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If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, these documents should not be forwarded into a Restricted Jurisdiction or transmitted in or into any jurisdiction in violation of local securities laws. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore should not be distributed, forwarded to or transmitted in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States, nor in or into any other jurisdiction where to do so would breach any applicable law or regulation.

The Directors (whose names and functions appear on page 7 of this document) and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Ordinary Shares are admitted to trading on AIM. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority ("FCA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.**

The Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The Placing does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

Mountfield Group plc

(incorporated and registered in England and Wales with registered number 06374598)

Proposed Sale of Mountfield Building Group Limited and Connaught Access Flooring Holdings Limited, Proposed placing of 1,569,620,253 new Ordinary Shares at a price of £0.001975 per share, Proposed Change of Name and Notice of General Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Non-executive Chairman of the Company which is set out in Part 1 of this document and which contains, amongst other things, a recommendation from the Independent Director that you vote in favour of the Resolutions to be proposed at the General Meeting.

Cairn Financial Advisers LLP ("**Cairn**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Cairn or for advising any other person in respect of the matters set out in this document or any transaction, matter or arrangement referred to in this document. Cairn's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

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

Peterhouse Capital Limited ("**Peterhouse**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Peterhouse or for advising any other person in respect of the matters set out in this document or any transaction, matter or arrangement referred to in this document. Peterhouse's responsibilities as the Company's broker are owed solely to London Stock Exchange and are not owed

to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

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

Notice of the General Meeting of Mountfield Group plc, to be held at 11.00 a.m. on 2 March 2021, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, SLC Registrars at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS (or by scanning a signed copy and emailing this to proxy@slcregistrars.com), by no later than 11.00 a.m. on 26 February 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting).

In accordance with Government legislation and related restrictions in response to COVID-19, and to minimise public health risks, the General Meeting is to be held as a closed meeting, electronically, and members and their proxies will not be able to attend or vote at the meeting. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.

The Existing Ordinary Shares are admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that the admission of the New Ordinary Shares will become effective and dealings will commence at 8.00 a.m. on 3 March 2021. The New Ordinary Shares will, when issued at Admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy Placing Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, New Zealand, Australia, the Republic of South Africa or Japan or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries, where to do so would breach any applicable law or regulation. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, the Republic of South Africa or Japan or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, New Zealand, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, New Zealand, the Republic of South Africa or Japan.

Overseas shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Any failure to comply with these restrictions may constitute a violation of relevant securities laws or regulations of the jurisdictions concerned.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, custodians, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

Although copies of this document will be kept at 3c Sopwith Crescent, Wickford Business Park, Wickford, Essex SS11 8YU for a period of one month from the date of this document, allowing Shareholders entry to the Company's offices would, as at the date of this Document, be inconsistent with Government regulations in relation to COVID-19. This document will however be available at www.mountfieldgroupplc.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

IMPORTANT NOTICE

The Placing Shares have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Placing Shares are being offered and sold only outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act. There will be no public offer of the Placing Shares in the United States.

Cairn and Peterhouse make no representation or warranty to any offeree or subscriber for the Placing Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Placing Shares. None of the Placing Shares, this document, the Form of Proxy, nor any other document connected with the Placing have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document or any other document connected with the Placing. Any representation to the contrary is a criminal offence.

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Existing Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Existing Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Existing Group's and the Company's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>2021</i>
Announcement of the Proposals	15 February
Publication and posting of this document and Form of Proxy	15 February
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 26 February
General Meeting	11.00 a.m. on 2 March
Announcement of the result of the General Meeting	2 March
Expected completion date of the Proposed Sales	3 March
Admission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 3 March
CREST accounts credited (where applicable)	3 March
Despatch of definitive share certificates (where applicable)	within 10 days of Admission

Notes:

References to times in this document are to London time (unless otherwise stated).

Each of the above times and/or dates is subject to change at the absolute discretion of the Company, Peterhouse and Cairn. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.

STATISTICS

Placing Price (per share)	£0.001975
Number of Existing Ordinary Shares at the Last Practicable Date	254,244,454
Number of Placing Shares	1,569,620,253
Number of Adviser Shares	15,189,873
Number of Fee Shares	13,164,557
Enlarged Issued Share Capital	1,852,219,137
Number of Broker Warrants	62,784,810
Number of Investor Warrants	1,569,620,253
Number of Cairn Warrants	15,189,873
Placing Shares as a percentage of the Enlarged Issued Share Capital	84.74 per cent.
Gross proceeds of the Placing	£3.1 million
Estimated net proceeds of the Placing	£2,867,500
Market capitalisation of the Company at the Placing Price	£3,658,132

DIRECTORS, SECRETARY AND ADVISERS

Directors

Peter Jay, *Non-executive Chairman*
Andrew Collins, *Chief Executive Officer*
Graham Read, *Executive Director*

all of:

3c Sopwith Crescent
Wickford Business Park
Wickford
Essex
SS11 8YU

Company Secretary

Peter Jay

Company website

www.mountfieldgroupplc.com

Nominated Adviser

Cairn Financial Advisers LLP
Cheyne House Crown Court
62-63 Cheapside
London
EC2V 6AX

Broker

Peterhouse Capital Limited
3rd Floor 80 Cheapside
London
EC2V 6EE

Legal Advisers to the Company

DAC Beachcroft LLP
The Walbrook Building
25 Walbrook
London
EC4N 8AF

Registrars

SLC Registrars
Elder House
St Georges Business Park
Brooklands Road
Weybridge
Surrey
KT13 0TS

