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LSL PROPERTY SERVICES PLC

(incorporated and registered in England and Wales with registered number 5114014)

Shareholder approval for uncapped proceeds of sale arising on a potential future disposal of

Pivotal Growth joint venture

Circular to Shareholders

and

Notice of the General Meeting

Numis Securities Limited

Sponsor

This document should be read as a whole. Your attention, in particular, is drawn to the risk factors set out in Part II (*Risk Factors*) and to the letter from your Chair, which is set out in Part I (*Letter from the Chair of LSL*) and which contains the unanimous recommendation of the Board that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of the General Meeting to be held at Marsh & Parsons, 80 Hammersmith Road, London W14 8UD on 22 July 2021 at 12 noon is set out at pages 30 and 31 of this document.

Whilst at the date of posting of this document LSL believes that the General Meeting will be held in person, due to the ongoing uncertainty relating to COVID-19 it is possible that the General Meeting arrangements (as set out in Part VII (*Notice of General Meeting*) of this document) may need to change to reflect any further COVID-19 related developments or restrictions imposed over the next few weeks. Up to date information and any changes to the arrangements will be made available on LSL's website: lspls.co.uk.

Given the ongoing uncertainty around the COVID-19 restrictions, Shareholders are encouraged to appoint the Chair of the meeting as their proxy to the meeting, ensuring that should the circumstances arise where no Shareholders other than the minimum number of Shareholders required to ensure that the meeting is quorate are permitted to attend, Shareholders can be sure of their votes being included.

The Board is committed to open dialogue with Shareholders and remains mindful of ensuring that Shareholders have an opportunity to engage with LSL. Shareholders are encouraged to submit questions in advance of the General Meeting by emailing questions to investorrelations@lsips.co.uk. Answers to questions that are of common interest will be published on LSL's website.

The actions to be taken in respect of the General Meeting are set out in paragraph 11 of Part I (*Letter from the Chair of LSL*) of this document. Shareholders are being invited to submit their proxy votes for the General Meeting electronically instead of via a paper-based system which has operated previously. Shareholders can submit their proxy electronically by visiting www.signalshares.com and following the instructions. CREST members may appoint proxies using the CREST electronic proxy appointment service (see Part VII (*Notice of General Meeting*)). Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 12 noon on 20 July 2021 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The electronic appointment of a proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish; however, as noted above, Shareholders are encouraged to register their votes by proxy.

This document is a circular relating to the matters referred to herein which has been prepared in accordance with the Listing Rules and approved by the FCA.

This document and the accompanying documents have been prepared to comply with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this document or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the UK.

Numis Securities Limited ("**Numis**") is authorised and regulated by the FCA in the United Kingdom. Numis is acting exclusively for LSL and no one else in connection with the matters referred to in this document and will not regard any other person (whether or not a recipient of this document) as a client in relation to the matters referred to in this document and will not be responsible to anyone other than LSL for providing the protections afforded to clients of Numis nor for providing advice in relation to the matters referred to in this document.

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Information regarding forward-looking statements

This document contains forward-looking statements. Statements containing the words "intends", "aims", "anticipates", "assumes", "budgets", "could", "contemplates", "continues", "plans", "predicts", "projects", "schedules", "seeks", "shall", "should", "targets", "would", "believes", "anticipates", "may", "will", "estimates", "expects" and "outlook" or, in each case, their negative or other variations, or words of similar meaning are forward-looking. By their nature, all forward-looking statements are subject to assumptions, risks and uncertainties. Although LSL believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct and because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward looking statements. Each forward-looking statement speaks only as of the date

of the particular statement. LSL does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the FCA, the Listing Rules, the Disclosure Guidance and Transparency Rules, the rules of the London Stock Exchange, the Market Abuse Regulation or by applicable law.

Nothing in this section should be interpreted as qualifying the working capital statement in paragraph 10 of Part V (*Additional Information*) of this document.

No profit forecast or estimate

Save in respect of the statement set out at Part IV (*Profit Forecast*) of this document, no statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for LSL.

Notice to all Shareholders

This document is not intended to and does not constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, Ordinary Shares in any jurisdiction. The information provided in this document is provided solely for the purpose of considering the matters referred to in this document and the Resolution. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering the matters referred to in this document and the Resolution is prohibited.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by LSL, the Directors, Numis or any other person involved in the matters referred to in this document. The delivery of this document shall not, under any circumstances, create any implication that there has been any change in the affairs of LSL since the date of this document or that the information in this document is correct as at any time subsequent to its date. In particular, the contents of LSL's website does not form part of this document and Shareholders should not rely on them.

This document is dated 5 July 2021.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| Event | Time and Date ⁽¹⁾ |
|---|--|
| Publication and posting of this document | 5 July 2021 |
| Latest time and date for Shareholders to submit their proxies electronically for the General Meeting and CREST Proxy Instructions in respect of the General Meeting | 12 noon on 20 July 2021 ⁽²⁾ |
| General Meeting held | 12 noon on 22 July 2021 |

Notes:

- (1) All times are UK times. These dates and times are indicative only and are based on LSL's current expectations and may be subject to change. If any of the times and/or dates change the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.
- (2) Only persons entered in the register of members of LSL at close of business on 20 July 2021 or, in the event that the General Meeting is adjourned, close of business on the date which is two working days prior to the reconvened meeting, shall be entitled to attend, speak and vote at the General Meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend, speak and vote at the General Meeting or the adjourned meeting.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

| | |
|--|--|
| Directors | Bill Shannon (<i>Non-Executive Chair</i>) David Stewart (<i>Group Chief Executive Officer</i>) Adam Castleton (<i>Group Chief Financial Officer</i>) Helen Buck (<i>Executive Director – Estate Agency</i>) Gaby Appleton (<i>Non-Executive Director</i>) Simon Embley (<i>Non-Executive Director</i>) Darrell Evans (<i>Non-Executive Director</i>) |
| Company Secretary | Sapna Bedi FitzGerald |
| Registered and Head Office | Newcastle House Albany Court Newcastle Business Park Newcastle Upon Tyne NE4 7YB |
| Sponsor | Numis Securities Limited 10 Paternoster Square London EC4M 7LT |
| Legal Adviser to LSL | Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES |
| Legal Adviser to the Sponsor | DLA Piper UK LLP 160 Aldersgate Street Barbican London EC1A 4HT |
| Auditors and Reporting Accountant | Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR |
| Reporting Accountant | KPMG LLP 15 Canada Square London E14 5GL |
| Registrar | Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU |

PART I

LETTER FROM THE CHAIR OF LSL

Registered Office
LSL Property Services plc
Newcastle House
Albany Court
Newcastle Business Park
Newcastle Upon Tyne
NE4 7YB
5 July 2021

To Shareholders and, for information only, to persons with information rights

Dear Shareholder

Shareholder approval for uncapped proceeds of sale arising on a potential future disposal of Pivotal Growth joint venture

and

Notice of General Meeting

1. Introduction

On 23 April 2021, LSL Property Services plc (“**LSL**”) announced the formation of a joint venture with Pollen Street Capital to establish Mottram Topco Limited (“**Pivotal Growth**” or “**Joint Venture**”), a vehicle seeking to become a leading national mortgage broker powered by market leading technology, first class regulatory compliance and exemplary customer service. LSL has committed to invest up to £33.5 million and PSC Nominee 4 Limited (a vehicle incorporated by Pollen Street Capital for the purposes of the Joint Venture) (“**PSC**”) has committed to invest up to £62.4 million in Pivotal Growth. On completion, each of LSL and PSC held a 47.8 per cent share of Pivotal Growth.

