December 2020. The Offer Price represents a 32.3 per cent. premium to Hunters' volume weighted average share price over the six months ended on 27 January 2021, being the Latest Practicable Date.

The TPF Board and the Hunters Board each believe that the key reasons for proceeding with the Acquisition are as follows:

- *Enhanced scale and geographic reach* - the Enlarged Group will benefit from

increased scale with more than 400 physical branches, managing in excess of 70,000 tenanted properties managed and selling more than 20,000 properties per annum.

- *Earnings accretion and annual synergies* - the TPF Group has identified areas of potential synergies, which would provide a stronger platform for further organic growth and further enhancement of the progressive and resilient dividend policy. These are anticipated to be largely cost synergies including but not limited to: leverage of IT expertise, operational savings from duplicated costs across some administrative functions and operational cost savings from the cancellation of Hunters' AIM quotation.
- *Acceleration of financial services strategy* - the Enlarged Group would have the scale to make effective use of The Property Franchise Group's plans to create a pool of 100 financial advisers, as well as to justify further recruitment in this area. To date, neither The Property Franchise Group nor Hunters has been able to fully exploit the significant opportunities that exist in this area.
- *Strengthened management team* - it is proposed that the Executive Directors of both The Property Franchise Group and Hunters will remain within the Enlarged Group following completion of the Acquisition. It is proposed that Glynis Frew, Chief Executive of Hunters, will join the Enlarged Group as an Executive Director of The Property Franchise Group whilst Ed Jones will join as Group Finance Director and Company Secretary, a non-board position, while remaining an Executive Director of Hunters. Gareth Samples will remain as the TPF Group CEO and David Raggett as the TPF Group CFO. It is proposed that Dean Fielding, a Non-Executive Director of Hunters, will join the Enlarged Group as an independent Non-Executive Director of The Property Franchise Group. Richard Martin will continue as Non-Executive Chairman of the Enlarged Group, Paul Latham will become Deputy Chairman and Non-Executive Director Phil Crooks will also remain on the TPF Board as an independent Non-Executive Director.
- Furthermore, the TPF Group believes that the Acquisition provides significant opportunities to properly exploit the existing and additional income streams within the Enlarged Group from converting independent operators to franchisees, assisting franchisees in the purchase of managed portfolios of tenanted properties, and through the use of digital marketing over a considerably increased customer database.

### ***Details of The Property Franchise Group***

- The TPF Group is a UK-based property franchise business. Since the admission of The Property Franchise Group to AIM in December 2013, the TPF Group has steadily grown its revenues from £4.1 million to £11.4 million for the financial year ended 31 December 2019. For the same period, the TPF Group increased its adjusted operating profit from £1.8 million to £5.0 million. This has been achieved primarily through organic growth but also supported by acquisitions, including the TPF Group's purchase of EweMove in 2016, which expanded its offering to include a hybrid estate agency model.
- The TPF Group has a strong presence in lettings and, at the date of this Announcement, manages 58,000 properties on behalf of landlords. It also has a growing presence in estate agency, completing on the sale of 10,800 homes in 2019. The TPF Group is a multi-award winning business with recent successes including "best national lettings agent" at the EA Masters awards in 2019 and "the hybrid estate agency of the year" at the 2019 Negotiator awards for EweMove. CJ

### *Details of Hunters*

- The Hunters Group is a franchised estate agency group based in the UK, with its head office in York. The group has traded under the Hunters brand since inception in 1992. As a result of both organic growth and acquisition, at 31 December 2020 its network comprises 209 branches. The Hunters brand has become widely known and has a strong reputation within the estate and lettings agency market. The business was founded on the principles of delivering excellent customer service, unrivalled proactivity and the best results for its customers. These principles remain at the heart of Hunters.
- Hunters was admitted to trading on AIM in July 2015. In its financial year ending 31 December 2019, the Hunters Group generated turnover of £14 million (31 December 2018: £14 million). During the twelve-month period ended 31 December 2019 the EBITDA of the Hunters Group was £2.8 million (31 December 2018: £2.3 million), the adjusted profit before tax was £2.1 million (31 December 2018: £2.0 million) and the basic adjusted earnings per Hunters Share was 5.86 pence (31 December 2018: 5.93 pence).

### *Enlarged Group*

- The Property Franchise Group and Hunters have complementary businesses. The TPF Group Board and the Hunters Board each believe that the Acquisition will allow the Enlarged Group to enhance its value proposition to franchisees and customers, while building a stronger and more efficient franchised network. The Property Franchise Group envisages that the business of Hunters would continue to operate materially in the same way without significant disruption to the business of either The Property Franchise Group or Hunters once the Hunters Group has been fully integrated with the TPF Group.
- The Property Franchise Group holds in high regard the achievements and expertise of the existing management and employees of Hunters. The Property Franchise Group proposes that Glynis Frew, Chief Executive of Hunters, will join the Enlarged Group as an Executive Director of The Property Franchise Group on completion of the Acquisition, whilst Ed Jones will join as Group Finance Director and Company Secretary, a non-board position, while remaining an Executive Director of Hunters. It is proposed that Dean Fielding, a Non-Executive Director of Hunters, will join the Enlarged Group as an independent Non-Executive Director of The Property Franchise Group on completion of the Acquisition.
- The TPF Group Board has identified areas of potential cost synergies which will be reviewed in more detail following completion of the Acquisition. Subject to the below, The Property Franchise Group does not intend to initiate any material headcount reductions within the Hunters Group as a result of the Acquisition and expects that existing employees of the Hunters Group will continue to contribute to Hunters' ongoing success. However, to the extent that there are operational inefficiencies or a duplication of functions or roles within the Enlarged Group, this will result in a limited number of headcount reductions.
- At this stage The Property Franchise Group has not yet developed a proposal as to how any such headcount reductions might be implemented and will only develop and implement such a proposal once the review referred to above has been completed. Any implementation of headcount reductions by the Enlarged Group will be subject to comprehensive planning and engagement with employees and consultation with employee representatives as required by applicable law. Any affected employees will be treated in a fair and equitable manner.

- It is proposed that the Non-Executive Directors of Hunters will each resign as a Hunters Director upon completion of the Acquisition, save for Dean Fielding who it is proposed will join the Enlarged Group as an independent Non-Executive Director of The Property Franchise Group on completion of the Acquisition.

### ***Dividends***

- The Property Franchise Group expects to pay a second interim dividend, in lieu of a final dividend for FY 2020 of 6.6 pence per TPFG Share. It is expected that this dividend will be paid during the period following this Announcement and before the Scheme becomes Effective. This dividend would be payable to existing TPFG Shareholders only.
- The Hunters Directors intend to declare a special interim dividend of 2.7 pence per Hunters Share for the year ended 31 December 2020 ("**Special Dividend**"). The Special Dividend would be payable to the holders of Hunters Shares on a record date to be announced on or before the publication of the Scheme Document.

The Acquisition is subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, which it is expected will be despatched to Hunters Shareholders as soon as reasonably practicable following the release of the Announcement.

### **Hunters recommendation**

The Hunters Directors, who have been so advised by Spark Advisory as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hunters Directors, Spark Advisory has taken into account the commercial assessments of the Hunters Directors. Spark Advisory is providing independent financial advice to the Hunters Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Hunters Directors confirm that they intend to recommend unanimously that Hunters Shareholders vote in favour of the Scheme at the Hunters Court Meeting and in favour of the Hunters Special Resolution to be proposed at the Hunters General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 11,212,619 Hunters Shares representing, in aggregate, approximately 34.2 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

### **Irrevocable undertakings**

In addition to the Hunters Directors, The Property Franchise Group has received irrevocable undertakings from Nigel Wray, John Waterhouse and Martin Robinson to vote in favour of the Scheme at the Hunters Court Meeting and in favour of the Hunters Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 12,134,287 Hunters Shares, representing approximately 37.0 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

In aggregate, therefore, irrevocable undertakings to vote in favour of the Scheme at the Hunters Court Meeting and the Hunters Special Resolution to be proposed at the Hunters General Meeting have been received in respect of a total of 23,346,906 Hunters Shares, representing approximately 71.1 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

### **The Property Franchise Group recommendation**

In order to allot the New TPFG Shares, The Property Franchise Group will be required to seek the approval of the TPFG Shareholders at the TPFG General Meeting. The Acquisition is accordingly conditional on such approval being obtained.

The TPFG Directors have received financial advice from Cenkos Securities in relation to the Acquisition. In providing its advice to the TPFG Directors, Cenkos Securities has taken into account the TPFG

Directors' commercial assessment of the Acquisition.

The TPFG Directors consider the Acquisition to be in the best interests of the TPFG Shareholders as a whole and intend to recommend unanimously that TPFG Shareholders vote in favour of the TPFG Resolution to be proposed at the TPFG General Meeting, as those TPFG Directors who are interested in TPFG Shares have irrevocably undertaken to do in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 8,317,350 TPFG Shares representing, in aggregate, approximately 32.2 per cent. of the ordinary share capital of The Property Franchise Group in issue on the Latest Practicable Date.

## **General**

The Acquisition is expected to be effected by means of a court-sanctioned scheme of arrangement between Hunters and the Scheme Shareholders under Part 26 of the Companies Act. The Acquisition will also be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. Further details of the Acquisition are contained in the full text of this Announcement (and will be included in the Scheme Document). The Property Franchise Group reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent.

It is expected that the Scheme Document (including notices of the Hunters Meetings) together with the relevant Forms of Proxy will be sent to Hunters Shareholders as soon as is reasonably practicable and in any event within 28 days of the date of this Announcement, unless otherwise agreed with the Panel.

It is expected that the TPFG Circular, which will contain notice of the TPFG General Meeting, will be published and sent to TPFG Shareholders at or around the same time as the Scheme Document is posted to Hunters Shareholders.

The Scheme Document and the TPFG Circular will each be made available by The Property Franchise Group on its website at <https://thepropertyfranchisegroup.co.uk/investors> and by Hunters on its website at <https://www.hunters.com/other-services/investor-relations>

The Hunters Meetings are expected to be held on or around 5 March 2021 and the TPFG General Meeting is expected to be held in advance of the Hunters Meetings. The Scheme is expected to be Effective in March 2021, subject to satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

**Commenting on the Acquisition, Richard Martin, TPFG's Non-Executive Chairman, said:** *"I am delighted to confirm that we have reached an agreement with the Hunters Board and major Hunters Shareholders on the recommended acquisition of Hunters. We believe that the Acquisition represents a compelling opportunity for all shareholders.*

*"Hunters, with its reputable brand, experienced management team, trusted franchisees and strength in residential sales, is complementary to our current offering. The Acquisition will enable us to continue to grow in the sector and, ultimately, deliver greater value to shareholders."*

**Commenting on the Acquisition, Kevin Hollinrake, Chairman of Hunters, said:**

*"We founded Hunters almost three decades ago with a single small office in York and a huge ambition to offer a brilliant service to our customers and to become the nation's favourite property agency. Our ambition for our customers and our brand is undimmed and we see this consolidation as the vital next step that allows us to invest in the services, training and technology our customers and franchisees need. The success we have achieved is a tribute to the incredible efforts of the thousands of people who provide the service on the ground and the passion and commitment of our management team. I am so grateful, and indeed moved, that every member of our network remains faithful to our original vision and values and I know that they will continue to do so."*

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including the Appendices). The Acquisition will be subject to the Conditions and further terms set out in Appendix I and to be set out in the Scheme Document. Appendix II contains further details of the sources of information and bases of calculations set out in this Announcement, Appendix III contains a summary of the irrevocable undertakings received by The Property Franchise Group (including those irrevocable undertakings given by the Hunters Directors and the TPFG Directors) and Appendix IV contains definitions of certain expressions used in this summary and in this Announcement.**

**Enquiries:**

**Hunters**

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***Financial Advisers***

*Cenkos Securities plc ("Cenkos Securities"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for The Property Franchise Group and no one else*

*in connection with the Acquisition and the other matters referred to in this Announcement and the Scheme Document and will not be responsible to anyone other than The Property Franchise Group for providing the protections afforded to clients of Cenkos Securities or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

*Spark Advisory Partners Limited ("**Spark Advisory**") , which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Hunters and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document and will not be responsible to anyone other than Hunters for providing the protections afforded to clients of Spark Advisory or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

*Cenkos Securities, Spark Advisory and Dowgate have given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.*

*Dowgate Capital Limited ("**Dowgate**") , which is authorised and regulated in the United Kingdom by the Financial Conduct Authority , is acting exclusively for Hunters and no one else in connection with the Acquisition , the other matters referred to in this Announcement and the Scheme Document and will not be responsible to anyone other than Hunters for providing the protections afforded to clients of Dowgate or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

### **Legal Advisers**

*CMS Cameron McKenna Nabarro Olswang LLP is retained as legal adviser to The Property Franchise Group. DWF Law LLP is retained as legal adviser to Hunters.*

### **Further information**

*The Acquisition will be made solely by means of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of Takeover Offer, the offer document) which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme (or, accept the Takeover Offer as the case may be).*

*This Announcement does not constitute a prospectus or prospectus equivalent document. The New TPFG Shares to be issued pursuant to the Acquisition are not being offered to the public by means of this Announcement. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange, the FCA, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.*

*Any vote, approval, decision or other response to the Acquisition by the Hunters Shareholders should be made only on the basis of the information in the Scheme Document. Hunters Shareholders are strongly advised to read the formal documentation in relation to the Acquisition once it has been despatched. It is expected that the Scheme Document (including notices of the Hunters Meetings) together with the relevant Forms of Proxy, will be posted to Hunters Shareholders as soon as is reasonably practicable and in any event within 28 days of this Announcement, unless otherwise agreed with the Panel.*

*Hunters will prepare the Scheme Document to be distributed to Hunters Shareholders and which will be available on The Property Franchise Group's website at <https://thepropertyfranchisegroup.co.uk/investors> and Hunters' website at <https://www.hunters.com/other-services/investor-relations>. Hunters and The Property Franchise Group urge Hunters Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition, the New TPFG Shares and the TPFG Group. Any vote in respect of resolutions to be proposed at the Hunters Meetings to approve the Acquisition, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document. Each Hunters Shareholder is urged to consult its independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to them.*

*The Property Franchise Group will prepare the TPFG Circular to be distributed to TPFG Shareholders and which will be available on The Property Franchise Group's website at*



<https://thepropertyfranchisegroup.co.uk/investors> . The Property Franchise Group urges TPFG Shareholders to read the TPFG Circular when it becomes available. Any vote in respect of the TPFG Resolution should be made only on the basis of the information in the TPFG Circular. It is expected that the TPFG Circular (including the notice of the TPFG General Meeting) together with the TPFG Form of Proxy, will be posted to TPFG Shareholders as soon as reasonably practicable following this Announcement.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Hunters or the Hunters Group or The Property Franchise Group or the TPFG Group except where otherwise stated.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation. The person responsible for arranging for the release of this announcement on behalf of The Property Franchise Group is David Raggett and on behalf of Hunters is Ed Jones.