DEFINITIONS

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

"Act"	the Companies Act 2006 (as amended);
"Admission"	admission of the New Ordinary Shares to trading on AIM, which is expected to occur on or around 3 March 2021;
"Advisor Shares"	15,189,873 Ordinary Shares to be issued in settlement of contractual liabilities to Cairn, further details of which are set out in paragraph 13 of Part 1 of this document;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rule 15 Cash Shell"	has the meaning given to 'AIM Rule 15 cash shell' in the AIM Rules;
"AIM Rules"	the 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;
"Broker Warrants"	the warrants over 62,784,810 Ordinary Shares to be granted to Peterhouse, further details of which are set out in paragraph 7 of Part 1 of this document;
"Business Day"	a day on which dealings in domestic securities may take place on the London Stock Exchange;
"Cairn"	Cairn Financial Advisers LLP, a limited liability partnership incorporated and registered in England and Wales with registered number OC351689, and the Company's nominated adviser, authorised and regulated by the FCA;
"Cairn Warrants"	the warrants over 15,189,873 Ordinary Shares to be granted to Cairn, such warrants to be granted on the same terms as the Investor Warrants;
"Certificated form" or "in Certificated form"	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST);
"Change of Name"	the proposal to change the name of the Company to U.K. SPAC plc;
"Company" or "Mountfield"	Mountfield Group plc, a company incorporated and registered in England and Wales with registered number 06374598;
"Completion"	completion of the Proposed Sales in accordance with the Share Purchase Agreements;
"Connaught Group"	Connaught Access Flooring Group Limited, a company incorporated and registered in England and Wales with registered number 13166826;
"Connaught"	Connaught Access Flooring Holdings Limited, a company incorporated and registered in England and Wales with registered number 06577291;
"Connaught Inter-group Loan"	£1,457,812 being the amount outstanding on the inter-group loan account between the Company and Connaught's subsidiary, Connaught Access Flooring Limited;
"Connaught Share Purchase Agreement"	a conditional share sale agreement dated 15 February 2021 between the Company and Connaught Group;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);

"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended);
"Directors" or "Board"	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof;
"Enlarged Issued Share Capital"	the entire issued ordinary share capital of the Company following completion of the Placing;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;
"Existing Group"	the Company and its subsidiary undertakings as at the date of this document (including, without limitation, the Connaught and its subsidiary and MBG and its subsidiary);
"Existing Ordinary Shares"	the 254,244,454 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM;
"FCA"	the Financial Conduct Authority;
"Fee Shares"	13,164,557 Ordinary Shares to be issued in settlement of contractual liabilities to Peter Jay, further details of which are set out in paragraph 13 of Part 1 of this document;
"Form of Proxy"	the form of proxy for use in connection with the General Meeting which accompanies this document;
"Founder Shares"	the 2,270,182 founder shares of £1 each in issue in the Company;
"FSMA"	the Financial Services and Markets Act 2000 (as amended);
"General Meeting"	a duly convened general meeting (or any adjournment thereof) of the Shareholders at which the Resolutions will be proposed to be held at 11.00 a.m. on 2 March 2021, notice of which is set out in the Notice of General Meeting;
"Group"	the Company and its subsidiaries;
"Independent Director"	Peter Jay;
"Investor Warrants"	the warrants over, in aggregate, 1,569,620,253 Ordinary Shares to be granted to parties participating in the Placing, further details of which are set out in paragraph 7 of Part 1 of this document;
"Last Practicable Date"	12 February 2021;
"Loan Notes"	£245,000 of outstanding loan notes owed by the Company to Graham Read under a loan note instrument dated 16 October 2008;
"London Stock Exchange"	London Stock Exchange plc;
"MBG"	Mountfield Building Group Limited, a company incorporated and registered in England and Wales with registered number 02101063);
"MBG Inter-group Loan"	in aggregate £1,304,666, being the amount outstanding on the inter-group loan account between the Company and MBG and the amount outstanding on the inter-group loan account between the Company and MBG's subsidiary, MBG Construction Limited;
"MBG Share Purchase Agreement"	a conditional share sale agreement dated 15 February 2021 between the Company and Mountfield Holdings;
"Mountfield Holdings"	Mountfield Holdings Limited, a company incorporated and registered in England and Wales with registered number 13144822;

"New Ordinary Shares"	the Placing Shares, the Advisor Shares and the Fee Shares;
"Notice of General Meeting"	the notice convening the General Meeting which is set out at the end of this document;
"Ordinary Resolution"	resolution number 1 proposed at the General Meeting seeking shareholder approval to the Proposed Sales for the purposes of Rule 15 of the AIM Rules;
"Ordinary Shares"	the ordinary shares of 0.1 pence each in the capital of the Company;
"Peterhouse"	Peterhouse Capital Limited, a company incorporated and registered in England and Wales with registered number 02075091, and the Company's broker, authorised and regulated by the FCA;
"Placing"	the placing of new Ordinary Shares;
"Placing Price"	£0.001975;
"Placing Shares"	1,569,620,253 new Ordinary Shares to be issued pursuant to the Placing;
"Proposals"	the Proposed Sales and the Placing;
"Proposed Sales"	the proposed sale of the entire issued share capital of each of the Sale Companies pursuant to the Share Purchase Agreement;
"Prospectus Regulation Rules"	the Prospectus Regulation Rules made in accordance with the EU Prospectus Regulation 2017/1129 in relation to offers of securities to the public and the admission of securities to trading on a regulated market, as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019;
"Register"	the register of members of the Company maintained by SLC Registrars Limited, a company incorporated and registered in England and Wales with registered number 01661542;
"Resolutions"	the ordinary resolutions and the special resolutions set out in the Notice of General Meeting;
"Restricted Jurisdiction"	Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States;
"Sale Companies"	Connaught and MBG;
"Share Purchase Agreements"	the Connaught Share Purchase Agreement and the MBG Share Purchase Agreement;
"Shareholders"	holders of Ordinary Shares;
"Special Resolution"	resolution number 5 to be proposed at the General Meeting seeking shareholder approval to the Change of Name;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"uncertificated" or "in uncertificated form"	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"US Person(s)"	has the meaning given in the United States Securities Act 1933 (as amended); and
"Voting Record Time"	6.30 p.m. on 26 February 2021.

PART 1

LETTER FROM THE
NON-EXECUTIVE CHAIRMAN OF MOUNTFIELD GROUP PLC

Mountfield Group plc

(Incorporated in England and Wales with registered number 06374598)

Directors:

Peter Jay, *Non-executive Chairman*
Andrew Collins, *Chief Executive Officer*
Graham Read, *Executive Director*

Registered Office:

3c Sopwith Crescent
Wickford Business Park
Wickford
Essex
SS11 8YU

15 February 2021

To holders of Ordinary Shares

Dear Shareholder,

Proposed Sale of Mountfield Building Group Limited and Connaught Access Flooring Holdings Limited, Proposed placing of 1,569,620,253 new Ordinary Shares at a price of £0.001975 per share, Proposed Change of Name and Notice of General Meeting

1. **Introduction**

It was announced on 15 February 2021 that the Company has conditionally agreed to sell the entire issued share capital of MBG to Mountfield Holdings for consideration of £1,663,000 and the entire issued share capital of Connaught to Connaught Group for consideration of £2,300,000 on the terms set out in paragraph 3 of this letter. The Company also announced a conditional placing of 1,569,620,253 new Ordinary Shares at a price of £0.001975 per share to raise £3.1 million before expenses.