For reasons described in more detail below, the terms of the Joint Venture Agreement provide that, in certain circumstances, the proceeds of sale receivable by LSL are subject to an upper limit. That upper limit can be removed with the approval of Shareholders. The purpose of this document is to explain the background to and reasons for the inclusion of that upper limit and to seek the approval of Shareholders at the General Meeting for its removal.

The Joint Venture Agreement includes “drag along” provisions which allow either LSL or PSC to require all other security holders (including each other) to dispose of their equity investment in Pivotal Growth to a third party purchaser (“**Drag Along**”) at any time after four years of entry into the Joint Venture Agreement (“**Lock-Up Expiry Date**”). “Drag Along” provisions of this nature are common in joint venture arrangements and are used to ensure that one party cannot block a sale if the other party wishes to sell and certain pre-agreed conditions have been met.

The right of either LSL or PSC to invoke the Drag Along arises in the following circumstances:

- at any time after the Lock-Up Expiry Date but prior to the third anniversary of the Lock-Up Expiry Date (i.e. between four and seven years from the date of the Joint Venture Agreement), if a disposal of all of the equity share capital of Pivotal Growth would result in the shareholder being required to dispose of its investment receiving a certain minimum return on its investment; and/or
- at any time after seven years from the date of the Joint Venture Agreement, when there is no requirement that the shareholder being required to dispose of its investment receives a minimum return on its investment.

The minimum return referred to above is calculated by reference to a variable cash return multiple on amounts invested in the Joint Venture, and is only applicable in the event that the Drag Along is exercised between four and seven years from the date of the Joint Venture Agreement.

As the effect of the Drag Along is that the sale of LSL's investment in Pivotal Growth is not entirely within its sole discretion or control, the Listing Rules required LSL to classify the Joint Venture at the time it was entered into rather than on the future sale. At the time of entering into the Joint Venture, LSL and PSC were aware of a number of possible acquisition opportunities for the Joint Venture which meant it was commercially desirable to complete the formation of the Joint Venture quickly in order to enable Pivotal Growth to begin to execute its strategy immediately and be in a position to capitalise on those opportunities. In order to do so, and after consultation with the FCA in order to ensure compliance with the Listing Rules, LSL agreed to include an upper limit on the amount of future sale proceeds it would receive for its equity investment in Pivotal Growth pursuant to the Drag Along. This limit was set at a level which meant the Joint Venture Agreement could be completed quickly and without the need for immediate approval of Shareholders, with the intention that the approval of Shareholders for unlimited future sale proceeds, (i.e. effectively removing the cap), would be sought at a later date.

Consequently, the terms of the Drag Along provide that, if the Drag Along is exercised by PSC, the amount due to LSL upon a disposal of its equity investment in Pivotal Growth would be capped at £85,933,133 ("**Current Maximum Value**").

In the event that LSL was to realise its investment in Pivotal Growth otherwise than pursuant to the Drag Along, its proceeds of sale would not be capped in this way, and approval of Shareholders would be required if the disposal (whether as a result of the amount of proceeds or otherwise) was determined to be a Class 1 transaction at the time of the proposed disposal. The approval of Shareholders being sought by LSL at the General Meeting convened by the Notice of General Meeting (which is set out at the end of this document) will not constitute such an approval and therefore even if the Resolution is passed, a further approval may still be required if LSL was to dispose of its investment otherwise than pursuant to the Drag Along.

The effect of this is that on a disposal pursuant to the exercise of the Drag Along by PSC, LSL is entitled to receive proceeds only up to the Current Maximum Value. In the event that the Current Maximum Value is less than the price a third party offers for LSL's equity investment in Pivotal Growth ("**Sale Price**"), LSL is not entitled to the full Sale Price and the other shareholders in Pivotal Growth would be entitled to the excess of the Sale Price above the Current Maximum Value. Whilst there can be no certainty that the performance of Pivotal Growth is such that the Current Maximum Value will be exceeded on a disposal, the Board feels that it is important for its investment in Pivotal Growth to be unconstrained and to have the flexibility to be able to receive uncapped proceeds of sale if the Joint Venture performs strongly.

LSL is now seeking the approval of Shareholders to receive uncapped proceeds of sale on a potential future disposal of its investment in Pivotal Growth pursuant to the Drag Along, in order to ensure that LSL and its Shareholders can benefit from the success of the Joint Venture without any restriction.

Terms which allow LSL to receive uncapped proceeds of sale on a potential future disposal of its equity investment in Pivotal Growth pursuant to the Drag Along constitute a Class 1 transaction (as defined in the Listing Rules) for LSL and therefore require the approval of Shareholders. If such approval is granted, the terms of the Joint Venture Agreement provide that there will be no upper limit on LSL's potential returns from a future disposal pursuant to the Drag Along (such unlimited proceeds being referred to as the "**Uncapped Value**").

A notice convening the General Meeting, at which the Resolution will be proposed, is set out in Part VII (*Notice of General Meeting*) of this document.

The General Meeting is to be held at Marsh & Parsons, 80 Hammersmith Road, London W14 8UD on 22 July 2021 at 12 noon for the purpose of seeking Shareholder approval for Uncapped Value on a potential future disposal by LSL of its investment in Pivotal Growth pursuant to the Drag Along. Whilst at the date of posting this document LSL believes that the General Meeting will be held in person, it is possible that the arrangements (as set out in Part VII (*Notice of General Meeting*) of this document) may need to change to reflect any further COVID-19 related developments or restrictions imposed over the next few weeks. Up to date information and any changes the Board considers, in that context, should be made to the meeting arrangements contained in the Notice will be available at Islps.co.uk. In order to ensure Shareholders' votes are counted, despite these uncertainties, the Board strongly encourages Shareholders to exercise their right to vote by appointing the Chair as their proxy to vote at the General Meeting in accordance with their instructions.

The purpose of this document is to: (i) provide Shareholders with information on the terms of the Drag Along and the inclusion of the Current Maximum Value; (ii) explain why the Board unanimously considers the approval for Uncapped Value on a potential future disposal of Pivotal Growth pursuant to the Drag Along to be in the best interests of LSL and its Shareholders as a whole; and (iii) recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out at the end of this document, in order to enable LSL to receive Uncapped Value.

Capitalised terms have the meaning ascribed to them in Part VI (*Definitions*) of this document.

2. Background to and reasons for the Joint Venture

As part of a strategic review undertaken in 2020, LSL identified a significant buy and build opportunity in the mortgage and protection intermediary markets. The Board concluded that this opportunity would best be pursued by working with a joint venture partner to provide additional capital and expertise in financial services as well as experience of executing a similar strategy in related markets.

The mortgage lending market is highly diverse, growing quickly, resilient and dominated by intermediaries. Across a fragmented market, LSL has identified a number of potential targets which could be grown further with the benefits offered by Pivotal Growth and the Joint Venture's initial strategy will focus on acquiring these larger businesses, thereafter targeting smaller broker firms.

LSL's lending mortgage network, PRIMIS, will act as a platform for the buy-and-build strategy, reducing administrative, compliance, payment, technology and support service costs. This will underpin PRIMIS' leading position in the mortgage network market, driving additional growth in members. Acquired companies will, through the relationship with PRIMIS, benefit from LSL's purchasing power, a scalable technology platform onto which Appointed Representatives can be migrated, as well as the Group's significant investment in digital capability including the recent acquisitions of Mortgage Gym and Direct Life & Pension Services Limited.

The Board believes that there are opportunities to increase the distribution of protection products which is often under-penetrated in this sector, to grow the share of remortgage and product transfer business and generate recurring revenue for LSL.