### **Notice to Overseas Shareholders**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of The Property Franchise Group pursuant to the Acquisition or otherwise in any jurisdiction in contravention of applicable law. This Announcement has been prepared for the purposes of complying with the laws of England and Wales, the Takeover Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of any jurisdiction outside England and Wales.

Unless otherwise determined by The Property Franchise Group or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition, copies of this Announcement and all documents relating to the Acquisition will not be and must not be made available, mailed or otherwise forwarded, distributed or sent, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that that jurisdiction.

If the Acquisition is to be implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation) the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of the mails, or by any other means of instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.

The availability of the New TPFG Shares under the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal requirements or regulatory requirements.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

## **Notice to US holders**

*Hunters Shareholders in the United States should note that the Acquisition relates to the securities of an English company with a listing on AIM and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to procedural and disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement involving a target company in England listed on AIM, which are different from the procedural and disclosure requirements of the US proxy solicitation and tender offer rules under the US Exchange Act. The Property Franchise Group reserves the right, subject to the prior written consent of the Panel, to elect to implement the Acquisition by way of a Takeover Offer. If in the future The Property Franchise Group exercises its right to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with all applicable laws and regulations, including, to the extent applicable, Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by The Property Franchise Group and no one else. In addition to any such Takeover Offer, The Property Franchise Group, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hunters outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States in compliance with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: <http://www.londonstockexchange.com/>.*

*The New TPFG Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act or under any laws or with any securities regulatory authority of any State or other jurisdiction of the United States and may only be offered or sold in the United States in reliance on an exemption from the registration requirements of the US Securities Act. The New TPFG Shares are expected to be issued in reliance upon the exemption from the registration requirement of the US Securities Act provided by Section 3(a)(10) thereof. Hunters Shareholders who are or will be "affiliates" (within the meaning of Rule 144 under the US Securities Act) of The Property Franchise Group or Hunters prior to, or of The Property Franchise Group after, the Effective Date will be subject to certain US transfer restrictions relating to the New TPFG Shares received pursuant to the Scheme as will be further described in the Scheme Document.*

*For the purposes of qualifying for the exemption from the registration requirement of the US Securities Act provided by Section 3(a)(10) thereunder, Hunters will advise the Court that the Court's sanctioning of the Scheme will be relied on by The Property Franchise Group as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Hunters Shareholders at which all Hunters Shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification is given to all Hunters Shareholders.*

*None of the securities referred to in this Announcement have been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any such authorities passed judgment upon the fairness or the merits of the Acquisition or determined if the information in this Announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.*

*US holders of Hunters Shares also should be aware that the transaction contemplated herein may have tax consequences in the United States and that such consequences, if any, are not described herein. US holders of Hunters Shares are urged to consult with independent professional advisers regarding the legal, tax and financial consequences of the Acquisition applicable to them,*

*It may be difficult for US holders of Hunter Shares to enforce their rights and claims arising out of the US federal securities laws, since The Property Franchise Group and Hunters are organised in a country other than the United States, and some or all of their officers and directors may be residents of, and some or all*

*of their assets may be located in, countries other than the United States. US holders of Hunters Shares may have difficulty effecting service of process within the United States upon those persons or recovering against judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. US holders of Hunters Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*The financial information included in this Announcement and other documentation related to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*Further details in relation to US holders will be contained in the Scheme Document.*

### ***Forward looking statements***

*This Announcement (including information incorporated by reference into this Announcement), oral statements made regarding the Acquisition and other information published by The Property Franchise Group and Hunters contains statements about The Property Franchise Group and Hunters that are or may be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "subject to", "aims", "intends", "will", "may", "might", "could", "would", "should", "anticipates", "scheduled", "estimates", "projects", "budget", "forecasts" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of The Property Franchise Group's or Hunters' or the Enlarged Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on The Property Franchise Group's or Hunters' or the Enlarged Group's businesses.*

*Such forward looking statements involve risks and uncertainties that could significantly affect expected results and/or operations of The Property Franchise Group and Hunters and are based on certain key assumptions and assessment made by The Property Franchise Group and Hunters in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business acquisitions or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Due to such uncertainties and risks, readers are cautioned not to place reliance on such forward looking statements, which speak only as of the date hereof.*

*Neither Hunters nor The Property Franchise Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Except as expressly provided in this Announcement, they have not been reviewed by the auditors of Hunters or The Property Franchise Group. All subsequent oral or written forward looking statements attributable to Hunters or The Property Franchise Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Furthermore, neither The Property Franchise Group or Hunters, nor any of their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them assumes, and expressly disclaims, any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise) except as required by applicable law (including as required by the Takeover Code, the AIM Rules and the Disclosure Guidance and Transparency Rules).*

## **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

## **Information relating to Hunters Shareholders**

*Please be aware that addresses, electronic addresses and certain information provided by Hunters Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hunters may be provided to The Property Franchise Group during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

## **No profit forecast or estimates**

*No statement in this Announcement is intended as a profit forecast or profit estimate for any period. No statement in this Announcement should be interpreted to mean that earnings of Hunters or The Property Franchise Group, or earnings per Hunters Share or earnings per TPF Share, for the current or future*

financial years would necessarily match or exceed the historical published earnings of Hunters or The Property Franchise Group, or earnings per Hunters Share or earnings per TPFG Share.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Publication on website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this Announcement and the documents required to be published under Rule 26 of the Takeover Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on The Property Franchise Group's and Hunters' websites at <https://thepropertyfranchisegroup.co.uk/> and <https://www.hunters.com/other-services/investor-relations>, respectively, by no later than 12.00 p.m. on the Business Day following this Announcement.

Neither the contents of The Property Franchise Group's website, nor those of Hunters' website, nor those of any other website accessible from hyperlinks on either The Property Franchise Group's or Hunters' website, are incorporated into or form part of this Announcement.

### **Availability of hard copies**

Pursuant to Rule 30.3 of the Takeover Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form.

Hunters Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by writing to Neville Registrars of Neville House, Steelpark Road, Halesowen B62 8HD or by calling 0121 585 1131 (or, if calling from outside the UK, on +44 121 585 1131). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the standard applicable rate. The helpline is open between 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any legal or tax advice and calls may be recorded and monitored for security and training purposes. It is important that you note that unless you make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

TPFG Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by writing to TPFGR Registrar of The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Please note that the TPFGR Registrar cannot provide any legal or tax advice and calls may be recorded and monitored for security and training purposes. It is important that you note that unless you make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

### **Rule 2.9 Requirement**

In accordance with Rule 2.9 of the Takeover Code, Hunters confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM 32,814,588 ordinary shares of 4 pence each. Hunters has no Hunters Shares held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BYMW5L71.

In accordance with Rule 2.9 of the Takeover Code, The Property Franchise Group confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM 25,822,750 ordinary shares of 1 pence each. The Property Franchise Group has no TPFGR Shares held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BH0WFH67.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT IS DEEMED BY THE PROPERTY FRANCHISE GROUP PLC AND HUNTERS PROPERTY PLC TO CONTAIN INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN**

**THIS ANNOUNCEMENT IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW TPFG SHARES EXCEPT ON THE BASIS OF INFORMATION IN THE SCHEME DOCUMENT AND THE TPFG CIRCULAR WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE**

**FOR IMMEDIATE RELEASE**

**28 January 2021**

**RECOMMENDED ACQUISITION TO BE IMPLEMENTED BY WAY OF CASH AND SHARE OFFER**

**for**

**HUNTERS PROPERTY PLC**

**by**

**THE PROPERTY FRANCHISE GROUP PLC**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

## **1. INTRODUCTION**

1.1 Further to the announcement by Hunters on 4 December 2020 in which Hunters confirmed it had received a preliminary approach from The Property Franchise Group, the Boards of Directors of The Property Franchise Group and Hunters are pleased to announce that they have reached agreement on the terms of a recommended cash and share offer pursuant to which The Property Franchise Group will acquire the entire issued and to be issued ordinary share capital of Hunters (the "**Acquisition**"). The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

## **2. THE ACQUISITION**

2.1 Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Hunters Shareholders will be entitled to receive for each Hunters Share:

**0.1655 New TPFG Shares**

**and**

### 43.2 pence in cash

On the basis of a price of 174 pence per TPF Share, being the price agreed at the time of the approach by The Property Franchise Group to Hunters, the Acquisition values each Hunters Share at 72 pence (the "**Offer Price**") and the entire issued and to be issued share capital of Hunters at approximately £24.2 million.

In addition, the Hunters Directors intend to declare a special interim dividend of 2.7 pence per Hunters Share for the year ended 31 December 2020 ("**Special Dividend**"). The Special Dividend would be payable to the holders of Hunters Shares on a record date to be announced on or before the publication of the Scheme Document.

The Offer Price per Hunters Share represents approximately:

- a 4.0 per cent. discount to the Closing Price per Hunters Share of 75 pence on the Latest Practicable Date;
- a 23.1 per cent. premium to the Closing Price per Hunters Share of 58.5 pence on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period);
- a 16.3 per cent. premium to the three-month volume -weighted average price per Hunters Share of 61.9 pence (being the volume weighted average Closing Price for the three-month period ended on the Latest Practicable Date; and
- a 32.3 per cent. premium to the six-month volume -weighted average price per Hunters Share of 54.4 pence (being the volume weighted average Closing Price for the six-month period ended on the Latest Practicable Date.

On the basis of a price of 191.5 pence per TPF Share, being the Closing Price on the Latest Practicable Date, the Acquisition values each Hunters Share at 74.9 pence and the entire issued and to be issued share capital of Hunters at approximately £25.2 million, which represents a premium of 28.0 per cent. to the Closing Price per Hunters Share of 58.5p on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period).

Immediately following completion of the Acquisition, existing TPF Shareholders will hold approximately 82.3 per cent. and Hunters Shareholders will hold approximately 17.7 per cent. respectively of The Property Franchise Group on a non-diluted basis.

The New TPF Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the TPF Shares in issue at the time the New TPF Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Application will be made for the New TPF Shares to be admitted to trading on AIM.

The Hunters Shares will be acquired by The Property Franchise Group fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

It is expected that the Scheme Document will be published as soon as is reasonably practicable and in any event within 28 days of this Announcement, unless otherwise agreed with the Panel. It is expected that the Hunters Meetings will be held on or around 5 March 2021 and that the Scheme will become Effective in March 2021.

The Offer Price is on the basis that the Special Dividend will be declared on or before publication of the Scheme Document. The Special Dividend will only be payable to Hunters Shareholders.

If any dividend (other than the Special Dividend) and/or other distribution and/or return of value is authorised, declared, made or paid in respect of the Hunters Shares on or after the date of this

Announcement and before the Effective Date, The Property Franchise Group reserves the right to reduce the value of the consideration payable for each Hunters Share under the Acquisition by up to the amount per Hunters Share of such dividend, distribution or return of capital. If any such dividend and/or other distribution and/or other return of value occurs and The Property Franchise Group exercises its rights pursuant to this paragraph, any reference in this Announcement to the Offer Price shall be deemed to be a reference to the Offer Price as so reduced. Any exercise by The Property Franchise Group of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. To the extent that any such dividend and/or distribution and/or return of capital is declared, made, paid in respect of the Hunters Shares and (i) is transferred pursuant to the Acquisition on a basis which entitles The Property Franchise Group to receive the dividend and/or distribution and/or return of capital and to retain it or (ii) such dividend and/or distribution and/or return of capital is cancelled, the Offer Price will not be subject to change in accordance with this paragraph.