The Proposed Sales will constitute a fundamental change of business of the Company under Rule 15 of the AIM Rules and is therefore conditional on, *inter alia*, the passing of the Ordinary Resolution at the General Meeting.

The effect of the Proposed Sales will be that the Company will no longer have any trading business or activities and will become an AIM Rule 15 Cash Shell. As such, the Company must make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) within six months of Completion failing which the Ordinary Shares would then be suspended from trading on AIM pursuant to Rule 40 of the AIM Rules. Admission to trading on AIM would be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified.

Accordingly, Shareholder approval of the Proposed Sales is being sought at a General Meeting of the Company to be held at 11.00 a.m. on 2 March 2021. The notice convening the General Meeting and setting out the Resolutions to be considered at it is set out at the end of this document. A summary of the action you should take is set out in paragraph 17 of this letter and on the Form of Proxy, which accompanies this document.

Further details of the Proposed Sales and the Share Purchase Agreements are set out below and in Part 2 of this document.

The purpose of this document is to give you further details of the Proposed Sales and the Placing, including the background to and reasons for them, to explain why the Independent Director considers them to be in the best interests of the Company, its Shareholders and stakeholders as a whole and recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

On Completion, the Company proposes to change its name to U.K. SPAC plc, subject to Shareholders' approval at the General Meeting.

The Company has received from certain Shareholders irrevocable undertakings to vote in favour of the Resolutions in respect of holdings totalling in aggregate 139,320,000 Ordinary Shares, representing approximately 54.79 per cent. of the Company's existing issued share capital. Further details and the terms on which the undertakings are given are set out in paragraph 14 of Part 1 of this letter.

2. **Background to and reasons for the Proposed Sales**

Mountfield, a non-trading holding company, was incorporated in September 2007 to become the holding company of Connaught and MBG, which were companies that operated in separate sectors of the construction industry. The Ordinary Shares of Mountfield were admitted to trading on AIM on 30 October 2008.

The period from 2015 to 2018 saw the Group's business flourish as annual operating profits increased by 454 per cent. from £203,895 to £1,129,173. Even though operating profits fell by £278,322 to £850,851 in 2019, the Directors regarded this as having been caused by problems with a particular contract which were unlikely to be repeated.

The period of growth came to an abrupt halt when the first lockdown was announced on 23 March 2020. The impact of the pandemic was immediate and far-reaching. Most construction sites were closed and the few that remained open were subject to an extensive new set of regulations that impacted on the Group's ability to operate profitably. In the accounts for the financial year ended 31 December 2019 (which were announced on 15 September 2020) I wrote, as Non-executive Chairman, that "*The Board believes that as regards future prospects, the changes resulting from the COVID-19 [pandemic] are of a fundamental nature and that these changes are likely to have a long term and materially negative impact on the markets in which the Group Companies operate.*"

In the half-yearly report to 30 June 2020, Mountfield reported that net profits before tax for the period had dropped from £719,056 in 2019 to £80,605 on turnover of £5,823,166 as against that of £9,137,192 in 2019.

In our half-year report to 30 June 2020, the Group CEO and I wrote that:

"We are disappointed to report that the Group's performance and profitability that had improved substantially over the last few years have deteriorated significantly in the current year. Turnover and net profit for the Period [half year] are substantially lower than those achieved in the corresponding periods of the previous two years."

Unfortunately, the Company's trading position has not improved since 30 June 2020 with turnover, operating profits and the levels of secured turnover continuing to run at levels not seen since the recession of 2008 and 2009. The Directors anticipate that the Group's operating profits in 2020 are unlikely to be significantly above break-even.

The Board is not confident that Connaught and MBG can return to pre-pandemic levels of activity and profitability in the foreseeable future. This is because work patterns have changed substantially and demand for new and refurbished office space is unlikely to return to pre-pandemic levels in the near future and, as a result, demand for Connaught's services will continue to be depressed. The absence of passporting or other support for the financial services industry (from which Connaught obtained a large part of its work) within the Brexit trade settlement is regarded by the Directors as an additional area of concern, so far as Connaught is concerned.

In a trading statement that was issued on 19 January 2021, I wrote that "*Management Accounts for the second half of 2020 demonstrate the impact of the pandemic on the Group in that it achieved a level of profitability lower than that for the first half*" and I concluded that "*As a result of the difficult*

trading conditions and the uncertainty as to which areas of construction will be in demand following the end of the pandemic, the Board is considering making structural changes to the Group to improve shareholder value.”

The major decline in profitability has, as would be expected, impacted on the Company's cash flow.

As a result of the Board's considerations, the Directors concluded that the current level of business and marginal profitability makes it increasingly difficult to support the costs of maintaining the Company's AIM quotation. Further, the Directors are no longer willing to continue providing personal guarantees for the Group's bank overdraft facility in these circumstances.

To remove this personal risk, and to maintain the Company's AIM quotation, the Directors would have sought to replace the guarantees with funds obtained from a new equity raising which, in the current economic climate, might not be achievable or which otherwise would almost certainly have been a major dilution in the percentages of the equity currently held by all Shareholders. Such a fundraise would not offer a solution to the Directors' concerns about the current and longer-term performance of Connaught and MBG in the absence of sizeable contract wins in the near-term.

Another option considered to reduce operating costs was to delist the Company's Ordinary Shares from trading on AIM, however this would have removed Shareholders' ability to trade their Ordinary Shares and restricted the Company's ability to raise funds, if needed, again without addressing the Group's more fundamental trading problems.

In the absence of either option above being pursued, if it is found that the current trading pattern continues for longer than expected, or deteriorates further, the Company may be unable to continue as a viable business in its present form.

The Directors, therefore, concluded that the solution to the Company's present problems that offered an opportunity for Shareholders to see value accruing to their Ordinary Shares would be for it to dispose of its two trading subsidiaries, Connaught and MBG, with the purchasers agreeing between them to assume all of the Company's liabilities, leave it free of any debt and for it to become a cash shell. At the same time, the Company would effect a fundraise to provide it with the funds required to retain its AIM listing and enable it to seek to acquire an asset or business that has potential for growth and profitability.

The two current executive directors of the Group, Andy Collins and Graham Read, have agreed to buy the businesses that they have each managed from the Company. The total, aggregate, consideration being offered by Andy Collins and Graham Read is £3,963,000, which will take the form of cash (to be utilised by the Company to pay off the bank indebtedness and trade creditors) and the assumption of other existing liabilities (being the MBG Inter-group Loan, the Connaught Inter-group Loan and the Loan Notes), that the Company would otherwise have to be settled if or when it had been able to do so.