3. Principal terms of the Joint Venture

LSL and PSC have each committed to invest up to £19.1 million for an initial 47.8 per cent equity share of Pivotal Growth. In addition LSL has agreed to invest up to £14.4 million and PSC up to £43.3 million in Pivotal Growth by way of loan notes. The commitments are to be drawn down by Pivotal Growth over time dependent on the timing of acquisitions and the extent of external debt finance deployed.

Simon Embley (the previous LSL Chair and a current Non-Executive Director of LSL) has been appointed as chief executive officer of Pivotal Growth, and has agreed to invest up to £4.4 million alongside PSC and LSL for a 4.4 per cent equity share in Pivotal Growth.

All major strategic decisions in relation to Pivotal Growth are subject to the agreement of both LSL and PSC. David Stewart, LSL's Chief Executive Officer, and Ian Gascoigne, Partner at Pollen Street Capital, have both been appointed as directors of Pivotal Growth, as has Simon Embley.

Further details of the principal terms of the Joint Venture and the Joint Venture Agreement (including the Drag Along right) are set out in Part III (*Principal Terms of the Joint Venture Agreement*) of this document.

4. Information on LSL

LSL is one of the largest providers of services to mortgage intermediaries, specialist mortgage and protection advice to estate agency and new build customers and valuation services to the UK's biggest mortgage lenders. It also operates a network of 228 owned and 127 franchised estate agency branches.

LSL was formed in 2004 following the management buyout of Your Move and e.surv Chartered Surveyors from Aviva Life (formerly Norwich Union Life) and successfully completed its initial public offering on the Main Market in November 2006 with a value of £208 million. LSL's registered office is in Newcastle-upon-Tyne and the Group employs over 4,300 employees across the UK.

LSL reports under three segments: Financial Services; Surveying and Valuation Services; and Estate Agency and Related Services:

- **Financial Services:** LSL's Financial Services businesses provide services relating to the arrangement of mortgages and non-investment insurance products, across several different market sectors, namely: intermediary; new build home; and direct to customer. Technology is at the heart of LSL's financial services proposition, through its award-winning "Toolbox" and innovative Mortgage Gym technology. PRIMIS is the trading style of LSL's mortgage and protection networks (First Complete Limited, Advance Mortgage Funding Limited and Personal Touch Financial Services Limited) that are all authorised and regulated by the FCA. With 930 affiliated firms and nearly 2,600 advisers, PRIMIS' combined appointed representative network is one of the largest in the UK. The new build home financial services are provided by Group First Ltd (which includes Mortgages First Ltd and Insurance First Brokers Ltd) and RSC New Homes Limited. The direct to customer services are provided by: Embrace Financial Services Ltd; Linear Financial Services Limited; and First2Protect Limited. LSL also recently acquired Mortgage Gym which is a digital marketplace that matches mortgage borrowers with mortgage lenders.
- **Surveying and Valuations:** LSL's Surveying and Valuations business provides valuations and professional surveying services of residential properties to lenders and individual customers. Services are provided by e.surv Chartered Surveyors which also trades as Walker Fraser Steele (in Scotland). e.surv has been trading since 1989 and is one of the UK's largest providers of surveying and valuation services. It is one of the UK's biggest employers of Royal Institution of Chartered Surveyors (RICS) registered surveyors, with a network of more than 600. It uses industry-leading technology to provide a range of products and services to a customer base that includes lenders, intermediaries, social housing entities, estate agents and consumers. It is also a leading supplier in the later-life lending market which is forecasted to grow. LSL has also established a captive insurance company which is based in Guernsey and regulated by the Guernsey Financial Services Commission and provides professional indemnity insurance for the benefit of the Surveying and Valuations business.
- **Estate Agency:** LSL owns one of the largest combined Estate Agency networks in the UK. It has strong and established high street estate agency brands, including both franchised and owned branches. Its companies and brands include: your-move.co.uk Limited, Reeds Rains Limited, Marsh & Parsons Limited, LSLi Limited, LSL Land & New Homes Limited and Homefast Ltd. All LSL's Residential Sales and Lettings estate agency companies are members of The Property Ombudsman Scheme (TPOS), which operates a residential sales and lettings code of practice approved by the Trading Standards Institute (TSI) under its Consumer Codes Approval Scheme (CCAS). LSL's Estate Agency Division also comprises its asset management business. LSL's three asset management companies: LSL Corporate Client Services Limited, St Trinity Asset Management and Templeton LPA Limited (a Law of Property Act fixed charge receiver) are all market-leading in the sale of residential properties on behalf of corporate clients and property investors.

5. Information on Pivotal Growth

LSL and PSC are planning that at least £200 million will be made available by way of equity and debt to fund acquisitions by the businesses within the Pivotal Growth group ("**Pivotal Growth Group**") and LSL has committed up to £33.5 million and PSC up to £62.4 million to support such acquisitions. The investment by LSL and PSC will be supplemented with external debt finance in the Pivotal Growth Group to fund acquisitions, with a view to an exit event over a three-to-six year period. This may be a disposal by LSL of its investment (whether pursuant to the Drag Along or otherwise) or it is possible that LSL may decide to acquire some or all of the shares in Pivotal Growth held by PSC, Simon Embley and/or any other future security holder of Pivotal Growth.

A particular area of focus for Pivotal Growth is the development of market leading technology solutions that assist mortgage and protection advisers to run their businesses efficiently and effectively and to increase sales performance. The Toolbox system is used to manage the operations of all PRIMIS members and will be the operating and technology platform for the Pivotal Growth "buy and build" strategy. Pivotal Growth will also use the technology of the recently acquired Mortgage Gym and Direct Life & Pensions businesses which offer award-winning solutions for the mortgage and protection markets respectively.

Pivotal Growth has entered into a long-term arrangement with PRIMIS, to enable all businesses acquired by the Pivotal Growth Group to become PRIMIS members, leveraging PRIMIS' scale and existing leading positions in the mortgage and protection markets.

6. Use of proceeds and financial effects of potential future disposal

As noted above, it is not clear what form an exit event in relation to Pivotal Growth may take and LSL anticipates that the most likely timescale for such a transaction is over a three-to-six year period from the date of its investment.

If the exit transaction is a disposal of LSL's investment in Pivotal Growth (whether pursuant to the Drag Along or otherwise) then the Board will consider at such time the most appropriate use for the resultant proceeds. This could include retention of the net cash proceeds to strengthen the Group's balance sheet, the reduction of any indebtedness which existed at that time and/or the deployment of the proceeds in pursuit of further value-creating opportunities as appropriate.

The Board would also consider using a suitable proportion of any net cash proceeds to make a return to Shareholders in line with its distribution policy at that time, subject always to the financial performance of LSL and the provisions of the Companies Act.

Any future disposal of LSL's investment in Pivotal Growth would be expected to strengthen the Group's balance sheet as a result of the anticipated cash proceeds of sale. However, the actual amount receivable by LSL on a disposal are unknown at this time. In addition to any cash or other proceeds of sale received, the disposal would have the net effect, after taking into account any interest cost saving from reducing any indebtedness, of reducing the Group's profit before tax and would be expected to be dilutive to the earnings per share of the Group for the financial year in which the disposal took place and beyond. In addition, a disposal may have the effect of causing the businesses within the Pivotal Growth Group to terminate their membership of LSL's mortgage network (PRIMIS) which could further reduce the Group's profitability and earnings per share.