### **3. BACKGROUND TO AND REASONS FOR THE ACQUISITION**

The TPFG Group is a UK-based property franchise business. Since the admission of The Property Franchise Group to AIM in December 2013, the TPFG Group has steadily grown its revenues from £4.1 million to £11.4 million for the financial year ended 31 December 2019. For the same period, the TPFG Group increased its adjusted operating profit from £1.8 million to £5.0 million. This has been achieved primarily through organic growth but also supported by acquisitions, including the TPFG Group's purchase of EweMove in 2016, which expanded its offering to include a hybrid estate agency model.

Today, the TPFG Group operates as a pure franchising business through six award winning brands, operating almost 250 offices across the UK, with over 60 per cent. of its franchisees having traded for over five years.

The TPFG Board has over the past few years been monitoring the market for an attractive opportunity with a view to achieving increased scale of its property franchising model.

The Hunters Group is a property franchise business, specialising in residential sales and lettings, based in the UK, with its head office in York. The Hunters Group has traded under the Hunters brand since inception in 1992. As a result of both organic and acquisitive growth, as at 31 December 2020 its network comprised 209 branches. The Hunters brand has become widely known and has a strong reputation within the estate and lettings agency market.

The TPFG Board believes that Hunters is a complementary business to acquire and that a combination of The Property Franchise Group and Hunters provides an opportunity to create a leading entity in the UK property franchising sector, with enhanced potential for growth within the Enlarged Group.

The TPFG Board and Hunters Board believe that the Acquisition provides compelling value for Hunters Shareholders in the context of a challenging housing market and broader macro-economic uncertainty as a result of the Covid-19 pandemic. The terms of the Acquisition provide Hunters Shareholders with a combination of certain cash, as well as the New TPFG Shares, allowing participation in the future capital and income returns of the enlarged business, with the Offer Price representing a significant premium to Hunters' share price performance prior to the Rule 2.4 Announcement by Hunters on 4 December 2020. The Offer Price represents a premium of 32.3 per cent. to Hunters' volume weighted average share price over the six months ended on 27 January 2021, being the Latest Practicable Date.

It is anticipated that the Enlarged Group will benefit from increased scale, which would enable it to take full advantage of the UK housing market.



Further to the above, the TPF Board believes that the key reasons for proceeding with the Acquisition are as follows:

- *Enhanced scale and geographic reach* - the Enlarged Group will benefit from increased scale with more than 400 physical branches, managing in excess of 70,000 tenanted properties and selling more than 20,000 properties per annum.
- *Earnings accretion and annual synergies* - the TPF Board has identified areas of potential synergies, which would provide a stronger platform for further organic growth and further enhancement of the progressive and resilient dividend policy. These are anticipated to be largely cost synergies including but not limited to: leverage of IT expertise, operational savings from duplicated costs across some administrative functions and operational cost savings from the cancellation of Hunters' AIM quotation.
- *Acceleration of financial services strategy* - the Enlarged Group would have the scale to make effective use of The Property Franchise Group's plans to create a pool of 100 financial advisers, as well as to justify further recruitment in this area. To date, neither The Property Franchise Group nor Hunters has been able to fully exploit the significant opportunities that exist in this area.
- *Strengthened management team* - it is proposed that the executive directors of both The Property Franchise Group and Hunters will remain within the Enlarged Group following completion of the Acquisition. It is proposed that Glynis Frew, Chief Executive of Hunters, will join the Enlarged Group as an Executive Director of The Property Franchise Group whilst Ed Jones will join as Group Finance Director and Company Secretary, a non-board position. Gareth Samples will remain as the TPF Group CEO and David Raggett as the TPF Group CFO. It is proposed that Dean Fielding, currently a Non-Executive Director of Hunters, will join the Enlarged Group as an independent Non-Executive Director of The Property Franchise Group. Richard Martin will continue as Non-Executive Chairman of the Enlarged Group, Paul Latham will become Deputy Chairman and Non-Executive Director Phil Crooks will also remain on the TPF Board as an independent Non-Executive Director.
- Furthermore, the TPF Board believes that the Acquisition provides significant opportunities to properly exploit the existing and additional income streams within the Enlarged Group from converting independent operators, assisting franchisees in the purchase of managed portfolios of tenanted properties, and through the use of digital marketing over a considerably increased customer database.

For the reasons set out above, the TPF Board believes that the Acquisition is in the best interest of the shareholders of both The Property Franchise Group and Hunters in the immediate and long term.

#### **4. DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT AND LOCATIONS**

##### *4.1 The Property Franchise Group's strategic plans for Hunters*

The Property Franchise Group and Hunters have complementary businesses. The TPF Board believes that the Acquisition will allow the Enlarged Group to enhance its value proposition to franchisees and customers, while building a stronger and more efficient franchisee network. The Property Franchise Group envisages that the business of Hunters would continue to operate materially in the same way without significant disruption to the businesses of either The Property Franchise Group or Hunters once the Hunters Group has been fully integrated with the TPF Group.

The TPF Board has identified areas of potential synergies, which would provide a stronger platform for further organic growth and further enhancement of the progressive and resilient dividend policy. These are anticipated to be largely cost synergies at the outset including but not limited to: leverage of IT expertise, operations cost savings from the cancellation of Hunters' AIM quotation and operational savings from duplicated costs across some administrative functions.

#### *4.2 Employees and Management*

The Property Franchise Group holds in high regard the achievements and expertise of the existing management and employees of Hunters.

The TPF Board has identified areas of potential cost synergies which will be reviewed in more detail following completion of the Acquisition. Subject to the below, The Property Franchise Group does not intend to initiate any material headcount reductions within the Hunters Group as a result of the Acquisition and expects that existing employees of Hunters will continue to contribute to Hunters' ongoing success. However, to the extent that there are operational inefficiencies or a duplication of functions or roles within the Enlarged Group, this would result in a limited number of headcount reductions.

At this stage The Property Franchise Group has not yet developed a proposal as to how any such headcount reductions might be implemented and will only develop and implement such a proposal once the review referred to above has been completed. Any implementation of headcount reductions by the Enlarged Group will be subject to comprehensive planning and engagement with employees and consultation with employee representatives as required by applicable law. Any affected employees will be treated in a fair and equitable manner.

It is proposed that the existing Non-Executive Directors of Hunters will each resign as a Hunters Director upon completion of the Acquisition, save for Dean Fielding who it is proposed will join the TPF Board as an independent Non-Executive Director.

#### *4.3 Existing Rights and pensions schemes*

The Property Franchise Group otherwise confirms that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of the Hunters Group's management and employees will be fully safeguarded in accordance with applicable law. The Property Franchise Group does not intend to make any changes with regards to the Hunters Group's existing pension scheme including with regard to the accrual of benefits for existing members and the admission of new members. Hunters does not have any defined benefit pension scheme.

#### *4.4 Locations and headquarters*

Following the completion of the Acquisition, The Property Franchise Group does not intend to make any restructurings or changes in location of either The Property Franchise Group's or Hunters' headquarters and headquarters functions and places of business. In addition, no changes are expected with respect to the deployment of Hunters' fixed asset base or the research and development functions of Hunters.

#### *4.5 Trading Facilities*

The Hunters Shares are currently admitted to trading on AIM. Subject to the Scheme becoming Effective, an application will be made to the London Stock Exchange to cancel the admission of the Hunters Shares to trading on AIM, following which Hunters will be re-registered as a private limited company.

#### *4.6 The effect of the Covid-19 pandemic on near-term operational execution and decision-making*

The unknown duration and extent of the macro and micro economic consequences of the Covid-19 pandemic and the steps taken by the UK Government to address health risks remain a material

risk. The ongoing pandemic may impact the Enlarged Group's views on near-term operational execution and decision-making, and therefore the Enlarged Group may need to be agile to adapt its operational and strategic intentions to the impact of the pandemic.

## **5. RECOMMENDATIONS**

### *Hunters*

5.1 The Hunters Directors, who have been so advised by Spark Advisory as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hunters Directors, Spark Advisory has taken into account the commercial assessments of the Hunters Directors. Spark Advisory is providing independent financial advice to the Hunters Directors for the purposes of Rule 3 of the Takeover Code. Accordingly, the Hunters Directors confirm that they intend to recommend unanimously that Hunters Shareholders vote in favour of the Scheme at the Hunters Court Meeting and in favour of the Hunters Special Resolution to be proposed at the Hunters General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 11,212,619 Hunters Shares representing, in aggregate, approximately 34.2 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

### *The Property Franchise Group*

5.2 In order to allot the New TPFG Shares, The Property Franchise Group will be required to seek the approval of the TPFG Shareholders at the TPFG General Meeting. The Acquisition is accordingly conditional on such approval being obtained. The TPFG Directors have received financial advice from Cenkos Securities in relation to the Acquisition. In providing its advice to the TPFG Directors, Cenkos Securities has taken into account the TPFG Directors' commercial assessment of the Acquisition. The TPFG Directors consider the Acquisition to be in the best interests of the TPFG Shareholders as a whole and intend to recommend unanimously that TPFG Shareholders vote in favour of the TPFG Resolution to be proposed at the TPFG General Meeting, as those TPFG Directors who are interested in TPFG Shares have irrevocably undertaken to do in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 8,317,350 TPFG Shares representing, in aggregate, approximately 32.2 per cent. of the ordinary share capital of The Property Franchise Group in issue on the Latest Practicable Date.

## **6. BACKGROUND TO AND REASONS FOR THE HUNTERS BOARD RECOMMENDATION**

6.1 Further to the reasons set out in paragraph 3 above, the Hunters Board believes that the Offer Price represents an attractive premium for Hunters Shareholders, providing immediate cash realisation as well as the New TPFG Shares, which enable participation by Hunters Shareholders in the future capital and income returns of the Enlarged Group.

The Hunters Board believes that the Enlarged Group would provide a larger, more resilient entity in a time of macro-economic uncertainty, with a strengthened management team, greater liquidity in shares, cost synergies and significant opportunities to properly exploit the existing and additional income streams within the Enlarged Group.

## **7. IRREVOCABLE UNDERTAKINGS**

### *Hunters Meetings*

7.1 The Property Franchise Group has received irrevocable undertakings from each of the Hunters Directors and from Nigel Wray, John Waterhouse and Martin Robinson to vote in favour of the Scheme at the Hunters Court Meeting and in favour of the Hunters Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 23,346,906 Hunters Shares, representing approximately 71.1 per cent. of the ordinary share capital of Hunters in issue as at the Latest Practicable Date.

7.2 The Property Franchise Group has also received irrevocable undertakings from each of the TPF Group Directors to vote in favour of the TPF Resolution to be proposed at the TPF General Meeting, in respect of a total of 8,317,350 TPF Shares, which represents approximately 32.2 per cent. of the ordinary share capital of The Property Franchise Group in issue as at the Latest Practicable Date).

7.3 Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

## **8. INFORMATION ON THE PROPERTY FRANCHISE GROUP**

8.1 The TPF Group is a franchised property business in the UK. The Property Franchise Group is the holding company of five trading subsidiaries with a stable of six national and regional estate and letting agency brands operating over 240 physical branches across the UK: Martin & Co, EweMove, Whitegates, Ellis & Co, CJ Hole and Parkers.

8.2 The Property Franchise Group adopted a franchise model in 1995 and has enjoyed a high level of franchisee retention. The Group's origin is Martin & Co, a business started as an estate agency in Yeovil by Richard & Kathy Martin in 1986. The Martins then added a lettings service and in 1995 began to franchise their business model.

8.3 The Property Franchise Group is a public company quoted on AIM (AIM: TPF) with a current market capitalisation of approximately £50 million (as at the Latest Practicable Date). The Property Franchise Group was admitted to trading on AIM in December 2013.

8.4 The TPF Group has a strong presence in lettings and, as at the date of this Announcement, manages 58,000 properties on behalf of landlords. It also has a growing presence in estate agency, completing on the sale of 10,800 homes in 2019. The Property Franchise Group is a multi-award winning business with recent successes including "best national lettings agent" at the EA Masters awards in 2019 and "the hybrid estate agency of the year" at the 2019 Negotiator awards for EweMove. CJ Hole and Parkers, brands owned by the TPF Group, also won Best Estate Agent Guide awards in 2019.

8.5 In its financial year ending 31 December 2019, the TPF Group revenue for the financial year to 31 December 2019 was £11.4 million (31 December 2018: £11.2 million). During the twelve month period ended 31 December 2019, the adjusted EBITDA of the TPF Group was £5.3 million (31 December 2018: £5.1 million) an increase of £0.2 million (5 per cent.) over the prior year. The profit before tax was £4.0 million for 2019 (2018: £4.3 million) and the average earnings per share was 12.5 pence (2018: 13.3 pence)

8.6 In the interim results of the TPF Group for the period ended 30 June 2020 (published on 8 September 2020), the TPF Group reported robust revenues of £5.4 million despite the closure and challenges caused by the Covid-19 pandemic. The TPF Group's profit before tax position remained stable at £2.0 million. The TPF Group's balance sheet was strong with a net cash position of £6.1 million at 30 June 2020 (30 June 2019: £2.8 million) and net cash generated from operations of £2.2 million.