The Independent Director considers that the total consideration payable by Andy Collins and Graham Read, and the corporate vehicles that each has incorporated, greatly exceeds the value that the businesses would achieve from third party purchasers who would not assume all outstanding liabilities. Further, the Company will also benefit from the sale of the businesses to Andy Collins and Graham Read from a significantly faster and cheaper sale process than otherwise would ordinarily have been incurred and mitigates the risk of the sale process aborting.

On Completion of the Proposed Sales, Andy Collins and Graham Read will resign as Directors of the Company, confirming that they do not have claims against it, and additional appointments will be made.

The Independent Director believes that if the Resolutions are passed and the Proposed Sales and the Placing are completed, the Company will be well placed to acquire another business or asset to replace Connaught and MBG. However, were the Resolutions not to be passed at the General Meeting and the Company was unable, therefore, to complete the Proposed Sales, the Directors would have to take steps necessary to ensure the viability of the Group to continuing operating which would likely include seeking Shareholder approve to delist the Company's Ordinary Shares from trading on AIM and to seek alternative financing. There is no guarantee that any alternative sources of financing will be available to the Company on terms that are acceptable the Board.

If the Resolutions are passed at the General Meeting, the sale of the subsidiaries would constitute a disposal resulting in a fundamental change of business and the Company will become an AIM Rule 15 cash shell.

Peter Jay (as the independent director in respect of the Proposed Sales) has considered the current and prospective financial position of the Company and the options available to it that are mentioned above, and which include the Proposed Sales. He has concluded that the best option for Shareholders would be for the Proposed Sales to take place, for the Company to consider new commercial opportunities and to raise additional funds to enable it to pursue one or more of them. Although no acquisition targets have yet been identified, a cash injection will enable the new board of directors after Completion to begin the process of sourcing one that offers the prospect of growth and an increase in the value of the Company's Ordinary Shares.

The Company has two assets other than the shares in Connaught and MBG. The first is shares in a subsidiary, Mountfield Land Limited ("**Mountfield Land**"), a company that was set up in 2008 at the time of the listing and was intended to source and consolidate residential development sites and then to onward sell these sites to house builders. At the end of 2009, the two employees who ran the business of Mountfield Land were dismissed for lack of performance and the company has been dormant since that date. It does not own any assets and it is in the process of being dissolved.

The other asset is a 20 per cent. shareholding in a company known as Hub (UK) Limited ("**Hub**") with which the Company entered into a joint venture in 2012. The venture was terminated in 2014 because Hub failed to introduce any contracts to MBG. Hub is now insolvent and the shares (which are of nil value) will be transferred by the Company to MBG (or as MBG may direct) on completion of its sale for £1.

3. **Principal terms of the Proposed Sales**

Pursuant to the Connaught Share Purchase Agreement, the Company is proposing to sell the entire issued share capital of Connaught. The consideration payable by Connaught Group to the Company is £2,300,000 to be satisfied by £842,188 in cash and the assumption by Connaught Group of the Connaught Inter-group Loan.

Pursuant to the MBG Share Purchase Agreement, the Company is proposing to sell the entire issued share capital of MBG. The consideration payable by Mountfield Holdings to the Company is £1,663,000 to be satisfied by £113,334 in cash and the assumption by Mountfield Holdings of (i) the MBG Inter-group Loan; and (ii) the Loan Notes.

Completion of both sales is inter-conditional and also conditional upon other closing conditions, including (amongst others) the approval of the Ordinary Resolution at the General Meeting and Admission.

Further details of the Share Purchase Agreements are set out in Part 2 of this document.

4. **Information on Mountfield Holdings and Connaught Group**

Mountfield Holdings is a newly incorporated company majority owned by Graham Read. Graham is also a director of Mountfield Holdings. The company has been incorporated for the purpose of acquiring MBG.

Connaught Group is a newly incorporated company majority owned by Andy Collins. Andy is the sole director. The company has been incorporated for the purpose of acquiring Connaught.

5. **Financial effects of the Proposed Sales and use of the proceeds**

On Completion, the Board intends to use the cash proceeds from the Proposed Sales to pay all of the Company's outstanding liabilities as at Completion including, but not limited to, trade creditors and bank indebtedness so that Mountfield will be debt free.

Following the discharge of such liabilities, it is expected that the Company will retain no cash from the Proposed Sales. Following Completion, the Company will have no significant assets or liabilities, save for new funds to be introduced as a result of the Placing.

As such a cash shell, the Company will have no operating cash flow and would be dependent on the net proceeds of the Placing, and any subsequent fundraisings, for its working capital requirements. The Company would not expect to need further funding, following the Placing, prior to commencing a reverse takeover transaction. In the event that the Company does require additional funding in future, there can be no guarantee that this funding will be forthcoming and the Company's ability to raise further funds may depend on the success of any existing and acquired investments at that time. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and Shareholders' holdings of Ordinary Shares may be materially diluted in due course by subsequent equity issues.

6. **Strategy following Completion**

If the Proposed Sales complete, the Company will become an AIM Rule 15 Cash Shell. Andy Collins and Graham Read will step down from the Board and new directors will be appointed in their place.

The Company intends to pursue a reverse takeover transaction, subject to shareholder approval, with the aim of delivering shareholder value. Pursuant to Rule 14 of the AIM Rules, a reverse takeover transaction would require the publication of an admission document in respect of the proposed enlarged entity and would be conditional upon the consent of the Shareholders being given at a general meeting. As per the guidance notes to Rule 14 of the AIM Rules, trading in the Ordinary Shares would be suspended following the announcement that a reverse takeover had been agreed or was in contemplation until the publication of an AIM Admission Document or an announcement that the transaction was not proceeding.

The Board has not yet identified any potential reverse takeover targets which will be the primary responsibility of the new board. In seeking and considering potential acquisitions, it is intended that the new board will seek to identify opportunities offering the potential to deliver value creation and returns to shareholders over the medium to long-term. The Company will consider investment opportunities in any sectors as they arise.

Any failure in completing an acquisition or acquisitions which constitute(s) a reverse takeover under AIM Rule 14 (including seeking re-admission as an investment company (as defined under the AIM Rules)) will after 12 months result in cancellation of the Company's Ordinary Shares from trading on AIM.

The Company will be dependent upon the ability of the new board of directors following Completion to identify suitable acquisition targets. There is no guarantee that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.