7. Current trading, trends and future prospects

For the year ended 31 December 2020, LSL reported Group total revenue of £266.7 million and Group Underlying Operating Profit* (pre COVID-19 costs) of £41.5 million. Group Underlying Operating Profit (post COVID-19 costs) was £35.2 million. After a highly resilient performance in a COVID-19 impacted first half of 2020, which reflected operational agility and careful financial management, in the second half, following the reopening of the property markets, performance recovered strongly, as colleagues returned to work from furlough, re-built pipelines, delivering improving financial performance as the second half progressed, and setting up a strong platform for the first quarter of 2021. High standards of service to customers were maintained throughout, despite many colleagues still working from home during the latest lockdown. This was reflected in LSL's financial performance in the second half of 2020, with each of LSL's three Divisions outperforming the first half of 2020 in terms of Underlying Operating Profit* (pre COVID-19 costs).

On 28 April 2021, LSL published its Final Results 2020 & Strategic Update, which included information on the first quarter's trading in respect of the three month period to 31 March 2021. LSL built on its strong momentum from the second half of 2020, with each of LSL's three Divisions delivering material improvements in financial performance in the first quarter of 2021 compared to the same periods in 2019 and 2020:

- Mortgage completions for the first quarter of 2021 increased to £9.3 billion, ahead of 2019 and 2020 by 29 per cent and 22 per cent year-on-year respectively;
- Financial adviser numbers grew strongly, with an increase of 4 per cent since 31 December 2020, and 14 per cent year-on-year as at 31 March 2021;
- Surveying revenue increased by 4 per cent in the first quarter of 2021 compared to 2019, and 5 per cent compared to 2020;
- Estate Agency like-for-like Residential Sales exchange income in the first quarter of 2021 was up by 57 per cent on 2019 and 61 per cent on 2020, as very strong pipelines converted; and
- The Residential Sales exchange pipeline remained very strong at the end of the first quarter of 2021, at 48 per cent more than 2019 and 25 cent more than 2020 year-on-year.

Group Underlying Operating Profit for the first quarter of 2021 was £13.1 million, significantly higher than comparative periods for 2019 of £2.1 million and 2020 of £3.4 million, benefiting materially from strong trading conditions, the conversion of the larger pipelines, cost control, including the reshaping of the LSL Estate Agency networks during the first quarter of 2019. In its Final Results 2020 & Strategic Update, LSL also reported that April's trading built further on the very strong performance over the first quarter and remained ahead of previous internal expectations.

The financial information is based on the Final Results 2020 & Strategic Update released on 28 April 2021, the 2020 Annual Report and Accounts and the 2019 Annual Report and Accounts which are all available at lsps.co.uk.

*Group Underlying Operating Profit is before exceptional costs, contingent consideration, amortisation of intangible assets, share-based payments and includes £15.7 million of amounts receivable through the Coronavirus Job Retention Scheme. Segment Underlying Operating Profit is stated on the same basis as Group Underlying Operating Profit.

LSL provided an update on current trading at its annual general meeting on 23 June 2021, stating that current trading is in-line with the Board's expectations. The Board expects that the Group will deliver a full year 2021 Group Underlying Operating Profit in line with its expectations.

8. Irrevocable Undertakings

The Directors who hold Ordinary Shares have irrevocably undertaken to vote in favour of the Resolution and any other resolution that may be proposed at the General Meeting, in respect of their own beneficial holdings of, in aggregate, 6,829,684 Ordinary Shares (representing approximately 6.49 per cent of the Ordinary Shares in issue on 2 July 2021, being the Latest Practicable Date).

9. Risk Factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolution, please refer to Part II (*Risk Factors*) of this document.

10. General Meeting

You will find set out at the end of this document a Notice of General Meeting convening a General Meeting to be held at Marsh & Parsons, 80 Hammersmith Road, London W14 8UD on 22 July 2021 at 12 noon.

At the General Meeting, the Resolution will be proposed which, if passed, will approve LSL receiving Uncapped Value on a potential future disposal of its investment in Pivotal Growth pursuant to the Drag Along.

The full text of the Resolution is included in the Notice of General Meeting, which is set out in Part VII (*Notice of General Meeting*) of this document.

Members of the Board will be attending the General Meeting along with Shareholders in accordance with the provisions of LSL's articles of association and taking into account ongoing COVID-19 restrictions.

11. Action to be taken by Shareholders

Shareholder support is important to us. Please vote on the Resolution.

Given the ongoing uncertainty around COVID-19 restrictions, Shareholders are encouraged to appoint the Chair as their proxy at the meeting, ensuring that should the circumstances arise where no Shareholders other than the minimum number of Shareholders required to ensure that the meeting is quorate are permitted to attend the meeting, Shareholders can be sure of their votes being included.

Shareholders are invited to submit their proxy votes for the General Meeting electronically instead of via a paper-based system which has operated previously. Shareholders are asked to submit their proxy electronically by visiting www.signalshares.com and following the instructions. CREST members may appoint proxies using the CREST electronic proxy appointment service (see Part VII (*Notice of General Meeting*)). Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 12 noon on 20 July 2021 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Any Shareholders wishing to receive a paper copy of the proxy form should contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

The electronic appointment of a proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish, however as noted above, due to the ongoing uncertainty around COVID-19 Shareholders are encouraged to register their votes by proxy.

The Resolution will be decided on a poll and the result of the vote will be announced to the London Stock Exchange and will appear on LSL's website: lsips.co.uk.

The Board is committed to open dialogue with Shareholders and remains mindful of ensuring that Shareholders have an opportunity to engage with LSL. Shareholders are encouraged to submit questions in advance of the General Meeting by emailing questions to investorrelations@lsips.co.uk. Answers to questions that are of common interest will be published on LSL's website.

12. Additional Information

Shareholder attention is drawn to the additional information set out in Part V (*Additional Information*) of this document. Shareholders are advised to read the whole of this document and not just rely on the key summarised information in this letter.

As stated above, the Resolution will be decided on a poll and the results will be announced as soon as possible once known through a Regulatory Information Service and on LSL's website (lsips.co.uk). It is expected that this will be later the same day of the General Meeting.

13. Recommendation to Shareholders

Terms which allow LSL to receive Uncapped Value on a potential future disposal of its investment in Pivotal Growth pursuant to the Drag Along, being a Class 1 transaction for LSL for the purposes of the Listing Rules, require the Resolution to be approved by a simple majority of the votes cast by Shareholders represented in person or by proxy at the General Meeting.

The Board considers that terms which allow LSL to receive Uncapped Value on a potential future disposal of its investment in Pivotal Growth pursuant to the Drag Along and the passing of the Resolution are in the best interests of LSL and its Shareholders taken as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting. The Directors who hold Ordinary Shares have each irrevocably undertaken to vote in favour of the Resolution at the General Meeting and, subject to the terms of the relevant undertaking, any other resolutions that may be proposed at the General Meeting, in respect of their own beneficial holdings, which amount in total to 6,829,684 Ordinary Shares (representing approximately 6.49 per cent of the total issued share capital of LSL) as at the Latest Practicable Date.

Yours faithfully,

Bill Shannon

Non-Executive Chair

For and on behalf of LSL Property Services plc

PART II

RISK FACTORS

Shareholders should consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this document prior to making any decision as to whether or not to vote in favour of the Resolution. The Group's business, results of operations, financial condition and prospects could be materially and adversely affected by any of these risks. The market price of the Ordinary Shares may decline due to any of these risks or other factors and Shareholders may lose all or part of their investment.