## **9. INFORMATION ON HUNTERS**

9.1 The Hunters Group is a franchised estate agency group based in the UK, with its head office in York. The group has traded under the Hunters brand since inception in 1992. As a result of both organic growth and acquisitions, at 31 August 2020 its network comprises 209 branches. The Hunters brand has become widely known and has a strong reputation within the estate and lettings agency market. The business was founded on the principles of delivering excellent customer service, unrivalled proactivity and the best results for its customers. These principles remain at the heart of Hunters.

- 9.2 Hunters is a public company quoted on AIM (AIM: HUNT) with a current market capitalisation of approximately £23.0 million (as at the Latest Practicable Date).
- 9.3 Hunters was admitted to trading on AIM in July 2015. In its financial year ending 31 December 2019, the Hunters Group generated turnover of £14 million (31 December 2018: £14 million). During the twelve month period ended 31 December 2019 the EBITDA of the Hunters Group was £2.8 million (31 December 2018: £2.3 million), the adjusted profit before tax was £2.1 million (31 December 2018: £2.0 million) and the adjusted basic earnings per share was 5.86 pence (31 December 2018: 5.93 pence).
- 9.4 In the interim results of the Hunters Group for the period ended 30 June 2020 (published on 29 September 2020), the net assets of the Hunters Group stood at £8 million (31 December 2019: £7.5 million), the retained cash was £5.6 million (31 December 2019: £1.3 million) and its net debt stood at £2.2 million (31 December 2019: £3.2 million). Included in these figures is the Hunters Group's £3.5 million Coronavirus Business Interruption Loan which it has not used.

## 10. CURRENT TRADING

### *Hunters*

- 10.1 On 29 September 2020, Hunters announced that it was trading strongly following the UK national lockdown which ended in May 2020 and it continued to do so to the end of its financial year ending 31 December 2020. As a result of savings made and restructuring undergone by the Hunters Group and the support provided under various government initiatives, Hunters has been able to offset the extent of the downside disruption. The Hunters Directors are looking to report on the back of a strong finish to the financial year ending 31 December 2020 and a network pipeline of £17 million (December 2019: £9 million). With strong trading since the end of the first lockdown and having refrained from dividend payments since November 2019, the Hunters Group net debt position has improved accordingly.

### *The Property Franchise Group*

- 10.2 On 8 September 2020 The Property Franchise Group announced in its interim results that the TPF Group had traded strongly against the background of the pandemic and lockdowns. Furthermore, activity since estate agents were able to re-open their offices at the end of May 2020 had resulted in record performances being set across lettings and sales in June 2020 and July 2020. Revenues for H1 2020 were £5.4 million (H1 2019: £5.4 million); adjusted EBITDA for H1 2020 was £2.5 million (H1 2019: £2.4m) and profit before tax for H1 2020 was £2.0 million (H1 2019: £2.0 million). The TPF Group reported a strong balance sheet with a net cash position of £6.1 million allowing for a reinstatement of dividend payments with an interim dividend of 2.1 pence and a return to the execution of key strategic growth initiatives.
- 10.3 Current trading for The Property Franchise Group has continued to be strong and the TPF Board expects full year results to be in line with management expectations.

## 11. DIVIDENDS

### *Hunters Dividends*

- 11.1 Hunters announced on 29 September 2020 its intention to reinstate dividends and pay in 2021 the equivalent of a full year dividend. The Special Dividend in respect of the year ended 31 December 2020 of 2.7 pence per Hunters Share compares with the 2.4 pence per Hunters Share paid for the year ended 31 December 2018 (being the last full year dividend paid).
- 11.2 The Hunters Directors intend to declare a special interim dividend of 2.7 pence per Hunters Share for the year ended 31 December 2020 ("**Special Dividend**"). The Special Dividend would be payable to the holders of Hunters Shares on a record date to be announced on or before the publication of the Scheme Document.

11.3 If any dividend (other than the Special Dividend) and/or other distribution and/or return of value is authorised, declared, made or paid in respect of the Hunters Shares on or after the date of this Announcement and before the Effective Date, The Property Franchise Group reserves the right to reduce the value of the consideration payable for each Hunters Share under the Acquisition by up to the amount per Hunters Share of such dividend, distribution or return of capital. If any such dividend and/or other distribution and/or other return of value occurs and The Property Franchise Group exercises its rights pursuant to this paragraph, any reference in this Announcement to the Offer Price shall be deemed to be a reference to the Offer Price as so reduced. Any exercise by The Property Franchise Group of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. To the extent that any such dividend and/or distribution and/or return of capital is declared, made, paid in respect of the Hunters Shares and (i) is transferred pursuant to the Acquisition on a basis which entitles The Property Franchise Group to receive the dividend and/or distribution and/or return of capital and to retain it or (ii) such dividend and/or distribution and/or return of capital is cancelled, the Offer Price will not be subject to change in accordance with this paragraph.

#### *The Property Franchise Group Dividends*

11.4 The Property Franchise Group has followed a progressive dividend policy since its admission to AIM in December 2013. In line with many listed companies it did not pay a final dividend for 2019. However, it was one of the first amongst listed property companies to reinstate dividends with an interim payment of 2.1 pence per TPF Group Share in September 2020.

11.5 The Property Franchise Group expects to pay a second interim dividend, in lieu of a final dividend for FY 2020 of 6.6 pence. It is expected that this dividend will be paid during the period following this Announcement and before the Scheme becomes Effective. This dividend would be payable to existing TPF Group Shareholders only.

## **12. ARRANGEMENTS BETWEEN THE PROPERTY FRANCHISE GROUP AND HUNTERS MANAGEMENT**

Appropriate incentivisation arrangements will be put in place for the management of the Enlarged Group following completion of the Acquisition, although no detailed discussions have taken place to date between Hunters and The Property Franchise Group in relation to such arrangements.

## **13. HUNTERS SHARE PLANS**

As at the Latest Practicable Date, 1,888,000 options remained outstanding under the Hunters Share Plans, of which 821,333 will be valid for exercise prior to the Effective Date. The remaining 1,066,667 options granted under the Hunters Share Plans have been surrendered or will not vest on the following bases:

- conditional upon the Scheme becoming Effective, each of Ed Jones, Glynis Frew and Kevin Hollinrake has agreed to surrender an aggregate of 700,000 options granted pursuant to the LTIP; and
- a further 366,667 options granted under the LTIP will not vest upon the Scheme becoming Effective.

Participants in the Hunters Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Hunters Share Plans and appropriate proposals will be made to such participants in due course.

## **14. FINANCING**

- 14.1 The cash consideration payable by The Property Franchise Group under the terms of the Acquisition will be approximately £14.5 million. The consideration payable by The Property Franchise Group under the terms of the Acquisition will be financed by a combination of: (a) a loan facility from Barclays Bank PLC, the proceeds of which may be used towards, *inter alia*, financing the consideration paid or payable under the terms of the Acquisition and (b) existing cash resources of The Property Franchise Group. The financing made available under the loan facility is made available on a certain funds basis. Details of the facility agreement will be set out in the Scheme Document.
- 14.2 In accordance with Rule 2.7(d) of the Takeover Code, Cenkos Securities, as financial adviser to The Property Franchise Group, is satisfied that sufficient resources are available to The Property Franchise Group to enable it to satisfy in full the cash consideration payable to Hunters Shareholders under the terms of the Acquisition.

## 15. OFFER-RELATED ARRANGEMENTS

### *Non-Disclosure Agreement*

- 15.1 The Property Franchise Group and Hunters entered into a non-disclosure agreement on 16 December 2020 pursuant to which each of The Property Franchise Group and Hunters has undertaken to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. These confidentiality obligations continue in effect until the earlier of the Scheme becoming Effective and the date falling two years from the date of the non-disclosure agreement.

## 16. STRUCTURE OF THE ACQUISITION

It is intended that the Acquisition will be effected by means of a court-sanctioned scheme of arrangement between Hunters and Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for The Property Franchise Group to become the holder of the entire issued and to be issued ordinary share capital of Hunters.

Under the Scheme, the Scheme Shares will be transferred to The Property Franchise Group, in consideration for which Scheme Shareholders will receive the cash and share consideration on the basis set out in paragraph 2 above.

The New TPFG Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form. The New TPFG Shares will be issued by The Property Franchise Group to Scheme Shareholders no later than 14 days after the Effective Date. Fractions of the New TPFG Shares will not be allotted or issued pursuant to the Acquisition, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New TPFG Shares and all fractions of New TPFG Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Enlarged Group

To become Effective, the Scheme must be approved by a majority in number of the Hunters Shareholders present and voting (and entitled to vote) at the Hunters Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Hunters Shares which are voted at the Hunters Court Meeting (or any adjournment thereof), together with the approval of the Court and the passing at the Hunters General Meeting of the Hunters Special Resolution necessary to implement the Scheme.

The Scheme is also subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

Once the necessary approvals from Hunters Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court. The Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Subject to satisfaction of the Conditions, the Scheme is expected to become Effective in March 2021.

The Acquisition will lapse if the Scheme does not become Effective by 28 May 2021 (or such later date as The Property Franchise Group and Hunters may agree).

Upon the Scheme becoming Effective, (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Hunters Court Meeting or the Hunters General Meeting (and, if they attended and voted, whether or not they voted in favour) and (ii) share certificates in respect of Scheme Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system will be cancelled.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document, which is expected to be despatched to Hunters Shareholders as soon as reasonably practicable following the release of this Announcement. The timing of events which relate to the implementation of the Acquisition is, however, subject to the approval of the Court and is therefore subject to change.

## 17. CONDITIONS TO THE ACQUISITION

17.1 The Acquisition will be subject to the Conditions and further terms set out in full in Appendix I to this Announcement and to be set out in the Scheme Document. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before 11.59 p.m. on the Long Stop Date. In summary, the Scheme is conditional, *inter alia*, upon the following events occurring on or before the Long Stop Date:

17.1.1 a resolution to approve the Scheme being passed by a majority in number of the Hunters Shareholders who are present and vote (and who are entitled to vote) at the Hunters Court Meeting (or any adjournment thereof), either in person or by proxy, representing not less than 75 per cent. in value of the Hunters Shares voted;

17.1.2 such Hunters Court Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Hunters Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;

17.1.3 all resolutions necessary to implement the Scheme being duly passed by the requisite majority or majorities at the Hunters General Meeting or any adjournment thereof;

17.1.4 such Hunters General Meeting, or any adjournment of such meeting, being held on or before the 22<sup>nd</sup> day after the expected date of the Hunters General Meeting to be set out in the Scheme Document in due course or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;

17.1.5 the Scheme being sanctioned (with or without modification, but subject to any such modification being on terms agreed by The Property Franchise Group and Hunters), by the Court;

17.1.6 the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Sanction Hearing as set out in the Scheme Document or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;

17.1.7 a copy of the Scheme Court Order being delivered to the Registrar of Companies;



- 17.1.8 the passing at the TPFPG General Meeting (or at any adjournment thereof) of the TPFPG Resolution to authorise the allotment and issue of the New TPFPG Shares to Hunters Shareholders (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);
- 17.1.9 the London Stock Exchange having acknowledged to The Property Franchise Group or its agent (and such acknowledgement not having been withdrawn) that the New TPFPG Shares will be admitted to trading on AIM;
- 17.1.10 in so far as the Acquisition satisfies the thresholds for notification and premerger authorisation under the United Kingdom Enterprise Act 2002, where the CMA has opened a CMA Merger Investigation either (i) confirmation having been received in writing from the CMA that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made; and
- 17.1.11 the other Conditions not otherwise identified above (but set out in Appendix I of this Announcement) either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived.
- 17.2 The Condition that the Scheme must become unconditional and Effective on or before 11.59 p.m. on the Long Stop Date and the Conditions set out in sub-paragraphs 17.1.1, 17.1.3, 17.1.5, 17.1.7, 17.1.8 and 17.1.9 above are not capable of being waived, in whole or in part.

## **18. THE PROPERTY FRANCHISE GROUP APPROVAL TO ISSUE NEW TPFPG SHARES**

- 18.1 The Acquisition involves the issue of New TPFPG Shares to Hunters Shareholders. Accordingly, The Property Franchise Group will be required to seek the approval of TPFPG Shareholders for the allotment and issue of New TPFPG Shares at the TPFPG General Meeting. The Acquisition will be conditional on, among other things, the TPFPG Resolution being passed by the requisite majority of TPFPG Shareholders at the TPFPG General Meeting.
- 18.2 The Property Franchise Group will prepare the TPFPG Circular which will contain a notice convening the TPFPG General Meeting. It is expected that the TPFPG Circular will be published and posted to TPFPG Shareholders at or around the same time as the Scheme Document is posted to Hunters Shareholders. The TPFPG Circular will be made available by The Property Franchise Group on its website at <https://thepropertyfranchisegroup.co.uk/investors>.
- 18.3 If the issue of New TPFPG Shares to any Restricted Overseas Person, or to any person who is reasonably believed to be a Restricted Overseas Person, would or may infringe the laws of a jurisdiction outside England and Wales or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, The Property Franchise Group may at its discretion determine that such Restricted Overseas Person shall either (i) not have allotted or issued to him New TPFPG Shares and that the New TPFPG Shares which would otherwise have been attributable to such Restricted Overseas Person under the terms of the Acquisition shall be sold in the market and the cash proceeds of such sale be forwarded to such Restricted Overseas Person or (ii) that the New TPFPG Shares shall be issued to such Restricted Overseas Person but shall be sold in the market on his behalf and the cash proceeds of such sale forwarded to the relevant Restricted Overseas Person (in each case after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale).

