

## SUMMARY

### 1. INTRODUCTION AND WARNINGS

**This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to this document. Any decision to invest in the ZDP Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in ZDP Shares.**

The securities which the Issuer intends to issue pursuant to the Issue (comprising the Placing and the Offer for Subscription) are zero dividend preference shares of one penny each in the capital of the Issuer ("**ZDP Shares**"), whose ISIN is GB00BMGBHD21 and SEDOL number is BMGBHD2.

Conygar ZDP plc, the issuer and offeror of the securities can be contacted by writing to its registered office and principal place of business, 1 Duchess Street, London W1W 6AN, by calling +44 (0)20 7258 8670 within business hours or by emailing [admin@conygar.com](mailto:admin@conygar.com). The Issuer's legal entity identifier ("**LEI**") is 2138006VF4G9ARRPKX35.

This document has been approved by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN on 31 March 2023. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

### 2. KEY INFORMATION ON THE ISSUER

#### 2.1 Who is the issuer of the securities?

The issuer is Conygar ZDP plc of 1 Duchess Street, London W1W 6AN. The Issuer was incorporated in England and Wales on 2 September 2022 as a public company limited by shares under the Companies Act, with registered number 14333277. The Issuer's LEI is 2138006VF4G9ARRPKX35. The Issuer has an indefinite life. The Issuer is domiciled in England. The principal legislation under which the Issuer operates is the Companies Act. The Issuer is not regulated as a collective investment scheme by the FCA.

All of the issued ordinary shares in the Issuer are held by the Parent and therefore the Issuer is directly controlled by the Parent. Save for the Parent, the Issuer is not aware of any person who could, directly or indirectly, jointly or severally, exercise control over the Issuer. Neither the Issuer nor any of the Directors of the Issuer is aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Issuer.

So far as is known to the Parent, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, 3% or more of the issued Ordinary Shares:

Shareholder	Number of Ordinary Shares	Percentage of voting rights
Premier Miton Group PLC	9,548,935	16.01%
Robert Ware	4,750,000	7.96%
Bimaljit ("Bim") Sandhu	4,500,000	7.55%

No Shareholders have voting rights attached to their Ordinary Shares which are different to the voting rights attached to any other Ordinary Shares issued by the Parent.

The Parent is not aware of any person who could, directly or indirectly, jointly or severally, exercise control over the Parent. Neither the Parent nor the Directors are aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Parent.

The Issuer was formed solely for the purpose of issuing zero dividend preference shares and its only asset is the obligation of the Parent to put the Issuer in a position to meet its obligations in respect of the ZDP Shares pursuant to the Contribution Agreement. The principal activity of the Group is property trading, property investment, acquiring property assets with

development and investment potential, and investing in companies with significant property assets.

The ZDP Board is comprised of three non-executive directors: Nigel Hamway (Chairman), Robert Ware and David Baldwin.

The statutory auditors to the Group are Saffery Champness LLP of 71 Queen Victoria Street, London, EC4V 4BE.

## 2.2 What is the key financial information regarding the issuer?

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the annual reports and audited consolidated financial statements of the Group for each of the three financial years ended 30 September 2020, 2021 and 2022, which have been incorporated into this document by reference.

### 2.2.1 Consolidated statement of comprehensive income

	Year ended 30 September		
	2022 £'000 (audited)	2021 £'000 (audited)	2020 £'000 (audited)
Revenue	7,059	2,642	1,675
Operating (loss)/profit	(97)	28,178	(8,347)
(Loss)/profit and total comprehensive (charge)/income for the year	(53)	26,525	(7,955)
Basic and diluted (loss)/profit per share	(0.09)p	49.99p	(14.73)p

### 2.2.2 Consolidated balance sheet

	As at 30 September		
	2022 £'000 (audited)	2021 £'000 (audited)	2020 £'000 (audited)
Total assets	132,305	127,776	90,171
Total equity	124,604	114,141	88,833

### 2.2.3 Consolidated cash flow statement

	Year ended 30 September		
	2022 £'000 (audited)	2021 £'000 (audited)	2020 £'000 (audited)
Cash flows generated from/(used in) operating activities	3,892	(1,790)	(6,311)
Cash flows (used in)/generated from investing activities	(10,704)	(15,462)	2,491
Cash flows generated from/(used in) financing activities	10,516	(1,217)	(3,965)
Cash and cash equivalents at 30 September	17,361	13,657	32,126

## 2.3 What are the key risks that are specific to the issuer?

The attention of investors is drawn to the risks associated with an investment in the Group which, in particular, include the following:

- Inaccurate assessment of a development opportunity or a decrease in tenant demand due to competition from other commercial real estate properties or adverse market conditions, could result in a substantial proportion of the development remaining vacant after completion and exert pressure on the Group to provide rental incentives to tenants.
- The Group will depend on skilled third party contractors for the timely construction of its developments in accordance with international standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents and defective building methods or materials.