The risks disclosed in this document are those which are material risks relating to the matters referred to in this document, the passing of the Resolution or are existing material risks for the Group which will be impacted by the matters referred to in this document, as well as the material risks to the Group if the matters referred to in this document were not to proceed. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not currently known to LSL, or those that it currently deems not to be material, may become material and adversely affect the Group's business, results of operations, financial condition and prospects and/or the value of the Ordinary Shares. This document also contains estimates and projections that involve risks and uncertainties. The Group's results may differ significantly from those previously projected as a result of certain factors, including the risks which they face, as described below and in other sections of this document.

The information given in this section is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, will not be updated. Any forward-looking statements are made subject to the reservations specified in "Information regarding forward-looking statements" on page 2 of this document.

1. Risks relating to the Resolution not being passed and LSL not being able to receive proceeds of sale in excess of the Current Maximum Value

Shareholder value may be lost if the Resolution is not passed and LSL is unable to receive sale proceeds in excess of the Current Maximum Value

The current terms of the Joint Venture Agreement provide that the amount due to LSL upon a future disposal of its equity investment in Pivotal Growth pursuant to the Drag Along is subject to the Current Maximum Value. The Board believes that it is in the best interests of Shareholders for LSL to be able to receive proceeds of sale in excess of the Current Maximum Value, which provides the best opportunity for Shareholders to realise full value for the Group's equity investment in Pivotal Growth. If the Resolution is not passed and LSL's proceeds of sale on a disposal pursuant to the Drag Along are limited to the Current Maximum Value, the value that LSL can realise for its investment in Pivotal Growth may be lower than the true market value of its investment and Shareholder value may be lost. The cash proceeds available to LSL on a disposal would also be reduced and therefore LSL's ability to deploy the proceeds of sale from the investment to create value would be adversely affected.

There may be an adverse impact on the Group's reputation

If the Resolution is not passed and LSL is unable to receive sale proceeds in excess of the Current Maximum Value upon a future disposal of its equity investment in Pivotal Growth pursuant to the Drag Along, any proceeds that LSL would receive would be subject to the Current Maximum Value. In the event that the Current Maximum Value is calculated to be less than the Sale Price then PSC is entitled to the excess of the Sale Price above the Current Maximum Value. The market's perception of LSL receiving less than market value on a disposal of its investment could result in adverse publicity and an adverse impact on the reputation of the Group and/or the Ordinary Share price. Any such reputational risk could also negatively impact the Group's business, financial conditions and results of operations.

LSL may have incurred unnecessary transaction costs if the Resolution is not passed

LSL has incurred transaction costs in connection with the preparation and dispatch of this circular, and the convening of the General Meeting. If the Resolution is not passed and LSL cannot realise the Uncapped Value of its investment, these costs (which will still be payable even if the Resolution is not passed) will have been incurred unnecessarily and would not be offset by any increased proceeds of sale arising from the Uncapped Value.

2. Risks relating to the Group

Drag Along rights of PSC

The Joint Venture Agreement includes drag along provisions which allow either LSL or PSC to require all other security holders (including each other) to dispose of their equity investment in Pivotal Growth to a third party purchaser at any time after four years of entry into the Joint Venture Agreement. The right of either LSL or PSC to invoke the Drag Along can be exercised: (i) if, at any time after the Lock-Up Expiry Date but prior to the third anniversary of the Lock-Up Expiry Date, a disposal of all of the equity share capital of Pivotal Growth would result in the shareholder required to dispose of its investment receiving a certain minimum return on its investment; and/or (ii) at any time after seven years of entry into the Joint Venture Agreement, when there is no requirement that the shareholder being required to dispose of its investment receives a minimum return on its investment. At the time of any such disposal, both LSL and PSC may have interests which are not aligned, or may conflict, with the other and LSL would not have control over any such process should PSC seek to invoke the Drag Along. In those circumstances, LSL may not wish to realise its investment in Pivotal Growth at that time, and may instead wish to either retain its holding or to acquire the shares held by other security holders of Pivotal Growth, but it would be unable to do so.

If PSC seek to invoke the Drag Along, LSL would not have control over the outcome of its investment in the Joint Venture or the terms of any third party sale, including the timing, structure, pricing and other terms and conditions of the exit, and any such terms may pose a misalignment or conflict with the interests of LSL and could therefore limit LSL's ability to achieve an exit from the Joint Venture on terms which are in the best interests of LSL and its Shareholders.

The Group may, as a result of its investment in Pivotal Growth, forgo investments that may realise a greater return on investment for the Group

LSL has incurred significant time and costs associated with the formation of the Joint Venture, committing up to £33.5 million to support the acquisitions to be made by the Pivotal Growth Group. Additionally, in pursuing its strategic partnership with PSC and its investment in Pivotal Growth, LSL has devoted significant time and resources of its senior leadership team, focusing their attention on the Joint Venture instead of identifying other suitable investments. The current terms of the Joint Venture Agreement provide that the amount due to LSL upon a future disposal of its equity investment in Pivotal Growth pursuant to the Drag Along is subject to the Current Maximum Value. If the Resolution is not passed and LSL's proceeds of sale on a disposal of its investment pursuant to the Drag Along are limited to the Current Maximum Value, the value that LSL can realise for its investment in Pivotal Growth may be lower than the true market value of its investment. As a result, LSL may have incurred, and may continue to invest, significant time, cost and resources in relation to the Joint Venture and have inadvertently hindered its opportunity in identifying other suitable investments which the Group could have derived greater and more attractive value from for its Shareholders.

If the Group restrains its investment in Pivotal Growth, this may reduce the number of acquisitions undertaken by Pivotal Growth which may in turn result in reduced opportunities to grow the PRIMIS network

Pivotal Growth has entered into a long-term arrangement with PRIMIS, to enable all businesses acquired by the Pivotal Growth Group to become PRIMIS members. If the Resolution is not passed and LSL's proceeds of sale on a disposal of its investment pursuant to the Drag Along are limited to the Current Maximum Value, the Group may be unwilling to invest any further capital into the Joint Venture. This may reduce the amount of deployable capital which Pivotal Growth has to undertake acquisitions in accordance with its buy and build strategy. As any businesses acquired by Pivotal Growth are expected to become member firms of LSL's PRIMIS network, an indirect consequence of this restrained investment may be that the PRIMIS network does not benefit from growth in its members via Pivotal Growth.

The price of the Ordinary Shares may not reflect the full value of the Group's investment in Pivotal Growth

Shareholders should be aware that the value of an investment in the Group may go down as well as up and can be highly volatile. The price at which the Ordinary Shares may be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the industry as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the ability of LSL to dispose of its investment in Pivotal Growth pursuant to the Drag Along in the future at a price higher than the Current Maximum Value will be one such factor and this, together with other factors including the actual or anticipated fluctuations in the financial performance of the Group and its competitors, market fluctuations and legislative or regulatory changes in the applicable industry, could lead to the market price of the Ordinary Shares going up or down.

PART III

PRINCIPAL TERMS OF THE JOINT VENTURE AGREEMENT

1. Joint Venture Agreement

Structure

The Joint Venture Agreement was entered into on 22 April 2021 between LSL, PSC, Simon Embley and Pivotal Growth and regulates the ongoing governance and operation of Pivotal Growth. Each of LSL and PSC (LSL and PSC together the “**Lead JV Parties**” and the Lead JV Parties together with Simon Embley being the “**JV Parties**”) holds 47.8 per cent of the ordinary share capital of Pivotal Growth, with Simon Embley holding the remaining 4.4 per cent. The Lead JV Parties’ ordinary shares have voting rights attached to them whereas Simon Embley’s shares do not and therefore each of LSL and PSC holds 50 per cent of the voting rights in Pivotal Growth.