Market conditions may have a negative impact on the Company's ability to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14. **There is no guarantee that the Company will be successful meeting the AIM Rule 14 deadline as described above.**

The Company expects to incur certain third-party costs associated with the sourcing of a suitable acquisition or acquisitions. The Company can give no assurance as to the level of such costs, and given that there is no guarantee that negotiations to acquire any given target business will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

7. **Details of the Placing**

To provide funding for the Company to enable it to continue as a cash shell, Peterhouse has conditionally raised on behalf of the Company £3.1 million before expenses through the Placing of the Placing Shares at the Placing Price, together with one Investor Warrant for every one Placing Share subscribed for. The Placing is only conditional upon the passing of the Resolutions at the General Meeting and completion of the Proposed Sales.

For every one Placing Share acquired by a participant in the Placing, that participant shall be granted one Investor Warrant providing a right to subscribe for a new Ordinary Share at a subscription price of £0.003 per Ordinary Share. In total, subject to completion of the Placing, there will be up to 1,569,620,253 Investor Warrants granted. The Investor Warrants shall be exercisable

for a period of 12 months following Admission, after which any unexercised Investor Warrants shall lapse.

In addition to the issue of the Placing Shares, certain creditors (being Peter Jay and Cairn), have agreed to settle their outstanding liabilities by way of the issue of new Ordinary Shares at the Placing Price. Accordingly, the Company will issue the Advisor Shares to Cairn and the Fee Shares to Peter Jay in satisfaction of liabilities totalling, in aggregate, £56,000. In addition, Cairn will also receive the Cairn Warrants which are being granted on the same terms as the Investor Warrants.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM, subject to approval of the Resolutions. It is expected that Admission will become effective and that dealings in the New Ordinary Shares, will commence on AIM at 8.00 a.m. on or around 3 March 2021.

The Placing Shares will represent approximately 84.74 per cent. of the Enlarged Issued Share Capital of the Company in issue immediately following Admission. Following Admission, the Enlarged Issued Share Capital of the Company will be 1,852,219,137.

Subject to Admission, Peterhouse will receive warrants over 4 per cent. of the Enlarged Issued Share Capital for the period of three years from Admission, as part-payment for the introduction of incoming investors. In practice this means that at Admission, the Broker Warrants provide the rights to subscribe for 62,784,810 Ordinary Shares at the Placing Price.

8. Consequences of the Placing for Existing Shareholders

Following completion of the Placing, the proportion of the Ordinary Shares held by the existing Shareholders will be approximately 13.73 per cent. of the Enlarged Issued Share Capital.

The New Ordinary Shares will be issued credited as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared on or after the date on which they are issued.

For details as to the expected date and times by which certain events (e.g. Admission, the crediting of CREST accounts and the despatch of share certificate) are expected to happen in relation to the Placing Shares, please refer to the information on page 6 (*Expected Timetable of Principal Events*) of this document.

9. Proposed Change of Name

Following the Company becoming an AIM Rule 15 cash shell and in order to avoid any confusion with MBG following Completion, the Company is proposing to change its name to U.K. SPAC plc.

The Special Resolution will therefore be proposed at the General Meeting to approve the change of name of the Company to U.K. SPAC plc conditional on Completion. The name will be changed as soon as possible after Completion once the relevant paperwork has been processed by Companies House.

The Directors therefore believe that the Change of Name would be in the best interests of the Company and the Shareholders as a whole.

If the Special Resolution is passed at the General Meeting, the Company's website and AIM ticker will be updated accordingly. The Company will update the market in due course of the new details.

10. Proposed board changes

Subject to Completion occurring, Andy Collins will resign from his position as Chief Executive Officer of the Company and Graham Read will resign from his position as Executive Director of the Company.

Peter Jay will remain as Chairman of the Company and two new directors will be appointed to the Board on Completion.

11. **Related Party Transactions**

Both Andy Collins and Graham Read are Directors of Mountfield, Connaught and MBG. They are also both the beneficial owners of a substantial number of Ordinary Shares in Mountfield totalling, in aggregate, 45.55 per cent. of the Existing Ordinary Shares. Andy Collins is also a director of, and shareholder in, Connaught Group and Graham Read is a director of, and shareholder in, Mountfield Holdings, their respective entities established for the purposes of the Proposed Sales.

As a result, Andy Collins would be regarded as a related party of Mountfield with regard to his proposed purchase of Connaught and Graham Read would be regarded a related party of Mountfield with regard to his proposed purchase of MBG. The Proposed Sales therefore constitute related party transactions for the purposes of AIM Rule 13 (the "**Related Party Transactions**").

Peter Jay is considered to be an independent director for the purposes of the Proposals. Peter does not hold an executive position with the Company, has no interest or prospective interest in either of the Proposed Sales, in Connaught or MBG or in either of the corporate vehicles that will be used to acquire them.

The Directors, with the exception of Graham Read and Andy Collins, consider, having consulted with the Company's nominated adviser, Cairn, that the terms of the Related Party Transactions are fair and reasonable insofar as Shareholders are concerned.

12. **Use of Proceeds**

The Company is raising funds to enable the Board to search for acquisition opportunities which, if successful, would constitute a reverse takeover under the AIM Rules and fund the Company's general working capital.

13. **Advisor Shares and Fee Shares**

The Advisor Shares are to be allotted and issued to Cairn on Admission at the Placing Price in lieu of, and in full and final settlement of outstanding fees. In addition, Cairn will also receive the Cairn Warrants which are being granted on the same terms as the Investor Warrants.

The Fee Shares are to be allotted and issued to Peter Jay on Admission at the Placing Price in lieu of, and in full and final settlement of outstanding fees and in line with his ordinary remuneration.

14. **Irrevocable undertakings**

Graham Read and Andy Collins have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not one of them) in respect of their beneficial holdings totalling, in aggregate, 115,820,000 Ordinary Shares, representing approximately 45.55 per cent. of the Existing Ordinary Shares.

Subject to the Ordinary Shares which he beneficially holds being registered in his name personally at least 48 hours prior to the General Meeting, Peter Jay has given an irrevocable undertaking to the Company to vote in favour of the Resolutions to be proposed at the General Meeting in respect of his beneficial holding totalling 23,500,000 Ordinary Shares, representing approximately 9.24 per cent. of the Existing Ordinary Shares.

15. **Taxation**

Any person who is in any doubt as to his tax position or who is subject to tax in a jurisdiction other than the United Kingdom is strongly recommended to consult his professional tax adviser immediately.