- The valuation of property is inherently subjective and uncertain owing to the individual nature of each property and is based on a number of assumptions which may not turn out to be true, meaning that actual sale prices paid or received by the Parent (as applicable) may not reflect the valuations of the properties.
- Under applicable environmental laws, a current or previous property owner may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property, which cost could be substantial.
- In the event that planning applications for the Group's development projects are unsuccessful or are granted subject to constraints or conditions which the Parent regards as unacceptable or onerous (and which the Parent is unsuccessful, or concludes is unlikely to be successful, in removing), then the Parent may conclude that is not likely to realise anticipated value from such development opportunities and, accordingly, may decide not to proceed with, or to defer, construction.
- A violation of health and safety laws or regulations relating to the Group's properties or a failure to comply with the instructions of the relevant health and safety authorities in respect of such properties could lead to criminal liability, criminal fines, costly compliance procedures, negative publicity, reputational damage and/or in certain circumstances a temporary shutdown of all or part of the Group's properties.
- The performance of the Group would be adversely affected by a further downturn in the UK property market in terms of capital value or a weakening of rental yields. In the event of a default by a tenant or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs.
- The Group's performance depends on its ability to lease space in its properties on economically favourable terms. Results of operations may be adversely affected if a significant number of tenants are, or a major tenant is, unable to meet their/its obligations under their/its leases or if there is a decrease in demand for vacant properties so that the Group is unable to find new tenants at economically favourable rental prices.
- The real estate market in the UK is affected by many factors that are beyond the Group's control, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand. Real estate assets are relatively illiquid and, as a consequence, the Parent is subject to price risk and may be required to sell investments at below their current carrying value in order to provide funding to cover operating costs and other capital commitments.

### **3. KEY INFORMATION ON THE SECURITIES**

#### **3.1 What are the main features of the securities?**

##### **3.1.1 ZDP Shares**

The securities which the Issuer intends to issue pursuant to the Issue are zero dividend preference shares of one penny each, whose ISIN is GB00BMGBHD21, SEDOL number is BMGBHD2 and ticker symbol is CICZ. The Issuer is targeting an issue of, and the maximum number of ZDP Shares to be issued pursuant to the Issue is, 30 million ZDP Shares. The currency of the ZDP Shares is Sterling.

As at 30 March 2023, being the latest practicable date prior to publication of this document, the Parent had 59,638,588 Ordinary Shares in issue. The Ordinary Shares are quoted on the AIM market of the London Stock Exchange. As at the same date, there were no ZDP Shares in issue and the Issuer had 50,000 ordinary shares of £1.00 each in issue.

##### **3.1.2 Rights attaching to the ZDP Shares**

The ZDP Shares will carry no entitlement to income and the whole of any return will therefore take the form of capital. The ZDP Shares will have an initial capital entitlement on 11 May 2023 of 100p per ZDP Share (being equivalent to the Issue Price) and will

have a Final Capital Entitlement of 146.93p per ZDP Share on the ZDP Repayment Date, equivalent to a Gross Redemption Yield of 8.0% on the Issue Price. No further ZDP Shares will be issued at a price which has the effect of reducing the Cover for the ZDP Shares, at or around the time of the issue of such additional ZDP Shares, below 2x. The ZDP Shares will not carry the right to vote at general meetings of the Parent or the Issuer, but they will carry the right to vote as a class on certain proposals which would be likely to affect materially their position.

### 3.1.3 **Rank of securities in the issuer's capital structure in the event of insolvency**

The ZDP Shares will rank in priority to the ordinary shares in the capital of the Issuer in the event of a winding up of the Issuer.

### 3.1.4 **Restrictions on the free transferability of the ZDP Shares**

Subject as provided below, any ZDP Shareholder may transfer all or any of their ZDP Shares by instrument of transfer in any form which the Directors may approve, subject to compliance with applicable securities laws. The ZDP Board may in its absolute discretion and without giving any reason, refuse to register a transfer of a partly paid share provided that the Directors have exercised their discretion without thereby prejudicing dealings being on an open and proper basis. The ZDP Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the CREST Regulations.

### 3.1.5 **Dividend policy**

ZDP Shareholders are not eligible to receive any dividends.

## 3.2 **Where will the securities be traded?**

Application will be made to the London Stock Exchange for all of the ZDP Shares to be issued pursuant to the Issue to be admitted to trading on the Main Market (standard listing segment). It is expected that Admission will become effective, and that dealings in the ZDP Shares will commence, on 11 May 2023.

## 3.3 **Is there a guarantee attached to the securities?**

The Final Capital Entitlement of the ZDP Shares, which is intended to be paid on the ZDP Repayment Date, is not guaranteed. The Parent and the Issuer have entered into arrangements which are intended to ensure that the Issuer will be able to pay the Final Capital Entitlement on the ZDP Repayment Date but it is not guaranteed that the Parent will be able to satisfy its obligations under these arrangements. Specifically, the Parent and the Issuer have entered into the Contribution Agreement pursuant to which, in consideration for the Issuer agreeing to make an interest free loan to the Parent of an aggregate amount equal to the Net Proceeds, the Parent has undertaken, *inter alia*: (i) to repay such loan on demand; and (ii) to contribute (by way of gift, capital contribution or otherwise) such funds to the Issuer as will ensure that the Issuer will have sufficient assets: (A) on the ZDP Repayment Date to satisfy the Final Capital Entitlement then due; (B) to satisfy the Accrued Capital Entitlement on the date of any winding up of the Issuer prior to the ZDP Repayment Date; and (C) to pay any operational costs or expenses incurred by the Issuer. However, there can be no assurance that the arrangements under the Contribution Agreement will result in the Issuer having sufficient funds available to it to meet its payment obligations in respect of the ZDP Shares in full or at all.