Funding

The aggregate subscription price undertaken to be paid by each of the Lead JV Parties on establishment of Pivotal Growth and entry into the Joint Venture Agreement was £765,000 and a further £70,000 was committed by Simon Embley. The JV Parties have agreed that where the board of Pivotal Growth (“**Pivotal Board**”) resolves, with the consent of the Lead JV Parties, that it requires further funding whether for working capital, acquisitions or otherwise, the Pivotal Board will consider whether to obtain that funding from external lenders or from existing shareholders. The JV Parties have agreed in principle under the terms of the Joint Venture Agreement to provide further funding of up to £100 million in aggregate, of which up to £33.6 million is expected to be provided by LSL, up to £62.4 million by PSC and up to £4 million by Simon Embley. £40 million of such further funding will be advanced in consideration for additional shares to be subscribed by the JV Parties pro rata to their existing shareholdings outlined under the heading “Structure” above (comprising £19.1 million to be subscribed by each of the Lead JV Parties and the remaining £1.8 million by Simon Embley), in each case less the amounts already subscribed by the JV Parties to date. The remaining £60 million will be subscribed through loan notes up to £14.4 million in the case of LSL, £43.3 million by PSC and £2.3 million by Simon Embley. However, no party is contractually obliged under the Joint Venture Agreement to advance funding to Pivotal Growth.

In certain circumstances where Pivotal Growth requires further funding (for example where Pivotal Growth and its group is at risk of breaching its banking covenants, is unable to pay its debts as they fall due or where there is a requirement for further regulatory capital to be advanced which cannot be satisfied other than through the issue of shares) a JV Party may require a rescue issue to be undertaken to raise that new funding. In those circumstances the rescue issue will be undertaken on the basis that that each of the parties will be able to subscribe on the basis of their current shareholding proportions in respect of the shares or debt securities which are being issued as part of the rescue (i.e. 47.8 per cent in respect of each of LSL and PSC and 4.4 per cent in respect of Simon Embley (“**Pro Rata Portions**”). Save where the rescue issue is undertaken as an urgent rescue issue (see further below), each shareholder will be able to subscribe for their Pro Rata Portion of the shares or debt securities being offered as part of the rescue issue, however, if one party does not take up their allocated portion that portion cannot then be offered to the other shareholders.

Where a JV Party considers that an urgent rescue issue is required (being a rescue issue where a JV Party considers that the investment needs to be made urgently), the JV Parties are required to consult on the rescue issue for a period of 10 calendar days following which those JV Parties that are willing to subscribe for the relevant shares can subscribe for the full amount being offered to all JV Parties which are not taken up by those other parties, and the other parties will have a “catch up” right to acquire their Pro Rata Portion of the securities from the participating JV Parties within 45 days of such rescue issue having taken place (subject to being required to pay interest on that portion).

Board and governance

The Pivotal Board comprises up to three directors including one director appointed by LSL (the “**LSL Director**”) and one director appointed by PSC (the “**PSC Director**”). The third director will be the chief executive officer (if there is one in office). The first LSL Director is David Stewart and the first PSC Director is Ian Gascoigne. The current chief executive officer is Simon Embley. The position of chair of the Pivotal Board will be held alternately by the PSC Director and the LSL Director in rotation

every 12 months. The first chair is Ian Gascoigne (the PSC Director). Pivotal Board meetings require a quorum of the PSC Director and the LSL Director and board decisions require the positive vote of the majority of the Pivotal Board, which shall include the LSL Director and PSC Director. Each of LSL and PSC is also entitled to send a non-voting board observer to meetings of the Pivotal Board.

Reserved matters

The JV Parties have agreed a list of reserved matters, which is customary for an agreement of this nature that will not be undertaken by Pivotal Growth or any subsidiary from time to time without the approval of both of the Lead JV Parties. The JV Parties have further agreed a limited subset of reserved matters that will not be undertaken without the approval of Simon Embley in addition.

Share transfers

Share transfers by the JV Parties are generally prohibited save for customary exceptions for example to members of its group in respect of LSL and investor associates in respect of PSC. Simon Embley has the right to transfer his shares to family members or trustees of family trusts.

Exit, drag along and tag along rights

The JV Parties have agreed that they will work to achieve an exit in respect of Pivotal Growth following the fourth anniversary of the Joint Venture Agreement (the "**Lock-Up Expiry Date**"). The JV Parties have been granted certain drag and tag along rights under the Joint Venture Agreement to facilitate such an exit.

At any time during the period commencing on the Lock-Up Expiry Date, either of the Lead JV Parties (the "**Drag Along Investor**") can require all other security holders (the "**Remaining Securityholders**") in Pivotal Growth (including the other JV Parties) to sell their shares in Pivotal Growth to a third party purchaser who proposes to acquire all of the Drag Along Investor's shares. Exercise of the Drag Along prior to the third anniversary of the Lock-Up Expiry Date is conditional upon the Lead JV Party who is a Remaining Securityholder required to sell its shares under the Drag Along having met certain minimum returns on its investment. Such minimum return is calculated by reference to a variable cash return multiple on amounts invested in the Joint Venture, and is only applicable in the event that the Drag Along is exercised between four and seven years from the date of the Joint Venture Agreement.

Where LSL is the Remaining Securityholder which is required to sell its shares and other securities in Pivotal Growth (the "**LSL Drag Securities**") under the Drag Along, the amount of consideration that can be paid to LSL for the LSL Drag Securities is:

- (a) where the Sale Price for the LSL Drag Securities is less than the Current Maximum Value, the consideration will be the Sale Price; or
- (b) where the Sale Price is the Current Maximum Value or more, the consideration will be the Current Maximum Value, save where LSL notifies PSC (as Drag Along Investor) that (a) the FCA does not require it to obtain Shareholder approval in connection with such Drag Along in order to receive an amount of the Current Maximum Value or more, or (b) LSL has obtained Shareholder approval under the Listing Rules, in which event the consideration shall be the Sale Price. The Shareholder approval contemplated in connection with such Drag Along is the subject matter of the General Meeting to be convened pursuant to the Notice of General Meeting and explained in this document.

A sale pursuant to the exercise of the Drag Along is otherwise required to be offered to the Remaining Securityholders on terms which are economically no less favourable to them than the terms being offered to the Drag Along Investor and no Remaining Securityholder shall be required to accept consideration pursuant to a sale further to the exercise of the Drag Along, in each case without its prior written consent, that is in a form other than cash or marketable securities equivalent to cash.

Where a Lead JV Party intends to sell its securities to a third party purchaser and the Drag Along is not exercised by such Lead JV Party ("**Tag Along Investor**"), the Tag Along Investor is required to procure that the Remaining Securityholders are entitled to participate in the sale for the same consideration and on substantially the same terms as the Tag Along Investor ("**Tag Right**"). Where LSL exercises its Tag Right, its participation in the sale is conditional upon any Shareholder approval which is required at that time being obtained before the sale of its securities is completed.

Separately, where the Lead JV Parties together propose to sell more than 50 per cent of the aggregate securities in Pivotal Growth to a third party purchaser, the Lead JV Parties are entitled to require the other security holders to sell their securities to such purchaser on similar terms and the Lead JV Parties are required to procure that the Remaining Securityholders are extended the right to participate in the sale if the drag right under that clause is not exercised by the Lead JV Parties.

Governing law

The Joint Venture Agreement is governed by English law.