16. **The General Meeting**

You will find set out at the end of this document a notice convening the General Meeting to be held on 2 March 2021 at 11.00 a.m., at which the Resolutions will be proposed.

Resolution 1 (being the Ordinary Resolution), which will be proposed at the General Meeting as an ordinary resolution, is to approve the Proposed Sales and to authorise the Directors to take all

steps necessary or desirable to complete the Proposed Sales. In order for the Ordinary Resolution to be passed, a simple majority is required.

Resolution 2, which will be proposed at the General Meeting as an ordinary resolution, is to approve the Proposed Sales as substantial property transactions for the purposes of section 190 of the Companies Act. In order for Resolution 2 to be passed, a simple majority is required.

In addition, resolutions are being proposed at the General Meeting in connection with the Placing, the Broker Warrants, the Cairn Warrants and the Investor Warrants. Resolutions 3 and 4 seek authority for the Directors to (i) allot the New Ordinary Shares and (ii) grant the Broker Warrants, the Cairn Warrants and the Investor Warrants, and to do so on a non-pre-emptive basis. Resolution 3 is an ordinary resolution and requires a simple majority to be passed. Resolution 4 is a special resolution and requires the approval of Shareholders representing at least 75 per cent. of votes cast to be passed. Resolutions 3 and 4 also seek further authority for the Directors to allot new Ordinary Shares on a non-pre-emptive basis subject to certain limitations.

Resolution 5 (being the Special Resolution), which will be proposed at the General Meeting as a special resolution and which is conditional upon Resolutions 1 and 2 having been passed and Completion, is to approve the Change of Name.

Resolution 6 which is being proposed at the General Meeting as a special resolution and which is conditional on Completion, is to amend the articles of association of the Company to remove the rights attaching to the Founder Shares currently held by Graham Read. Resolution 6 is a special resolution and requires the approval of Shareholders representing at least 75 per cent. of votes cast to be passed

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

Effect of COVID-19 regulations on the General Meeting

In accordance with Government legislation and related restrictions in response to COVID-19, and to minimise public health risks, the General Meeting is to be held as a closed meeting, electronically, and members and their proxies will not be able to attend or vote at the meeting. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.

As a result, the minimum number of Directors or employees of the Company will attend to ensure that the meeting is quorate. Updates in relation to the General Meeting will be provided on our website and, where appropriate, announced via a Regulatory Information Service.

Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of Shareholders who are unable to attend the General Meeting, but who have provided votes by proxy, are taken into account in the final voting results.

If you would like to vote on the Resolutions, you can appoint a proxy to exercise your right to vote at the General Meeting. As such, you are strongly encouraged to appoint the Chairman of the General Meeting to act as your proxy as any other named person will not be permitted to attend or vote at the meeting.

Shareholders will find accompanying this document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by SLC Registrars, as soon as possible and in any event not later than 48 hours (excluding non-Business Days) before the time of the General Meeting.

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his proxy will have on the poll.

17. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, SLC Registrars at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS (or by scanning a signed copy and emailing this to

proxy@slcregistrars.com), as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 26 February 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned meeting).

Your attention is drawn to the fact that the Proposed Sales are conditional and dependent on the Ordinary Resolution being passed by Shareholders at the General Meeting. Shareholders are asked to vote in favour of the Ordinary Resolution in order for the Proposed Sales to proceed. If Shareholders do not approve the Proposed Sales at the General Meeting, the Board will begin the process of seeking consent to delist the Ordinary Shares of the Company from trading on AIM.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

18. **Recommendation**

The Directors believe the Proposals to be the most appropriate way to provide a strategy to provide value to Shareholders. Should the Proposed Sales not proceed for any reason, the Company would seek to delist from AIM in order to be able to secure future trading. Graham Read and Andy Collins intend to vote in favour of the Resolutions with their holdings totalling, in aggregate, 115,820,000 Ordinary Shares, representing approximately 45.55 per cent. of the Existing Ordinary Shares. Subject to the Ordinary Shares which he beneficially holds being registered in his name personally at least 48 hours prior to the General Meeting, Peter Jay also intends to vote in favour of the Resolutions with his holding totalling 23,500,000 Ordinary Shares, representing approximately 9.24 per cent. of the Existing Ordinary Shares.

The Independent Director considers the Proposals to be in the best interests of the Company, its Shareholders and stakeholders as a whole and accordingly recommends Shareholders to vote, or procure the vote, in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully,

Peter Jay
Non-executive Chairman

PART 2

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENTS

CONNAUGHT SHARE PURCHASE AGREEMENT

1. General

The Connaught Share Purchase Agreement was entered into on 15 February 2021 between the Company and Connaught Group.

Pursuant to the terms of the Connaught Share Purchase Agreement, the Company has agreed to sell, and Connaught Group has agreed to buy, all of the fully paid ordinary shares in the capital of Connaught (the "**Connaught Shares**").

On Completion Andy Collins has agreed to resign from the Board and waive all claims against the Company.

2. Encumbrances

The Connaught Shares will be transferred free of all encumbrances.

3. Purchase price

The consideration payable by Connaught Group to the Company is £2,300,000.

The Consideration shall be satisfied by Connaught Group:

- paying or procuring the payment to the Company of £842,188 in cash on Completion; and
- assuming the Connaught Inter-group Loan on Completion pursuant to the terms of a deed of novation to be entered into between the Company, the Purchaser and Connaught.

4. Pre-Completion obligations

The Company has agreed to ensure that between execution of the Connaught Share Purchase Agreement and Completion, the Connaught conducts its business in the ordinary course and subject to usual and customary pre-completion restrictions.

5. Conditions to Completion

Completion is subject to certain closing conditions ("**Conditions Precedent**") being satisfied or waived, which include but are not limited to:

- the passing of the Ordinary Resolution;
- the passing of Resolution 2 as set out in the Notice of General Meeting;
- the completion of the sale of MBG at the same time as completion under the Connaught Share Purchase Agreement;
- Peterhouse successfully completing the Placing (but for the Admission and save for receipt of the placing proceeds) on behalf of the Company; and
- Admission.

The Board expects that, subject to the satisfaction and/or waiver (where applicable) of the conditions precedent to the proposed sale of Connaught, Completion will occur on or about 3 March 2021.

6. Termination

If any of the Conditions Precedent have not been satisfied or waived before 31 March 2021, the Connaught Share Purchase Agreement will automatically terminate on that date. The Connaught

Share Purchase Agreement may also be terminated by either Connaught Group or the Company in the event of a failure of the other party to satisfy its Completion obligations.