## **19. ADMISSION OF NEW TPFPG SHARES**

Prior to the Effective Date, an application will be made to the London Stock Exchange for the New TPFG Shares to be admitted to trading on AIM. It is expected that Admission will become Effective and that unconditional dealings in the New TPFG Shares will commence at 8.00 a.m. on the first Business Day following the Effective Date. The New TPFG Shares will not be listed on any stock exchange other than AIM, and have not been, and will not be, registered under the US Securities Act or under any laws of any state or other jurisdiction of the United States.

## **20. DE-LISTING AND RE-REGISTRATION**

20.1 Prior to the Scheme becoming Effective, Hunters will make an application to request the London Stock Exchange to cancel the trading of the Hunters Shares on AIM, to take effect shortly after the Effective Date.

On the Effective Date, Hunters will become a wholly-owned subsidiary of The Property Franchise Group and share certificates in respect of Hunters Shares will cease to be valid and should be destroyed. In addition, entitlements to Hunters Shares held within the CREST system will be cancelled on the Effective Date.

Upon the Scheme becoming Effective, The Property Franchise Group will acquire the Hunters Shares fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them including the right to receive and retain all dividends and distributions (if any) declared, made or paid by reference to a record date after the Effective Date.

It is also proposed that, following the Effective Date and after its shares are delisted, Hunters will be re-registered as a private limited company.

## **21. DISCLOSURE OF INTERESTS**

21.1 Save in respect of the irrevocable undertakings referred to in paragraph 7 above, as at the Latest Practicable Date neither The Property Franchise Group, nor any of the TPFG Directors, nor, so far as The Property Franchise Group is aware, any person acting in concert (within the meaning of the Takeover Code) with it:

- had any interest in, or right to subscribe for, any relevant securities of Hunters;
- had any short positions in respect of relevant securities of Hunters (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- had borrowed or lent any relevant securities of Hunters (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold; or
- was a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

## **22. OVERSEAS SHAREHOLDERS**

22.1 The release, publication or distribution of this Announcement to, and the availability of the New TPFG Shares to be issued pursuant to the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal requirements or regulatory requirements. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. Further details in relation to Overseas Shareholders of Hunters will be found in the Scheme Document.

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer to sell or subscribe for or any invitation to purchase or

subscribe for any securities or the solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of The Property Franchise Group pursuant to the Acquisition or otherwise in any jurisdiction in contravention of applicable law. This Announcement has been prepared for the purposes of complying with the laws of England and Wales, and the Takeover Code, the AIM Rules, the Market Abuse Regulation and, the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of any jurisdiction outside England and Wales.

The New TPFG Shares to be issued under the Acquisition have not been and will not be registered under the US Securities Act or under any laws or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, unless an exemption under relevant securities laws is available, including the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof, the New TPFG Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States. The New TPFG Shares referred to in this Announcement have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any such authorities passed judgment upon the fairness or the merits of the Acquisition or determined if the information in this Announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

## 23. GENERAL

The Property Franchise Group reserves the right, with the consent of the Panel, to elect to implement the Acquisition of the Hunters Shares by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including an acceptance condition set at 90 per cent. of the shares to which such offer relates or such lesser percentage, being more than 50 per cent., as The Property Franchise Group may decide). However, if The Property Franchise Group were to elect to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with all applicable laws and regulations. If the Acquisition is effected by way of a Takeover Offer and such offer becomes or is declared unconditional in all respects and sufficient acceptances are received in respect of such offer, The Property Franchise Group intends to: (i) make an application to request the London Stock Exchange to cancel trading of Hunters Shares on AIM; and (ii) exercise its rights (to the extent such rights are available) to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Hunters Shares in respect of which such offer has not been accepted.

The Acquisition will be made subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings received by The Property Franchise Group is contained in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

The Acquisition will be governed by the laws of England and Wales and will be subject to the jurisdiction of the courts of England and Wales. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange, the FCA, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.

Each of Cenkos Securities and Spark Advisory has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to their opinions

and names (as applicable) in the form and context in which they are included.

## 24. DOCUMENTS ON DISPLAY

24.1 Copies of the following documents will be made available on The Property Franchise Group and Hunters' websites at <https://thepropertyfranchisegroup.co.uk/investors> and <https://www.hunters.com/other-services/investor-relations>, respectively until the end of the Offer Period:

- this Announcement;
- the irrevocable undertakings referred to in paragraph 7 above and summarised in Appendix III to this Announcement;
- the documents relating to the financing of the Acquisition referred to in paragraph 14 above;
- the Confidentiality Agreement; and
- the consent letters referred to in paragraph 23.

### **Enquiries:**

#### **Hunters**

Glynis Frew - Chief Executive 01904 756 197  
Ed Jones - Chief Financial Officer

#### **Spark Advisory Partners Limited (Hunters' Financial Adviser and Nominated Adviser)**

Andrew Emmott 0113 370 8971

#### **Dowgate Capital Limited (Hunters' Corporate Broker)**

James Serjeant 020 3903 7715

#### **The Property Franchise Group**

Gareth Samples, Chief Executive Officer 01202 405549  
David Raggett, Chief Financial Officer

#### **Cenkos Securities plc (The Property Franchise Group's Financial Adviser and Nominated Adviser)**

Max Hartley 0207 397 8900  
Callum Davidson

#### **Alma (The Property Franchise Group's PR advisers)**

Susie Hudson 0203 405 0209

### **Financial Advisers**

*Cenkos Securities plc ("**Cenkos Securities**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for The Property Franchise Group and no one else in connection with the Acquisition and the other matters referred to in this Announcement, the TPFG Circular and the Scheme Document and will not be responsible to anyone other than The Property Franchise Group for providing the protections afforded to clients of Cenkos Securities or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

*Spark Advisory Partners Limited ("**Spark Advisory**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Hunters and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document and will not be responsible to anyone other than Hunters for providing the protections afforded to clients of Spark Advisory or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

*Cenkos Securities, Spark Advisory and Dowgate have given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.*

*Dowgate Capital Limited ("**Dowgate**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Hunters and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document and will not be responsible to anyone other than Hunters for providing the protections afforded to clients of Dowgate or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

### **Legal Advisers**

*CMS Cameron McKenna Nabarro Olswang LLP is retained as legal adviser to The Property Franchise Group. DWF Law LLP is retained as legal advisers to Hunters.*

### **Further information**

*This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of an offer to buy any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. The Acquisition will be made solely by means of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of Takeover Offer, the offer document) or any document by which the Acquisition is made which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme.*

*This Announcement does not constitute a prospectus or prospectus equivalent document. The New TPFG Shares to be issued pursuant to the Acquisition are not being offered to the public by means of this Announcement. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.*

*Any vote, approval, decision or other response to the Acquisition by the Hunters Shareholders should be made only on the basis of the information in the Scheme Document. Hunters Shareholders are strongly advised to read the formal documentation in relation to the Acquisition once it has been despatched. It is expected that the Scheme Document (including notices of the Hunters Meetings) together with the relevant Forms of Proxy, will be posted to Hunters Shareholders as soon as is reasonably practicable and in any event within 28 days of this Announcement, unless otherwise agreed with the Panel.*

Hunters will prepare the Scheme Document to be distributed to Hunters Shareholders. Hunters and The Property Franchise Group urge Hunters Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition, the New TPF Group Shares and the TPF Group. Any vote in respect of resolutions to be proposed at the Hunters Meetings to approve the Acquisition, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document. Each Hunters Shareholder is urged to consult its independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to them.

The Property Franchise Group will prepare the TPF Circular to be distributed to TPF Shareholders and which will be available on The Property Franchise Group's website at <https://thepropertyfranchisegroup.co.uk/investors>. The Property Franchise Group urges TPF Shareholders to read the TPF Circular when it becomes available. Any vote in respect of the TPF Resolution should be made only on the basis of the information in the TPF Circular. It is expected that the TPF Circular (including the notice of the TPF General Meeting) together with the TPF Form of Proxy, will be posted to TPF Shareholders as soon as reasonably practicable and in any event within 28 days of this Announcement, unless otherwise agreed with the Panel.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Hunters or the Hunters Group or The Property Franchise Group or the TPF Group except where otherwise stated.

### **Notice to Overseas Shareholders**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This Announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Announcement or otherwise or the solicitation of any vote or approval in any jurisdiction in which such offer or solicitation is unlawful. This Announcement has been prepared for the purposes of complying with the laws of England and Wales and the Takeover Code, the AIM Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of any jurisdiction outside England and Wales.

Unless otherwise determined by The Property Franchise Group or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition, copies of this Announcement and all documents relating to the Acquisition will not be and must not be made available, mailed or otherwise forwarded, distributed or sent, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that that jurisdiction.

If the Acquisition is to be implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation) the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of the mails, or by any other means of instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.

The availability of the New TPF Shares under the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are

subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal requirements or regulatory requirements.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

### **Notice to US holders**

Hunters Shareholders in the United States should note that the Acquisition relates to the securities of an English company with a listing on AIM and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to procedural and disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement involving a target company in England listed on AIM, which are different from the procedural and disclosure requirements of the US proxy solicitation and tender offer rules under the US Exchange Act. The Property Franchise Group reserves the right, subject to the prior written consent of the Panel, to elect to implement the Acquisition by way of a Takeover Offer. If in the future The Property Franchise Group exercises its right to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with all applicable laws and regulations, including, to the extent applicable, Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by The Property Franchise Group and no one else. In addition to any such Takeover Offer, The Property Franchise Group, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hunters outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States in compliance with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: <http://www.londonstockexchange.com/>.

The New TPFPG Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act or under any laws or with any securities regulatory authority of any State or other jurisdiction of the United States and may only be offered or sold in the United States in reliance on an exemption from the registration requirement of the US Securities Act. The New TPFPG Shares are expected to be issued in reliance upon the exemption from the registration requirement of the US Securities Act provided by Section 3(a)(10) thereof. Hunters Shareholders who are or will be "affiliates" (within the meaning of Rule 144 under the US Securities Act) of The Property Franchise Group or Hunters prior to, or of The Property Franchise Group after, the Effective Date will be subject to certain US transfer restrictions relating to the New TPFPG Shares received pursuant to the Scheme as will be further described in the Scheme Document.

For the purposes of qualifying for the exemption from the registration requirement of the US Securities Act provided by Section 3(a)(10) thereunder, Hunters will advise the Court that the Court's sanctioning of the Scheme will be relied on by The Property Franchise Group as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Hunters Shareholders at which all Hunters Shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification is given to all Hunters Shareholders.

None of the securities referred to in this Announcement have been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any such authorities passed judgment upon the fairness or the merits of the Acquisition or determined if the information in this Announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

US holders of Hunters Shares also should be aware that the transaction contemplated herein may have tax consequences in the United States and that such consequences, if any, are not described herein. US holders of Hunters Shares are urged to consult with independent professional advisers regarding the legal, tax and financial consequences of the Acquisition applicable to them,

*It may be difficult for US holders of Hunter Shares to enforce their rights and claims arising out of the US federal securities laws, since The Property Franchise Group and Hunters are organised in a country other than the United States, and some or all of their officers and directors may be residents of, and some or all of their assets may be located in, countries other than the United States. US holders of Hunters Shares may have difficulty effecting service of process within the United States upon those persons or recovering against judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. US holders of Hunters Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*The financial information included in this Announcement and other documentation related to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*Further details in relation to US holders will be contained in the Scheme Document.*

### **Forward looking statements**

*This Announcement (including information incorporated by reference into this Announcement), oral statements made regarding the Acquisition and other information published by The Property Franchise Group and Hunters contains statements about The Property Franchise Group and Hunters that are or may be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "might", "could", "would", "should", "anticipates", "estimates", "projects", "forecasts" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of The Property Franchise Group's or Hunters' operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on The Property Franchise Group's or Hunters' businesses.*

*Such forward looking statements involve risks and uncertainties that could significantly affect expected results and/or operations of The Property Franchise Group and Hunters and are based on certain key assumptions and assessment made by The Property Franchise Group and Hunters in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business acquisitions or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof.*

*Neither Hunters nor The Property Franchise Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Except as expressly provided in this Announcement, they have not been reviewed by the auditors of Hunters or The Property Franchise Group. All subsequent oral or written forward looking statements attributable to Hunters or The Property Franchise Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Furthermore, neither The Property Franchise Group or Hunters, nor any of their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them assumes any obligation to update or correct the information contained in this Announcement*



(whether as a result of new information, future events or otherwise) except as required by applicable law (including as required by the Takeover Code, the AIM Rules and the Disclosure Guidance and Transparency Rules).