2. Managers' Shareholders' Agreement

On 22 April 2021, in connection with the Joint Venture arrangements in respect of Pivotal Growth, LSL entered into a shareholders' agreement ("**Managers' Shareholders' Agreement**") with PSC, the management team of Pivotal Growth comprising Simon Embley, Jane Cross and David Copland ("**Managers**") and Pivotal Growth. The purpose of the Managers' Shareholders' Agreement is to regulate the terms on which the Managers would subscribe for shares in Pivotal Growth and the operation of Pivotal Growth as between the Managers and the Lead JV Parties.

The Managers subscribed for C and D ordinary shares in the capital of Pivotal Growth.

The Managers' Shareholders' Agreement contains warranties given by the Managers customary for an agreement of this nature. It further contains restrictive covenants which apply to the Managers customary for an agreement of this nature.

Governing law

The Managers' Shareholders' Agreement is governed by English law.

PART IV

PROFIT FORECAST

Group Profit Forecast

On 28 April 2021, as part of its preliminary results announcement for the year ended 31 December 2020, LSL stated:

“With 2019 as a normalised base year, given the strong Q1 trading and financials, we believe that the Group should deliver 2021 Group Underlying Operating Profit significantly ahead of 2019, with further growth expected in subsequent years.”

This statement constitutes a profit forecast for the purposes of the Listing Rules (the “**Profit Forecast**”). The Profit Forecast relates to the 12 month period ending 31 December 2021.

The Directors have considered and reconfirm that the Profit Forecast continues to be valid as at the date of this document.

Basis of preparation

The Profit Forecast has been properly compiled on the basis of the assumptions stated below and on a basis consistent with the accounting policies of LSL applied in the year ended 31 December 2020, which are in accordance with International Financial Reporting Standards (IFRS) and are expected by the Directors to be applicable for the year ending 31 December 2021.

The Directors have prepared the Profit Forecast based on:

- (a) the unaudited management accounts for the three months ended 31 March 2021; and
- (b) the projected performance of LSL for the remaining nine months of the year ending 31 December 2021.

The Profit Forecast includes initial investment expenditure relating to the Joint Venture and the strategic financial services partnership with The Property Franchise Group announced on 27 April 2021, which will drive further growth in the medium term.

LSL’s headline Group Underlying Operating Profit represents operating profit before exceptional costs, COVID-19 related costs, contingent consideration, amortisation of intangible assets and share-based payments.

Principal assumptions

The principal assumptions on which the Profit Forecast was based, which are outside the influence or control of the Directors, are:

- (a) there will be no material changes to existing prevailing macroeconomic or political conditions in the UK that would significantly affect the operations of LSL;
- (b) there will be no material change in current trading conditions or performance;
- (c) there will be no material adverse events that will have a significant impact on LSL’s financial performance;
- (d) there will be no business disruptions that materially affect LSL, its key customers or key suppliers, including for reason of technological faults, natural disasters, severe adverse weather conditions, acts of terrorism, cyber attack, pandemics, epidemics, other disease, industrial disruption, civil disturbance or government action;
- (e) there will be no material changes in legislation or regulations impacting LSL, the UK mortgage lending market, housing market and housing industry or LSL’s accounting policies; and
- (f) there will be no material changes in the expected timing of significant forecast contract negotiations or loss of key contracts.

The principal assumptions on which the Profit Forecast was based, which are within the influence or control of the Directors, are:

- (a) the Profit Forecast excludes any future business acquisitions, disposals (excluding the Joint Venture and the strategic financial services partnership with The Property Franchise Group) or joint venture agreements; and
- (b) there will be no material change to LSL’s existing operational structure and strategy except as already announced.

PART V

ADDITIONAL INFORMATION

1. Responsibility statement

LSL and the Directors, whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of LSL and the Directors (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 this document does not omit anything likely to affect the import of such information.

2. LSL information

LSL was incorporated on 27 April 2004 as a private company limited by shares with the name of Broomco (3455) Limited. LSL subsequently changed its name on 21 July 2004 to Lending Solutions Limited. On 12 October 2006, LSL re-registered as a public limited company and changed its name to LSL Property Services plc. It was incorporated with limited liability in England and Wales, and operates as a public limited company under the Companies Act, with registered number 5114014. LSL is a resident of the UK for UK tax purposes.

LSL's registered office is at Newcastle House, Albany Court, Newcastle Business Park, Newcastle Upon Tyne, NE4 7YB and its telephone number is 0191 233 4600. LSL's website is lspls.co.uk. The contents of LSL's website do not form part of this document.

The principal laws and legislation under which LSL operates are the Companies Act and the regulations made thereunder.

3. Major Shareholders

Set out in the table below are the name of those persons, other than the Directors, who, insofar as is known to LSL, are interested, directly or indirectly, in 3 per cent or more in the issued Ordinary Share capital of LSL as at the Latest Practicable Date:

| Name of Shareholder | Number of Ordinary Shares | Percentage of issued Ordinary Share capital (%) |
|---------------------------------------|----------------------------------|--|
| FIL Limited | 10,515,895 | 10.00 |
| Harris L.P | 10,316,680 | 9.81 |
| Kinney Asset Management, LLC | 9,770,595 | 9.29 |
| Setanta Asset Management Limited | 6,288,162 | 5.98 |
| SFM UK Management LLP | 5,523,218 | 5.25 |
| Brandes Investment Partners L.P | 5,308,287 | 5.05 |
| David Newnes | 3,479,910 | 3.31 |
| Franklin Templeton Institutional, LLC | 3,211,900 | 3.05 |

4. Directors

The Directors of LSL and their positions as at the date of this document are as follows:

| Name of Director | Position |
|-------------------------|------------------------------------|
| Bill Shannon | Non-Executive Chair |
| David Stewart | Group Chief Executive Officer |
| Adam Castleton | Group Chief Financial Officer |
| Helen Buck | Executive Director – Estate Agency |
| Gaby Appleton | Non-Executive Director |
| Simon Embley | Non-Executive Director |
| Darrell Evans | Non-Executive Director |

5. Directors' interests in LSL

Interests in Ordinary Shares

As at the Latest Practicable Date, the following Directors had the following interests in Ordinary Shares:

| Name of Director | Number of Ordinary Shares | Percentage of issued Ordinary Share capital (%) |
|-------------------------|----------------------------------|--|
| Bill Shannon | 25,329 | 0.02 |
| Adam Castleton | 6,182 | 0.006 |
| Helen Buck | 20,845 | 0.02 |
| Simon Embley | 6,777,291 | 6.445 |
| David Stewart | 37 | 0.00004 |

Interests in Ordinary Shares under incentive plans

As at the Latest Practicable Date, the following Directors had the following options over Ordinary Shares (all of which, unless otherwise stated are beneficial):

| Director | Award type | Date of grant | Share price on grant | Exercise price | Number of Ordinary Shares | Exercise period |
|-----------------|-------------------|----------------------|-----------------------------|-----------------------|----------------------------------|----------------------------|
| Helen Buck | LTIP | 29-Mar-19 | 255.00p | Nil | 151,470 | 29 Mar 2022 to 29 Mar 2029 |
| | SAYE | 01-Jun-19 | 227.00p | 265.00p | 2,037 | 1 Jun 2022 to 30 Nov 2022 |
| | LTIP | 09-Nov-20 | 210.50p | Nil | 152,655 | 9 Nov 2023 to 9 Nov 2030 |
| | LTIP | 05-May-21 | 408.50p | Nil | 96,006 | 5 May 2024 to 4 May 2031 |
| Adam Castleton | LTIP | 29-Mar-18 | 219.50p | Nil | 15,349 | 29 Mar 2021 to 29 Mar 2028 |
| | LTIP | 29-Mar-19 | 255.00p | Nil | 148,529 | 29 Mar 2022 to 29 Mar 2029 |
| | LTIP | 09-Nov-20 | 210.50p | Nil | 149,700 | 9 Nov 2023 to 9 Nov 2030 |
| | LTIP | 05-May-21 | 408.50p | Nil | 94,094 | 5 May 2024 to 4 May 2031 |
| Simon Embley | LTIP | 02-Apr-12 | 275.00p | Nil | 58,333 | 2 Apr 2015 to 2 Apr 2022 |
| David Stewart | LTIP | 09-Nov-20 | 210.50p | Nil | 221,833 | 9 Nov 2023 to 9 Nov 2030 |
| | LTIP | 05-May-21 | 408.50p | Nil | 139,458 | 5 May 2024 to 4 May 2031 |

Save as disclosed in this paragraph 5, no Director nor their immediate families, nor any person connected with any Director within the meaning of section 252 of the Companies Act has any interests (beneficial or non-beneficial) in the Share capital of LSL or any of its subsidiaries.