The Issuer is a wholly-owned subsidiary of the Parent. The Parent's registered office is 1 Duchess Street, London, England W1W 6AN and its LEI is 213800ZBTBACC8CGD680. The Parent does not have a fixed winding-up date or any periodic continuation votes. The Parent is a public limited company incorporated in England and Wales. The Parent currently holds all of the ordinary shares of the Issuer. The principal activity of the Group is property trading, property investment, acquiring property assets with development and investment potential, and investing in companies with significant property assets.

### 3.4 **What are the key risks that are specific to the securities?**

The attention of investors is drawn to the risks associated with an investment in the ZDP Shares issued pursuant to the Issue which, in particular, include the following:

- The Parent and the Issuer have entered into arrangements which are intended to ensure that the Issuer will be able to pay the Final Capital Entitlement on the ZDP Repayment Date but it is not guaranteed that the Parent will be able to satisfy its obligations under these arrangements.
- The ZDP Shares rank ahead of the other classes of shares in the Issuer in the event of a winding up. However, the Issuer will have no assets other than the obligation of the Parent to put the Issuer in a position to meet its obligations in respect of the ZDP Shares pursuant to the Contribution Agreement.
- The market value of the ZDP Shares will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the ZDP Shares.
- The ZDP Shares may trade at a discount to their Accrued Capital Entitlement, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition and prospects of the Group.
- There may not be a liquid secondary market for the ZDP Shares.
- Any change in tax legislation in the UK could affect the taxation of returns derived from investing in ZDP Shares.

## 4. **KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET**

### 4.1 **Under which conditions and timetable can I invest in this security?**

The Issuer is targeting an issue of 30 million ZDP Shares pursuant to the Issue (comprising the Placing and the Offer for Subscription), at an issue price of £1.00 per ZDP Share. The maximum number of ZDP Shares to be issued pursuant to the Issue is 30 million ZDP Shares.

Liberum has agreed to use its reasonable endeavours to procure Placees pursuant to the Placing for the ZDP Shares at the Issue Price on the terms and subject to the conditions set out in the ZDP Placing Agreement. The Placing and Offer for Subscription will close at 11.00 a.m. on 5 May 2023 (or such later date, not being later than 27 June 2023, as the Issuer and Liberum may agree). If the Issue is extended, the revised timetable will be notified via an RNS Announcement.

The Issue is conditional, *inter alia*, on: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 11 May 2023 (or such later time and/or date, not being later than the close of business on 30 June 2023, as the Issuer and Liberum may agree); (ii) the Issuer and the Parent complying with their respective obligations under the ZDP Placing Agreement to the extent that the same fall to be performed prior to Admission; (iii) the ZDP Placing Agreement not having been terminated prior to Admission; and (iv) the Minimum Gross Proceeds being raised pursuant to the Issue.

The results of the Issue are expected to be announced on 9 May 2023. Based on the Assumptions, the net proceeds of the Issue, after deduction of expenses of approximately £1.2 million, are expected to be approximately £28.8 million. The Issuer will not charge investors any separate costs or expenses in connection with the Issue.

No dilution will result from the Issue.

Application will be made for all of the ZDP Shares to be issued pursuant to the Issue to be admitted to the Official List (by way of a standard listing under Chapter 14 of the Listing Rules) and to trading on the Main Market. Admission of the ZDP Shares issued pursuant to the Issue is expected to occur on 11 May 2023.

### 4.2 **Why is this document being produced?**

This document is being produced in connection with the admission of the ZDP Shares to the standard segment of the Official List and to trading on the Main Market.

Based on the Assumptions, the net proceeds of the Issue, after deduction of expenses, are expected to be approximately £28.8 million. The Net Proceeds will be advanced by the Issuer to the Parent pursuant to the Contribution Agreement. The Directors intend to apply the Net Proceeds towards the continuation of future phases of the Group's The Island Quarter project in Nottingham in order to advance further phases and take advantage of the opportunities presented by the development. In addition, the Net Proceeds may be used for further acquisitions of investment properties and in realising value from the Group's other development projects in line with the Group's stated strategy of investing in property assets and companies where the Directors believe the Group can add significant value using its property management, development and transaction structuring skills. Any additional cash requirements in connection with the above projects and acquisition opportunities, in excess of the Net Proceeds, will be covered by the existing debt financing and other cash resources available to the Group, the proceeds of any future sales of assets by the Group and, subject to the relevant restrictions in the Issuer Articles and the Contribution Agreement, any further possible debt financing obtained by the Group.

None of the ZDP Shares available under the Issue are being underwritten.

As at the date of this document, there are no interests that are material to the Issue and no conflicting interests.