### **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with either of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Information relating to Hunters Shareholders**

*Please be aware that addresses, electronic addresses and certain information provided by Hunters Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hunters may be provided to The Property Franchise Group during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **No profit forecast or estimates**

*No statement in this Announcement is intended as a profit forecast or profit estimate for any period. No statement in this Announcement should be interpreted to mean that earnings per Hunters Share or earnings per TPFG Share for the current or future financial years would necessarily match or exceed the historical published earnings per Hunters Share or earnings per TPFG Share.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### **Publication on website**

*A copy of this Announcement will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on The Property Franchise Group's and Hunters' websites at <https://thepropertyfranchisegroup.co.uk/investors> and <https://www.hunters.com/other-services/investor-relations>, respectively, by no later than 12.00 p.m. on the Business Day following this Announcement.*

*Neither the contents of The Property Franchise Group's website, nor those of Hunters' website, nor those of any other website accessible from hyperlinks on either The Property Franchise Group's or Hunters' website, are incorporated into or form part of this Announcement.*

### **Availability of hard copies**

*Pursuant to Rule 30.3 of the Takeover Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form.*

*TPFG Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by writing to TPFGR Registrar of The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the standard applicable rate. The helpline is open between 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that TPFGR Registrar cannot provide any legal or tax advice and calls may be recorded and monitored for security and training purposes. It is important that you note that unless you make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

*Hunters Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by writing to Neville Registrars of Neville House, Steelpark Road, Halesowen B62 8HD or by calling 0121 585 1131 (or, if calling from outside the UK, on +44 0121 585 1131). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the standard applicable rate. The helpline is open between 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any legal or tax advice and calls may be recorded and monitored for security and training purposes. It is important that you note that unless you make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

### **Rule 2.9 Requirement**

*In accordance with Rule 2.9 of the Takeover Code, Hunters confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM is 32,814,588 ordinary shares of 4 pence each. Hunters has no Hunters Shares held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BYMW5L71.*

*In accordance with Rule 2.9 of the Takeover Code, The Property Franchise Group confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM is 25,822,750 ordinary shares of 1 pence each. The Property Franchise Group has no TPFG Shares held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BH0WFH67.*

*The Acquisition is subject to the provisions of the Takeover Code.*

## **APPENDIX I CONDITIONS AND FURTHER TERMS OF THE ACQUISITION**

### **Part 1 The Conditions**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, by not later than the Long Stop Date or such later date (if any) as The Property Franchise Group and Hunters may, with the consent of the Panel, agree and (if required) the Court may allow.
2. The Scheme will be conditional upon:
  - (a) the approval of the Scheme by a majority in number of Hunters Shareholders who are present and vote (and who are entitled to vote), whether in person or by proxy, at the Hunters Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, representing not less than 75 per cent. in value of the Hunters Shares in issue at the Voting Record Time voted by such Hunters Shareholders;
  - (b) the Hunters Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Hunters Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow);
  - (c) all resolutions necessary to implement the Scheme being duly passed by the requisite majority or majorities at the Hunters General Meeting or at any adjournment of that meeting;
  - (d) the Hunters General Meeting or any adjournment of that meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Hunters General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow);
  - (e) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to The Property Franchise Group and Hunters) and an office copy of the Court Order being delivered for registration to the Registrar of Companies;
  - (f) the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow).
3. In addition, subject to Part 2 of this Appendix I and to the requirements of the Panel and in accordance with the Takeover Code, the Acquisition will also be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will only be taken on the satisfaction or, where relevant, waiver of the following Conditions (as amended if appropriate):
  - (a) the passing at the TPFG General Meeting (or at any adjournment thereof) of the TPFG Resolution to authorise the allotment and issue of the New TPFG Shares to Hunters

Shareholders (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);

- (b) the London Stock Exchange having acknowledged to The Property Franchise Group or its agent (and such acknowledgment not having been withdrawn) that the New TPFG Shares will be admitted to trading on AIM;
- (c) in so far as the Acquisition satisfies the thresholds for notification and premerger authorisation under the United Kingdom Enterprise Act 2002, where the CMA has opened a CMA Merger Investigation either (i) confirmation having been received in writing from the CMA that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made;
- (d) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to be published practice and there not continuing to be outstanding any statute, regulation, decision or order or having taken any other action or step which would or might reasonably be expected to:
  - (i) make the Acquisition, its implementation or the acquisition or the proposed acquisition by The Property Franchise Group or any member of the Wider TPFG Group of any shares or other securities in, or control or management of, Hunters or any member of the Wider Hunters Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict, delay or otherwise materially adversely interfere with the same or impose additional conditions or obligations with respect to the Acquisition (or its implementation) or such acquisition, or otherwise impede, challenge or interfere with the Acquisition (or its implementation) or such acquisition, or require material adverse amendment to the terms of the Acquisition or the acquisition or proposed acquisition of any Hunters Shares or the acquisition of control or management of Hunters or any member of the Wider Hunters Group by The Property Franchise Group or any member of the Wider TPFG Group;
  - (ii) materially limit or delay the ability of any member of the Wider TPFG Group or any member of the Wider Hunters Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Hunters Group or any member of the Wider TPFG Group, as the case may be, taken as a whole;
  - (iii) require, prevent or materially delay any divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider TPFG Group of any shares or other securities in Hunters or any member of the Wider Hunters Group, in any case to an extent which is or reasonably likely to be material in the context of the Acquisition, or the Wider TPFG Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;
  - (iv) require, prevent or materially delay any divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider TPFG Group or by any member of the Wider Hunters Group of all or any part of their respective businesses, assets or properties or limit the ability of any of them to conduct

all or any part of their respective businesses or to own or control any of their respective assets or properties or any part thereof, in any such case to an extent which is or is reasonably likely to be material in the context of the Acquisition, the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;

- (v) require (save as pursuant to sections 974 to 991 of the Companies Act and the implementation of the Acquisition), any member of the Wider TPF Group or of the Wider Hunters Group to subscribe for or acquire, or to offer to subscribe for or acquire, any shares or other securities (or the equivalent) or interest in any member of the Wider Hunters Group or the Wider TPF Group;
- (vi) materially limit the ability of any member of the Wider TPF Group or of the Wider Hunters Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider TPF Group and/or of the Wider Hunters Group in each case in a manner which is material in the context of the Acquisition, or as the case may be, in the context of the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;
- (vii) result in any member of the Wider TPF Group or the Wider Hunters Group ceasing to be able to carry on business under any name under which it presently does so (in any case to an extent which is material in the context of the Acquisition, the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group); or
- (viii) otherwise adversely affect the business, assets, profits, financial or trading position or prospects of any member of the Wider TPF Group or of any member of the Wider Hunters Group to an extent which is material in the context of the Wider TPF Group or the Wider Hunters Group, as the case may be, in either case, taken as a whole;

and all applicable waiting and other time periods during which any such Third Party could take, institute, implement or threaten such actions, proceedings, suit, investigation, enquiry or reference or take any other step under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as the case may be);

- (e) all material notifications, filings and/or applications which are necessary having been made, all applicable waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or terminated (as appropriate) and all material statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Hunters or any other member of the Wider Hunters Group by any member of the Wider TPF Group or the carrying on by any member of the Wider Hunters Group of its business;
- (f) all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Acquisition (or its implementation) or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Hunters or any other member of the Wider Hunters Group by The Property Franchise Group or any member of the Wider TPF Group or the carrying on by any member of the Wider Hunters Group of its business having been obtained, in terms and in a form reasonably satisfactory to The Property Franchise Group from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider TPF Group or any member of the Wider

Hunters Group has entered into contractual arrangements and such Authorisations together with all Authorisations necessary for any member of the Wider Hunters Group to carry on its business remaining in full force and effect, and there being no notice or other intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same having been made in connection with the Acquisition or any other matter directly, or indirectly, arising from the Acquisition (or its implementation), in each case where the absence of such Authorisation would have a material adverse effect on the Wider Hunters Group or the Wider TPF Group taken as a whole and all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with;

- (g) save as Disclosed there being no provision of any arrangement, agreement, lease, licence, permit, franchise or other instrument to which any member of the Wider Hunters Group is a party, or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any circumstance, which, in each case as a consequence of the Acquisition (or its implementation) or the acquisition or proposed acquisition by The Property Franchise Group or any member of the Wider TPF Group or otherwise of any shares or other securities (or the equivalent) in, or control or management of, Hunters or any other member of the Wider Hunters Group, could reasonably be expected to result in, in any case to an extent which is or would be material in the context of the Wider Hunters Group taken as a whole:
  - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Hunters Group being or becoming repayable or being capable of being declared repayable immediately or prior to their or its stated maturity or the ability of any member of the Wider Hunters Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Hunters Group or any such mortgage, charge or other security interest (wherever and whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Hunters Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or arising thereunder or any onerous obligation or liability arising thereunder;
  - (iv) any asset or interest of any member of the Wider Hunters Group or any asset the use of which is enjoyed by any member of the Wider Hunters Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Hunters Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Hunters Group otherwise than in the ordinary course of business;
  - (v) any member of the Wider Hunters Group ceasing to be able to carry on business under any name under which it presently does so;
  - (vi) the creation or assumption of any liabilities (actual or contingent) by any member of the Wider Hunters Group other than trade creditors in the ordinary course of business;

- (vii) the rights, liabilities, obligations or interests of any member of the Wider Hunters Group under any such arrangement, agreement, lease, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any agreements or arrangements relating to any such interests or business) being terminated, adversely modified or affected;
- (viii) the financial or trading position or the prospects or the value or the profits of Hunters or of any member of the Wider Hunters Group being prejudiced or adversely affected in any manner;
- (ix) the creation of any liability (actual or contingent) by any member of the Wider Hunters Group; or
- (x) any member of the Wider Hunters Group being required to acquire or repay any shares in and/or indebtedness of any member of the Wider Hunters Group owned by or owed to any third party;

and no event having occurred which, under any provision of any such arrangement, agreement, lease, license, permit, franchise or other instrument to which any member of the Wider Hunters Group is a party, or by or to which any such member or any of its assets may be found entitled or subject, could result in any of the events or circumstances which are referred to in paragraphs (i) to (x) of this Condition 3(g) in any case to an extent which is or would be material in the context of the Wider Hunters Group as a whole;

- (h) save as Disclosed no member of the Wider Hunters Group having since 31 December 2019:
  - (i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares or securities of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Hunters and its wholly-owned subsidiaries or between such wholly-owned subsidiaries or pursuant to the Hunters Share Plans);
  - (ii) purchased, redeemed, repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above made or authorised any other change to any part of its share capital other than pursuant to the implementation of the Acquisition;
  - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution, whether payable in cash or otherwise (save for the Special Dividend) declared before the Effective Date by any wholly-owned subsidiary of Hunters to Hunters or any of their respective wholly-owned subsidiaries;
  - (iv) save for transactions between Hunters and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to make, propose or authorise any change in its loan capital or issued or authorised the issue of any debentures or incurred or increased any indebtedness or contingent liability;
  - (v) save for transactions between Hunters and its wholly-owned subsidiaries or between such wholly-owned subsidiaries merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any material assets or any right, title or interest in any material assets (including

shares in any undertaking and trade investments) or authorised, proposed or announced the same, in each case which is material in the context of the Wider Hunters Group taken as a whole;

- (vi) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to, any debentures or, other than trade credit incurred in the ordinary course of business, incurred or increased any indebtedness or liability (actual or contingent) except as between Hunters and any of its wholly owned subsidiaries or between such wholly-owned subsidiaries, which in any case is material in the context of the Wider Hunters Group taken as a whole;
- (vii) entered into, varied, authorised, proposed or announced an intention to enter into or vary any contract, agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - (aa) is of a long term, onerous or unusual nature or magnitude or which involves or is or is reasonably likely to involve an obligation of such a nature or magnitude;
  - (bb) restricts or could reasonably be expected to restrict the business of any member of the Wider Hunters Group or the Wider TPF Group other than to a nature and extent which is normal in the context of the business concerned; or
  - (cc) is other than in the ordinary course of business, and which is, in any such case, material in the context of the Wider Hunters Group taken as a whole;
- (viii) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Hunters Group;
- (ix) entered into or varied or made an offer (which remains open for acceptance) to vary the terms of any contract, agreement, letter of appointment, commitment or arrangement with any of the directors or senior executives of any member of the Wider Hunters Group or changed or entered into any commitment to change the terms of any of the Hunters Share Plans save for salary or fee increases and bonuses not resulting in total annual remuneration of any individual exceeding the immediately preceding year's remuneration by more than three per cent. or other bonuses or variations of terms in the ordinary course of business which are not material in the context of the Acquisition or the Wider Hunters Group taken as a whole;
- (x) commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise;
- (xi) taken any corporate action or had any step, application, filing in court, notice or legal proceedings started, served, instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any



jurisdiction which in any case is material in the context of the Wider Hunters Group taken as a whole;

- (xii) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or having entered into or taken steps to enter into a moratorium, composition, compromise or arrangement with its creditors in respect of its debts or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xiii) waived, settled, abandoned or compromised any claim or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the Wider Hunters Group (other than in the ordinary and usual course of business) to an extent which is material in the context of the Wider Hunters Group taken as a whole;
- (xiv) terminated or varied the terms of any agreement or arrangement between any member of the Wider Hunters Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position or prospects of the Wider Hunters Group taken as a whole;
- (xv) made any alteration to its articles of association other than as required to implement the Acquisition;
- (xvi) put in place any pension schemes for its Directors, employees or their dependants or made or agreed or consented to any change to:
  - (aa) the terms of the trust deeds constituting the pension schemes (if any) established by any member of the Wider Hunters Group for its Directors, employees or their dependants; or
  - (bb) the contributions payable to any such schemes or to the benefits which accrue or to the pensions which are payable thereunder; or
  - (cc) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (dd) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,or agreed or consented to any change to the trustees involving the appointment of a trust corporation;
- (xvii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Hunters Group;
- (xviii) entered into any contract, agreement, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (h); or
- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Hunters Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