7. **Post-completion restrictive covenants**

The Connaught Share Purchase Agreement includes restrictive covenants on the Company in the usual form for a period of up to two years after Completion including the Company being prohibited from being engaged in the area of specialist flooring contracting.

8. **Warranties**

The Connaught Share Purchase Agreement contains warranties given by the Company relating to the Company's power and authority to enter into and perform its obligations under the transaction contemplated by the Connaught Share Purchase Agreement, solvency and share ownership. No other warranties are provided.

Connaught Group will provide certain warranties relating to its solvency, power and authority and the fact that Connaught Group has no prior knowledge of any matter which would constitute a breach of warranty.

9. **Liability**

The liability of the Seller for a breach of warranty is limited in time and amount.

10. **Governing law**

The Connaught Share Purchase Agreement is governed by the laws of England and Wales.

MBG SHARE PURCHASE AGREEMENT

1. **General**

The MBG Share Purchase Agreement was entered into on 15 February 2021 between the Company and Mountfield Holdings.

Pursuant to the terms of the MBG Share Purchase Agreement, the Company has agreed to sell, and Mountfield Holdings has agreed to buy, all of the fully paid ordinary shares in the capital of MBG (the "**MBG Shares**").

On Completion Graham Read has agreed to resign from the Board and waive all claims against the Company.

2. **Encumbrances**

The MBG Shares will be transferred free of all encumbrances.

3. **Purchase price**

The consideration payable by Mountfield Holdings to the Company is £1,663,000.

The Consideration shall be satisfied by Mountfield Holdings:

- paying or procuring the payment to the Company of £113,334 in cash on Completion; and
- assuming (i) the MBG Inter-group Loan on Completion pursuant to the terms of a deed of novation to be entered into between the Company, the Purchaser and MBG and (ii) the Loan Notes pursuant to the terms of a deed of novation to be entered into between the Company, the Purchaser and Graham Read.

4. **Pre-Completion obligations**

The Company has agreed to ensure that between execution of the MBG Share Purchase Agreement and Completion, the MBG conducts its business in the ordinary course and subject to usual and customary pre-completion restrictions.

5. **Conditions to Completion**

Completion is subject to certain closing conditions ("**Conditions Precedent**") being satisfied or waived, which include but are not limited to:

- the passing of the Ordinary Resolution;
- the passing of Resolution 2 as set out in the Notice of General Meeting;
- the completion of the sale of Connaught at the same time as completion under the MBG Share Purchase Agreement;
- Peterhouse successfully completing the Placing (but for the Admission and save for receipt of the placing proceeds) on behalf of the Company; and
- Admission.

The Board expects that, subject to the satisfaction and/or waiver (where applicable) of the conditions precedent to the proposed sale of MBG, Completion will occur on or about 3 March 2021.

6. **Termination**

If any of the Conditions Precedent have not been satisfied or waived before 31 March 2021, the MBG Share Purchase Agreement will automatically terminate on that date. The MBG Share Purchase Agreement may also be terminated by either Mountfield Holdings or the Company in the event of a failure of the other party to satisfy its Completion obligations.

7. **Post-completion restrictive covenants**

The MBG Share Purchase Agreement includes restrictive covenants on the Company in the usual form for a period of up to two years after Completion including the Company being prohibited from being engaged in the area of specialist construction services including those relating to property fabric repair and refurbishment and fitting out of data centres.

8. **Warranties**

The MBG Share Purchase Agreement contains warranties given by the Company relating to the Company's power and authority to enter into and perform its obligations under the transaction contemplated by the MBG Share Purchase Agreement, solvency and share ownership. No other warranties are provided.

Mountfield Holdings will provide certain warranties relating to its solvency, power and authority and the fact that Mountfield Holdings has no prior knowledge of any matter which would constitute a breach of warranty.

9. **Liability**

The liability of the Seller for a breach of warranty is limited in time and amount.

10. **Governing law**

The MBG Share Purchase Agreement is governed by the laws of England and Wales.

NOTICE OF GENERAL MEETING

Mountfield Group plc

(Incorporated and registered in England and Wales with registered number 06374598)

NOTICE IS HEREBY GIVEN THAT a general meeting of Mountfield Group plc (the "**Company**") will be held at 11.00 a.m. on 2 March 2021 to consider and, if thought fit, to pass the following Resolutions. Resolutions 1, 2 and 3 will be proposed as ordinary resolutions and Resolutions 4, 5 and 6 will be proposed as special resolutions.

PLEASE REFER TO THE NOTES BELOW THE RESOLUTIONS, IN PARTICULAR NOTES 1 TO 4 IN RELATION TO THE EFFECT OF COVID-19 REGULATIONS ON THE GENERAL MEETING.

Ordinary Resolutions

1. **THAT**, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc, the proposed sale (the "**Proposed Sale**") by Mountfield Group plc (the "**Company**") of the entire issued share capital of:

1.1 Mountfield Building Group Limited, on the terms and subject to the conditions set out in the share purchase agreement dated 15 February 2021 (the "**MBG Share Purchase Agreement**") between the Company and Mountfield Holdings Limited, and related documentation to be entered into pursuant to the MBG Share Purchase Agreement; and

1.2 Connaught Access Flooring Holdings Limited, on the terms and subject to the conditions set out in the share purchase agreement dated 15 February 2021 (the "**Connaught Share Purchase Agreement**") between the Company and Connaught Access Flooring Group Limited, and related documentation to be entered into pursuant to the Connaught Share Purchase Agreement,

be and are hereby approved with such amendments as the directors of the Company (the "**Directors**") may in their absolute discretion approve, and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete or give effect to or otherwise in connection with the Proposed Sale and any matter incidental to the Proposed Sale.

2. **THAT**, for the purposes of section 190 of the Companies Act 2006 (the "**Act**"):

2.1 the sale by the Company to Mountfield Holdings Limited, a company owned by a director of the Company, of the entire issued share capital of Mountfield Building Group Limited for the sum of £1,663,000 on the terms set out in the MBG Share Purchase Agreement be approved; and

2.2 the sale by the Company to Connaught Access Flooring Group Limited, a company owned by a director of the Company, of the entire issued share capital of Connaught Access Flooring Holdings Limited for the sum of £2,300,000 on the terms set out in the Connaught Share Purchase Agreement be approved.