(i) since 31 December 2019 and save as Disclosed:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Hunters Group;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Hunters Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Hunters Group;
  - (iii) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Hunters Group;
  - (iv) no contingent or other liability having arisen or become apparent to any member of the TPF Group which would be reasonably likely to materially adversely affect any member of the Wider Hunters Group, taken as a whole;
  - (v) no claim being made and no circumstance having arisen which might reasonably be expected to lead to a claim being made under the insurance of any member of the Wider Hunters Group where such claim would not be covered by such insurance and where such claim is material in the context of the Wider Hunters Group taken as a whole; and
  - (vi) no steps having been taken which might reasonably be expected to result in the withdrawal, cancellation, termination or modification of any licence, permit or consent held by any member of the Wider Hunters Group which is necessary for the proper carrying on by such member of its business; and
  - (vii) no member of the Wider Hunters Group having conducted its business in breach of any applicable laws and regulations;
- (j) the TPF Group not having discovered:
- (i) that any financial, business or other information concerning the Wider Hunters Group disclosed at any time by or on behalf of any member of the Wider Hunters Group, whether publicly or not, to The Property Franchise Group or otherwise, is misleading or contains a misrepresentation of fact or omits to state a fact necessary to make that information contained therein not misleading and which was not subsequently corrected before the date of this Announcement by disclosure by or on behalf of the Wider Hunters Group through the publication of an announcement via the Regulatory Information Service or otherwise; or
  - (ii) that any member of the Wider Hunters Group is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of Hunters for the financial year ended 31 December 2019 or which is not otherwise disclosed to The Property Franchise Group before the date of this Announcement; or
  - (iii) any information which affects the import of any information disclosed to The Property Franchise Group at any time by or on behalf of any member of the Wider Hunters Group in each case to an extent which is material and adverse in the context of the Wider Hunters Group taken as a whole;
- (k) the TPF Group not having discovered that:
- (i) any past or present member, Director, officer or employee of the Wider Hunters Group is or has at any time engaged in any activity, practice or conduct which

would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or any person that performs or has performed services for or on behalf of the Wider Hunters Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or

- (ii) any asset of any member of the Wider Hunters Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, Director, officer or employee of the Wider Hunters Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union or British persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union or English laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the United Kingdom; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, European Union or any of its member states; or
- (iv) a member of the Wider Hunters Group being engaged in any transaction which would cause The Property Franchise Group to be in breach of any law or regulation upon its Acquisition of Hunters, including the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury in the United Kingdom, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states;

in each case to an extent which is material in the context of the Wider Hunters Group taken as a whole; and

(l) save as Disclosed, the TPF Group not having discovered that:

- (i) any past or present member of the Wider Hunters Group has failed to comply with any applicable legislation, regulations or common law of any jurisdiction or any notice, order or requirement of any Third Party with regard to the use, treatment, handling, storage, carriage, transport, release, disposal, discharge, presence, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment (including property) or harm human or animal health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, carriage, transport, release, disposal, discharge, presence, spillage, release, leak or emission (whether or not the same constituted a non-compliance by any person with any legislation, regulations or law and wherever the same may have taken place) which, in any case, would be reasonably likely to give rise to any material liability (whether actual or contingent) or cost on the part of any member of the Wider Hunters Group; or

- (ii) there is, or is reasonably likely to be, any obligation or liability, whether actual or contingent, to make good, repair, reinstate, remedy or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Hunters Group or any other property or controlled waters under any environmental legislation, regulation, common law, notice, circular, order or other lawful requirement of any relevant authority or Third Party in any jurisdiction or otherwise; or
- (iii) circumstances exist whereby a person or class of persons would be likely to have a claim against a member of the Wider Hunters Group in respect of any product or service used therein now or previously sold or carried out by any past or present member of the Wider Hunters Group,
- in each case to an extent which is material in the context of the Wider Hunters Group taken as whole.

## **Part 2: Waiver of Conditions and further terms of the Acquisition and the Scheme**

1. Subject to the requirements of the Panel, or if required, by the Court, The Property Franchise Group reserves the right to waive all or any of the Conditions in Part 1 above save for (i) the Conditions contained in Conditions 1, 2(a), 2(c), 2(e), 3(a) and 3(b) which cannot be waived). If any of the deadlines in Conditions in 2(b), 2(d) or 2(f) are not met, The Property Franchise Group shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed to extend the deadline.
2. The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or where appropriate, have been determined by The Property Franchise Group to be or remain satisfied, by no later than 11:59 p.m on the date immediately preceding the date of the Sanction Hearing, failing which the Scheme will lapse.
3. The Acquisition will lapse if the Scheme does not become Effective by no later than 11.59 pm on the Long Stop Date.
4. The Property Franchise Group shall not be under any obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions by a date earlier than the latest date of the fulfilment of that Condition notwithstanding that the other Conditions to the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
5. If The Property Franchise Group is required by the Panel to make an offer for the Hunters Shares under the provisions of Rule 9 of the Takeover Code, The Property Franchise Group may make such alterations to the Conditions and certain further terms of the Acquisition as are necessary to comply with the provisions of that Rule.
6. The Acquisition will lapse if it or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference before the date of the Hunters Court Meeting.
7. The Property Franchise Group reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to the Panel's consent)) as an alternative to the Scheme. In such event, such offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such lower percentage (being more than 50 per cent.) as The Property Franchise Group may decide (subject to the Panel's consent)) of the shares to which such offer relates), so far as applicable, as those which would apply to the Scheme (the "**General Offer Acceptance Condition**"). Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Hunters Shares are otherwise acquired, it is the intention of The Property Franchise Group to apply the provisions of

section 979 of the Companies Act to compulsorily acquire any outstanding Hunters Shares to which such Takeover Offer relates.

8. The Hunters Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equitable interests, security interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, or made or on or after the Effective Date (excluding the Special Dividend).
9. The New TPFPG Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the TPFPG Shares in issue at the time the New TPFPG Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Application will be made for the New TPFPG Shares to be admitted to trading on AIM.
10. Under Rule 13.5 of the Takeover Code, The Property Franchise Group may only invoke a condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn where the circumstances which give rise to the right to invoke the condition are of material significance to The Property Franchise Group in the context of the Acquisition. The Conditions contained in Conditions 1, 2 and 3(a) and 3(b) of Part 1 of this Appendix I and the General Offer Acceptance Condition are not subject to this provision of the Takeover Code. The Acquisition and the Scheme are and will be governed by the laws of England and Wales and will be subject to the exclusive jurisdiction of the English and Welsh courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition will also be subject to the applicable requirements of the Companies Act, the Court, the regulations of the FCA, the London Stock Exchange, the AIM Rules and the Takeover Code, the Market Abuse Regulation and, the Disclosure Guidance and Transparency Rules. This Announcement does not constitute, or form part of, an offer or invitation to purchase Hunters Shares or any other securities.
11. The availability of the New TPFPG Shares under the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. Further details in relation to Overseas Shareholders will be contained in the Scheme Document. The New TPFPG Shares to be issued under the Acquisition have not been and will not be registered under the US Securities Act or under any laws or with any securities regulatory authority of any State or other jurisdiction of the United States or under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New TPFPG Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, or any other Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction, including, without limitation, the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
13. If any dividend (other than the Special Dividend) or other distribution or return of capital is proposed, declared, made, paid or becomes payable by Hunters in respect of a Hunters Share on or after the date of this announcement and prior to the Acquisition becoming Effective, The Property Franchise Group reserves the right to reduce the value of the consideration payable for each

Hunters Share under the Acquisition by up to the amount per Hunters Share of such dividend, distribution or return of capital. If any such dividend and/or other distribution and/or other return of value occurs and The Property Franchise Group exercises its rights pursuant to this paragraph, any reference in this Announcement to the Offer Price shall be deemed to be a reference to the Offer Price as so reduced. Any exercise by The Property Franchise Group of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. To the extent that any such dividend and/or distribution and/or return of capital is declared, made, paid in respect of the Hunters Shares and (i) is transferred pursuant to the Acquisition on a basis which entitles The Property Franchise Group to receive the dividend and/or distribution and/or return of capital and to retain it or (ii) such dividend and/or distribution and/or return of capital is cancelled, the Offer Price will not be subject to change in accordance with this paragraph.

14. Fractions of the New TPFG Shares will not be allotted or issued pursuant to the Acquisition, but entitlements of Hunters Shareholders will be rounded down to the nearest whole number of New TPFG Shares and all fractions of New TPFG Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes Effective. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to Hunters Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Enlarged Group.
15. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX II SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- (i) The value placed by the Offer Price of £24.2 million attributed to the fully diluted share capital of Hunters is based on 33,635,921 Hunters Shares and an exchange ratio of 0.1655 New TPFG Shares (at a price of 174 pence each being the price agreed at the time of the approach by The Property Franchise Group to Hunters) plus 43.2 pence in cash for each Hunters Share.
- (ii) The Closing Prices of Hunters Shares and TPFG Shares are based on the Closing Price of the relevant shares derived from the Daily Official List for the relevant dates.
- (iii) The fully diluted share capital of Hunters (being 33,635,921 Hunters Shares) is calculated on the basis of 32,814,588 Hunters Shares in issue on the Latest Practicable Date, and in addition up to 821,333 further Hunters Shares which may be issued on or after the date of this Announcement following the exercise of options, under the Hunters Share Plans.
- (iv) All share prices expressed in pence have been rounded to the nearest pence and all percentages have been rounded to one decimal place (other than the percentages in Part 1 of Appendix III which have been rounded to the nearest two decimal places).
- (v) Unless otherwise stated, the financial information relating to Hunters is extracted from the audited consolidated financial statements of Hunters for the financial year ended 31 December 2019, prepared in accordance with IFRS.
- (vi) The financial information relating to TPFG Group is extracted from the audited consolidated financial statements of TPFG Group for the financial year ended 31 December 2019, prepared in accordance with IFRS.

## **APPENDIX III IRREVOCABLE UNDERTAKINGS**

## Irrevocable Undertakings

The following holders, controllers or beneficial owners of Hunters Shares have given irrevocable undertakings to accept the Acquisition and vote in favour of the Scheme at the Hunters Court Meeting and the Hunters Special Resolution to be proposed at the Hunters General Meeting to give effect to the Scheme:

### Part 1- Hunters Directors

The Property Franchise Group has received irrevocable undertakings from each of the Hunters Directors to vote in favour of the Scheme at the Hunters Court Meeting and the Hunters Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 11,212,619 Hunters Shares, representing approximately 34.17 per cent. of the ordinary share capital of Hunters in issue as at the Latest Practicable Date:

Name	Number of Hunters Shares	% of Hunters Shares in issue
Kevin Hollinrake	4,356,518	13.28%
Ed Jones	4,027,629	12.27%
Glynis Frew	1,917,622	5.84%
Harry Hill	682,000	2.08%
Dean Fielding	228,850	0.70%
<b>TOTAL</b>	<b>11,212,619</b>	<b>34.17%</b>

The irrevocable undertakings given by the Hunters Directors will continue to be binding in the event that a higher competing offer is made for Hunters.

Each irrevocable undertaking listed in this paragraph shall lapse if, *inter alia*:

- (A) the Scheme does not become Effective prior to 11.59 p.m. on the Long Stop Date; or
- (B) any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a Scheme); or
- (C) the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- (D) any event occurs or becomes known to The Property Franchise Group before despatch of this Announcement or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

### Part 2- Hunters Shareholders (other than Directors of Hunters)

The Property Franchise Group has received irrevocable undertakings from Nigel Wray, John Waterhouse and Martin Robinson to vote in favour of the Scheme at the Hunters Court Meeting and the Hunters

Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 12,134,287 Hunters Shares, representing approximately 36.98 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date:

Name	Number of Hunters Shares	% of Hunters Shares in issue
Nigel Wray	5,959,500	18.16%
John Waterhouse	4,134,411	12.60%
Martin Robinson	2,040,376	6.22%
<b>TOTAL</b>	<b>12,134,287</b>	<b>36.98%</b>

The irrevocable undertakings in respect of John Waterhouse and Martin Robinson shall lapse if, *inter alia*:

- (A) the Scheme does not become effective prior to 11.59 p.m. on the Long Stop Date; or
- (B) any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a Scheme); or
- (C) the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- (D) any event occurs or becomes known to The Property Franchise Group before despatch of this Announcement or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

The irrevocable undertaking in respect of Nigel Wray shall lapse if, *inter alia*,

- (A) the Scheme does not become Effective or, as applicable the Takeover Offer lapses or is withdrawn in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- (B) a person, other than The Property Franchise Group, announces a firm intention to make a competing offer to acquire the entire issued share capital of Hunters (however structured), which is on terms *inter alia* which represent an improvement (in the reasonable opinion of Hunters' financial adviser) of ten per cent. of the Offer Price (a "**Competing Offer**") by no later than 11.59 p.m. on a date that is 7 days after the date of this Announcement and The Property Franchise Group has not, on or before 11.59 p.m. on the fourteenth day after the date of the announcement of such Competing Offer announced a new, increased or revised offer which is equal to or exceeds such Competing Offer in the reasonable opinion of Hunters' financial adviser.

#### **TPFG Directors**

The following TPFPG Directors have given irrevocable undertakings in respect of their entire beneficial holdings (and the beneficial holdings which are under their control) of TPFPG Shares to vote or procure votes in favour of the TPFPG Resolution to be proposed at the TPFPG General Meeting, amounting in aggregate to 8,317,350 TPFPG Shares, representing approximately 32.21 per cent. of The Property Franchise Group's existing issued ordinary share capital as at the Latest Practicable Date:



Name	Number of TPFG Shares	% of TPFG Shares in issue
Richard Martin	8,039,950	31.1%
Paul Latham	50,000	0.19%
David Raggett	227,400	0.88%
<b>TOTAL</b>	<b>8,317,350</b>	<b>32.21%</b>

Each irrevocable undertaking listed in this paragraph shall lapse if, *inter alia*:

- (A) the Scheme Document (if implemented by way of a scheme of arrangement) or the offer document (if implemented by way of a Takeover Offer) is not posted to Hunters Shareholders within the permitted period under the Takeover Code or as otherwise agreed with the Panel;
- (B) any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a Scheme); or
- (C) the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- (D) any event occurs or becomes known to The Property Franchise Group before despatch of this announcement or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

#### **APPENDIX IV DEFINITIONS**

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

- "Admission"** admission of the New TPFG Shares to trading on AIM;
- "Acquisition"** means the recommended cash and share acquisition by The Property Franchise Group of Hunters pursuant to which The Property Franchise Group will acquire the entire issued and to be issued share capital of Hunters (other than Hunters Shares already held by the TPFG Group) to be implemented by way of the Scheme or (should The Property Franchise Group so elect, subject to the consent of the Panel (where necessary)) by way of a Takeover Offer;
- "AIM"** the market of that name operated by the London Stock Exchange;
- "AIM Rules"** Rules and Guidance notes for AIM Companies and their nominated advisers issued by the London Stock Exchange

	from time to time relating to AIM traded securities and the operation of AIM;
<b>"Announcement"</b>	this Announcement made pursuant to Rule 2.7 of the Takeover Code, including its Appendices;
<b>"Appendices"</b>	the appendices to this Announcement and the Appendix has a corresponding meaning;
<b>"Authorisations"</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>"Business Day"</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
<b>"Cenkos Securities"</b>	Cenkos Securities plc;
<b>"Closing Price"</b>	the closing middle market price of a Hunters Share on a particular trading day as derived from the AIM appendix to the London Stock Exchange Daily Official List;
<b>"CMA"</b>	the UK statutory body established under the UK Enterprise and Regulatory Reform Act 2013;
<b>"CMA Merger Investigation"</b>	an investigation by the CMA on and to determine whether to make a reference under Article 33 of the Enterprise Act 2002;
<b>"CMA Phase 2 Reference"</b>	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 (as amended) of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (as amended);
<b>"Companies Act"</b>	the Companies Act 2006, as amended;
<b>"Conditions"</b>	the conditions to the implementation of the Scheme and the Acquisition, as set out in Appendix I to this Announcement and to be set out in the Scheme Document;
<b>"Confidentiality Agreement"</b>	the confidentiality agreement dated 16 December 2020 between (1) The Property Franchise Group and (2) Hunters;
<b>"Court"</b>	the High Court of Justice in England and Wales;
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>"CREST"</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
<b>"Daily Official List"</b>	the Daily Official List of the London Stock Exchange;

<b>"Dealing Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Disclosed"</b>	means fairly disclosed (i) in the interim results of Hunters for the six months to 30 June 2020; or (ii) in this Announcement; or (iii) via a Regulatory Information Service prior to the date hereof by or on behalf of Hunters; or (iv) in writing prior to the date hereof by or on behalf of Hunters to The Property Franchise Group, or its financial, accounting or legal advisers (specifically as The Property Franchise Group's advisers in relation to the Acquisition) before the date of this Announcement;
<b>"Disclosure Guidance and Transparency Rules"</b>	the disclosure rules and transparency rules made by the FCA pursuant to section 73A of FSMA;
<b>"EC" or European Commission"</b>	the European Commission of the European Union;
<b>"Effective"</b>	means (a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or  (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Code;
<b>"Effective Date"</b>	the date on which the Acquisition becomes Effective;
<b>"Enlarged Group"</b>	the TPF Group, including the Hunters Group, following the Acquisition becoming Effective;
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited;
<b>"Excluded Shares"</b>	any Hunters Shares which:  (i) are registered in the name of or beneficially owned by The Property Franchise Group or its nominee(s) or any subsidiary undertaking of The Property Franchise Group or its nominee(s); or  (ii) are held in treasury (unless such Hunters Shares cease to be so held);
<b>"FCA" or "Financial Conduct Authority"</b>	the United Kingdom's Financial Conduct Authority;
<b>"Forms of Proxy"</b>	the forms of proxy for use at the Hunters Meetings which will accompany the Scheme Document;
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time);
<b>"Hunters"</b>	Hunters Property plc, a company incorporated in England & Wales with company number 09448465;
<b>"Hunters Board"</b>	the Board of Hunters Directors;

<b>"Hunters Court Meeting"</b>	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
<b>"Hunters Directors"</b>	the Directors of Hunters as at the date of this Announcement;
<b>"Hunters General Meeting"</b>	the general meeting of Hunters Shareholders to be convened in connection with the Acquisition, including any adjournment therefore, and expected to be held immediately following the Hunters Court Meeting;
<b>"Hunters Group"</b>	Hunters and its subsidiary undertakings and, where the context permits, each of them;
<b>"Hunters Meetings"</b>	the Hunters Court Meeting and the Hunters General Meeting, and "Hunters Meeting" shall be construed accordingly;
<b>"Neville Registrars"</b>	Neville Registrars Limited, the registrars to Hunters;
<b>"Hunters Share Plans"</b>	together the Hunters Property Senior Executive Share Option Scheme (dated 18 December 2015, as amended), the Hunters Property Employee Share Option Scheme (dated 18 December 2015), options over Hunters Shares granted in 2015 replacing options originally granted in 2013 and 2015 over shares in Hunters Property Group Limited the EMI Share Option Agreements (dated on or around 27 March 2015) granted to option holders in exchange for the release of existing EMI options (originally granted on 27 September 2013) and a standalone option granted by Hunters evidenced by a share option agreement dated 28 January 2016;
<b>"Hunters Shareholders"</b>	the registered holders of Hunters Shares;
<b>"Hunters Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 4 pence each in the capital of Hunters and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective and a " <b>Hunters Share</b> " shall mean any one of them;
<b>"Hunters Special Resolution"</b>	the special resolution to be proposed at the Hunters General Meeting in connection with the Scheme;
<b>"IFRS"</b>	International Financial Reporting Standards;
<b>"Latest Practicable Date"</b>	close of business on 27 January 2021 being the last Business Day prior to the date of this Announcement;
<b>"Long Stop Date"</b>	28 May 2021 or such other date as The Property Franchise Group and Hunters with the Panel's consent agree;

<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Market Abuse Regulation"</b>	the UK version of the Market Abuse Regulation (EU) (No 596/2014) which is part of English law by virtue of the European (Withdrawal) Act 2018, as amended;
<b>"New TPFG Shares"</b>	the TPFG Shares to be issued credited as fully paid to the Scheme Shareholders pursuant to the Scheme (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);
<b>"Offer Period"</b>	the offer period (as defined in the Takeover Code) relating to Hunters, which commenced on 4 December 2020 (as extended by agreement with the Panel by way of an extension notification dated 29 December 2020 and a subsequent extension notification dated 22 January 2021) and which will end on (i) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Takeover Offer has become or has been declared unconditional as to acceptances and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer;
<b>"Offer Price"</b>	72 pence per Hunters Share;
<b>"Opening Position Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Overseas Shareholders"</b>	Hunters Shareholders (or nominees of, or custodians or trustees for, Hunters Shareholders) not resident in, or nationals or citizens of the United Kingdom;
<b>"Panel"</b>	the UK Panel on Takeovers and Mergers;
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales;
<b>"Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 number 3755) as amended;
<b>"Regulatory Information Service"</b>	a regulatory information service that is approved by the FCA and is on the list of Regulatory Information Services maintained by the FCA;
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Hunters Shareholders in that jurisdiction;
<b>"Restricted Overseas Person"</b>	a person (including an individual, partnership, unincorporated syndicate, limited liability company,

unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom The Property Franchise Group believes to be in, or resident in, a Restricted Jurisdiction (or any custodian, nominee or trustee for such persons) and person in any other jurisdiction (other than persons in the UK) whom The Property Franchise Group is advised to treat as a restricted overseas person in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which The Property Franchise Group regards as unduly onerous;

**"Rule 2.4 Announcement"**

the announcement made by Hunters on 4 December 2020 regarding media speculation pursuant to Rule 2.4 of the Takeover Code;

**"Sanction Hearing"**

the hearing by the Court of the claim form to sanction the Scheme under section 899 of the Companies Act;

**"Scheme"**

the proposed scheme of arrangement under Part 26 of the Companies Act between Hunters and the Hunters Shareholders to implement the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Hunters and The Property Franchise Group;

**"Scheme Document"**

the document to be sent to Hunters Shareholders containing, amongst other things, the Scheme and the notices convening the Hunters Meetings;

**"Scheme Record Time"**

the time and date specified in the Scheme Document by reference to which the entitlements of Hunters Shareholders under the Scheme will be determined, expected to be 6:00 p.m. on the Business Day before the Scheme becomes Effective;

**"Scheme Shareholders"**

the holders of Scheme Shares from time to time;

**"Scheme Shares"**

the ordinary shares of £0.04 each in the capital of Hunters:

- (i) in issue at the date of the Scheme Document;
- (ii) (if any) issued after the date of the Scheme Document and before the Voting Record Time; and
- (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme or in respect of which their holders are, or shall by such time have agreed in writing to be, bound by the Scheme,

and, in each case, remaining in issue at the Scheme Record Time but excluding any Excluded Shares;

<b>"Significant Interest"</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>"Spark Advisory"</b>	Spark Advisory Partners Limited, financial advisers to Hunters;
<b>"Special Dividend"</b>	the dividend of 2.7 pence per Hunters Share;
<b>"subsidiary", "subsidiary undertaking", "associated undertaking", "holding company undertaking"</b>	have the meanings ascribed to them under the Companies Act;
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers;
<b>"Takeover Offer"</b>	has the meaning given to it in Part 28 of the Companies Act;
<b>"Third Party"</b>	any government, government department, governmental or quasi-governmental, supranational, statutory, regulatory, environmental or investigative body or association, institution or agency (including, without limitation, any trade agency) or authority (including, without limitation, any anti-trust or merger control authority), any court or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction;
<b>"The Property Franchise Group"</b>	The Property Franchise Group Plc, a company incorporated in England & Wales with company number 08721920 whose registered office is at 2 St. Stephen's Court, St. Stephen's Road, Bournemouth, Dorset, BH2 6LA or, where the context requires, any direct or indirect wholly-owned subsidiary of The Property Franchise Group elected by The Property Franchise Group and notified in writing to Hunters prior to posting of the Scheme Document (or, if applicable, the offer document) to be the purchaser of Hunters pursuant to the Acquisition;
<b>"TPFG Board"</b>	the Board of TPFG Directors;
<b>"TPFG Circular"</b>	the circular to be published by The Property Franchise Group and to be sent to TPFG Shareholders including the notice convening the TPFG General Meeting to approve the issue of New TPFG Shares in connection with the Acquisition;
<b>"TPFG Directors"</b>	the Directors of The Property Franchise Group as at the date of this Announcement;
<b>"TPFG Form of Proxy"</b>	the form of proxy which will accompany the TPFG Circular;
<b>"TPFG General Meeting"</b>	the general meeting of The Property Franchise Group to be

	convened to consider and, if thought fit, approve the TPFG Resolution, including any adjournment thereof;
<b>"TPFG Group"</b>	The Property Franchise Group and its subsidiary undertakings and, where context permits, each of them;
<b>"TPFG Registrar"</b>	Computershare Investor Services plc, the registrars to The Property Franchise Group;
<b>"TPFG Resolution"</b>	the resolution to be proposed to TPFG Shareholders at the TPFG General Meeting to approve the issue and allotment of the New TPFG Shares in connection with the Acquisition;
<b>"TPFG Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 1 pence each in the capital of The Property Franchise Group;
<b>"TPFG Shareholders"</b>	the holders of TPFG Shares;
<b>"uncertificated" or "in uncertificated form"</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any State of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>"US Exchange Act"</b>	the US Securities Exchange Act of 1934, as amended;
<b>"US Securities Act"</b>	the United States Securities Act of 1933, as amended;
<b>"Voting Record Time"</b>	the time and date specified in the Scheme Document by reference to which entitlement to vote at the Hunters Court Meeting will be determined, expected to be 6.00 p.m. on the day two days prior to the Hunters Court Meeting or any adjournment thereof (as the case may be);
<b>"Wider Hunters Group"</b>	Hunters and its subsidiaries, subsidiary undertakings associated undertakings and any other body corporate, partnership, joint venture or person in which Hunters and such undertakings (aggregating their interests) have a Significant Interest; and.
<b>"Wider TPFG Group"</b>	The Property Franchise Group and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which The Property Franchise Group and all such undertakings (aggregating their interests) have a Significant Interest.



All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.