3. **THAT**, in accordance with section 551 of the Act the directors of the Company (the "**Directors**") be and are generally and unconditionally authorised to allot ordinary shares in the Company or to grant rights to subscribe for or to convert any securities into ordinary shares in the Company ("**Rights**") up to a maximum nominal amount of:

3.1 £1,569,621 in connection with the proposed placing (the "**Placing**") as described in the circular dated 15 February 2021 (the "**Circular**") but for no other purpose;

3.2 £15,190 in connection with the proposed allotment of the Advisor Shares (as defined and described in the Circular) but for no other purpose;

3.3 £13,165 in connection with the proposed allotment of the Fee Shares (as defined and described in the Circular) but for no other purpose;

- 3.4 £62,785 in connection with the proposed grant of broker warrants (the "**Broker Warrants**") as described in the Circular but for no other purpose;
- 3.5 £1,569,621 in connection with the proposed grant of investor warrants (the "**Investor Warrants**") as described in the Circular but for no other purpose;
- 3.6 £15,190 in connection with the proposed grant of nominated adviser warrants (the "**Cairn Warrants**") as described in the Circular but for no other purpose;
- 3.7 £617,407 (in addition to the authorities conferred in sub-paragraphs 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 above) representing approximately one third of the Company's Enlarged Issued Share Capital (as defined in the Circular),

provided that these authorities, unless duly renewed, varied or revoked by the Company, will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted or Rights to be granted after such expiry and, the Directors may allot ordinary shares or grant Rights in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot relevant securities but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special Resolutions

- 4. **THAT**, subject to the passing of Resolution 3, and in accordance with section 570 of the Act the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 3, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 4.1 the allotment of equity securities in connection with an offer by way of a rights issue:
 - 4.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - 4.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange;
 - 4.2 the allotment (otherwise than pursuant to sub-paragraph 4.1 above) of equity securities up to an aggregate nominal amount of £1,569,621 in connection with the Placing;
 - 4.3 the allotment (otherwise than pursuant to sub-paragraphs 4.1 and 4.2 above) of equity securities up to an aggregate nominal amount of £15,190 in connection with the Advisor Shares;
 - 4.4 the allotment (otherwise than pursuant to sub-paragraphs 4.1, 4.2 and 4.3 above) of equity securities up to an aggregate nominal amount of £13,165 in connection with the Fee Shares;
 - 4.5 the allotment (otherwise than pursuant to sub-paragraphs 4.1, 4.2, 4.3 and 4.4 above) of equity securities up to an aggregate nominal amount of £62,785 in connection with the Broker Warrants;
 - 4.6 the allotment (otherwise than pursuant to sub-paragraphs 4.1, 4.2, 4.3, 4.4 and 4.5 above) of equity securities up to an aggregate nominal amount of £1,569,621 in connection with the Investor Warrants;

- 4.7 the allotment (otherwise than pursuant to sub-paragraphs 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6 above) of equity securities up to an aggregate nominal amount of £15,190 in connection with the Cairn Warrants;
- 4.8 the allotment (otherwise than pursuant to sub-paragraphs 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7 above) of equity securities up to an aggregate nominal amount of £185,222 representing approximately 10 per cent. of the Company's Enlarged Issued Share Capital (as defined in the Circular),

provided that the power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

5. **THAT**, subject to the passing of Resolutions 1 and 2 above and completion of the Proposed Sale, the name of the Company be changed from Mountfield Group plc to U.K. SPAC plc.
6. **THAT**, subject to completion of the Proposed Sale, the articles of association of the Company be amended as follows:
- 6.1 the deletion of the following definitions in their entirety in article 3.1: "**Acting in Concert**", "**Control**", "**Disposal**", "**New Holding Company**", "**Relevant Disposal**", "**Relevant Share Sale**", "**Sale Proceeds**" and "**Share Sale**";
- 6.2 the deletion of articles 3.1(e), 3.1(f), 3.1(g) and 3.1(h) and article 3.1(i) shall be renumbered accordingly as 3.1(e); and
- 6.3 the insertion of a new article 3.1(f) as follows:
- "Neither the passing by the Company of any special resolution for the cancellation of the Founder Shares for no consideration by means of a reduction of capital requiring the confirmation of a court, nor the obtaining by the Company nor the making by a court of any order confirming any such reduction of capital, nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Founder Shares. Accordingly, the Founder Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the 2006 Act without sanction on the part of the holders of the Founder Shares."

Dated: 15 February 2021

Registered Office:
3c Sopwith Crescent
Wickford Business Park
Wickford
Essex
SS11 8YU

By order of the Board
Peter Jay
Company Secretary

Explanatory Notes:

Effect of COVID-19 regulations on the General Meeting

1. In accordance with recent Government legislation and related restrictions in response to COVID-19, and to minimise public health risks, the General Meeting is to be held as a closed meeting, electronically, and members and their proxies will not be able to attend or vote at the meeting. As such, members are strongly encouraged to appoint the Chairman of the General Meeting to act as their proxy as any other named person will not be permitted to attend the meeting. Further details of the Government's regulations relating to COVID-19 can be found at www.gov.uk/coronavirus.
2. Voting on the Resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of Shareholders who are unable to attend the General Meeting, but who have provided votes by proxy, are taken into account in the final voting results.
3. If you would like to vote on the resolutions, you can appoint a proxy to exercise your right to vote at the General Meeting. As such, you are strongly encouraged to appoint the Chairman of the General Meeting to act as your proxy as any other named person will not be permitted to attend or vote at the meeting.

Entitlement to attend and vote

4. Only those members registered on the Company's register of members at:
 - 6.30 p.m. on 26 February 2021; or,
 - if this meeting is adjourned, the time and date that is 48 hours prior to the adjourned meeting (excluding any part of a day that is not a Business Day),

shall be entitled to attend and vote at the meeting in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

5. If you are a member of the Company at the time set out in note 4 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting however, in line with the COVID-19 restrictions please see note 1 above. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
6. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them however, please see note 1 above in regards to appointing the Chairman as proxy so that the votes are counted at the meeting.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the proxy form.

Appointment of proxy using hard copy proxy form

8. The notes to the proxy form explain how to direct your proxy to vote on each Resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to SLC Registrars at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS or by scanning a signed copy and emailing this to proxy@slcregistrars.com; and
 - received by SLC Registrars by no later than 11.00 a.m. on 26 February 2021.
9. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

13. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact SLC Registrars at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS.
14. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointment

15. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS.
16. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
17. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
18. The revocation notice must be received by SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS no later than 11.00 a.m. on 26 February 2021.
19. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Corporate representative

20. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share however, in line with COVID-19 restrictions please see note 1 above.