6. Directors' service contracts and letters of appointment

Details of the Directors' service agreements and letters of appointment can be found on pages 103 and 104 of the 2020 Annual Report and Accounts and are incorporated into this document by reference.

Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and LSL or the Group.

7. Related party transactions

Details of related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) that LSL has entered into are set out below:

- during the financial year ended 31 December 2018, such transactions are disclosed on page 182 and in note 17 of the 2018 Annual Report and Accounts which is hereby incorporated by reference into this document;
- during the financial year ended 31 December 2019, such transactions are disclosed on page 196 and in note 17 of the 2019 Annual Report and Accounts which is hereby incorporated by reference into this document;

- (c) during the financial year ended 31 December 2020, such transactions are disclosed on page 201 and in note 17 of the 2020 Annual Report and Accounts which is hereby incorporated by reference into this document; and
- (d) during the period from 1 January 2021 to the Latest Practicable Date, LSL has not entered into any related party transactions other than transactions in the ordinary course of business, which are in line with those detailed in the Annual Reports, with wholly and non-wholly owned subsidiaries.

8. Material contracts

LSL

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Group either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the Group; or (ii) which contain any provisions under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document, save as disclosed below:

Joint Venture Agreement

Your attention is drawn to Part III (*Principal Terms of the Joint Venture Agreement*) of this document which contains a summary of the Joint Venture Agreement.

Revolving Credit Facilities Agreement

On 24 February 2021, LSL as borrower and the other member of the Group as guarantors entered into a £90 million committed revolving credit facilities agreement, which includes a £30 million uncommitted accordion option with amongst others, Barclays Bank UK PLC, National Westminster Bank plc and Santander UK PLC as original lenders and mandated lead arrangers and Barclays Bank UK PLC as agent (the “**Revolving Credit Facilities Agreement**”). The key terms of the Revolving Credit Facilities Agreement are set out below.

Facilities

The primary facility made available pursuant to the Revolving Credit Facilities Agreement is a sterling revolving credit facility equal to £90 million. The Revolving Credit Facilities Agreement also contains an accordion option which allows for the amounts available to LSL under the Revolving Credit Facilities Agreement to be increased by an amount of up to £30 million if so requested by LSL and provided that such increase is approved by the lenders.

Purpose

The amounts borrowed under the Revolving Credit Facilities Agreement are to be applied towards the general corporate purposes of the Group, which includes the acquisition of companies and businesses permitted under the terms of the Revolving Credit Facilities Agreement, as well as the refinancing of the Group’s existing financial indebtedness.

Availability and repayment

The termination date of the Revolving Credit Facilities Agreement is 11 May 2024 and the facilities are available to LSL until one month prior to such termination date.

Each loan drawn under the Revolving Credit Facilities Agreement shall be repaid on the last day of the relevant interest period.

Interest and interest periods

The interest chargeable on each loan drawn under the Revolving Credit Facilities Agreement will be the aggregate of the margin for the relevant period plus the relevant compounded rate for that particular date. The interest periods capable of selection as interest periods by LSL are one, three or six months and one utilisation once per month of up to £5 million for a period of seven, 14 or 21 days.

Security and guarantee

Notwithstanding the fact that the Revolving Credit Facilities Agreement is unsecured, each obligor guarantees the performance by each other of all of that obligors’ obligations under the Revolving Credit Facilities Agreement.

Financial covenants, representations, undertakings and events of default

The Revolving Credit Facilities Agreement contains financial covenants, as well as customary representations, undertakings and events of default for financings of this nature.

Purchase agreement relating to the undertaking and certain assets of Mortgage Gym Limited

On 10 February 2021, LSL and its subsidiary Embrace Financial Services Limited (“EFS”) entered into an agreement with Mortgage Gym Limited (in administration) (“Mortgage Gym”) and its administrators for the purchase by EFS of the undertaking and certain assets of Mortgage Gym. Mortgage Gym offers an online platform which matches mortgage borrowers with mortgage lenders and pursuant to the purchase, EFS acquired the platform and associated infrastructure and intellectual property, together with associated customer and supplier contracts. Prior to the purchase, LSL was a shareholder and secured creditor in respect of Mortgage Gym. EFS purchased the undertaking and assets of Mortgage Gym for £2.4 million, a portion of which was offset against the debt owed to it by Mortgage Gym.

The sale and purchase agreement is governed by English law.

Share purchase agreement relating to Direct Life & Pensions Services Limited

On 22 January 2021, LSL entered into a sale and purchase agreement to acquire 60 per cent of the shares in Direct Life Quote Holdings Limited (“DLQ”), a group which offers insurance products online, from shareholders Robert Quayle (“RQ”), Neil McCarthy (“NM”) and others. The shares in DLQ were acquired by LSL for £1.8 million in aggregate on completion of the acquisition. Warranties were given by RQ and NM customary for a transaction of this nature. The liability of RQ and NM under the agreement is capped at the consideration and any warranty claims must be brought by LSL within 18 months of the completion of the acquisition. On completion of the acquisition of the shares in DLQ on 22 January 2021, LSL entered into a shareholders’ agreement with the remaining shareholders of DLQ (NM, RQ and RGA Americas Reinsurance Company Limited) and DLQ to regulate the ongoing operation and governance of DLQ. The parties have agreed a list of reserved matters, which is customary for an agreement of this nature that will not be undertaken by DLQ or its subsidiaries without the approval of LSL and/or RGA Americas Reinsurance Company Limited or, in respect of a subset of matters, by NM and RQ as managers.

LSL also entered into put and call option agreements with NM and RQ in respect of their retained shareholdings in DLQ, which are exercisable by reference to certain specified future time periods.

The sale and purchase agreement, shareholders’ agreement and put and call option agreements are each governed by English law.

Share purchase agreement relating to Cybele Solutions Holdings Limited

On 25 May 2021, LSL entered into a sale and purchase agreement to sell its 49.6 per cent shareholding in Cybele Solutions Holdings Limited (“Cybele”), a provider of conveyancing panel management services, to a UK Private Equity firm (“PO”). The shares in Cybele were sold for an aggregate cash consideration of £12 million, payable on completion of the disposal. Title and capacity warranties were given by LSL. LSL’s liability for all warranty claims is capped at the amount of consideration received by LSL. The agreement contains restrictions on LSL which are customary for a transaction of this nature.

The sale and purchase agreement is governed by the law of England and Wales.

Pivotal Growth

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by Pivotal Growth since 3 March 2021 (being the date of its incorporation).

9. Litigation

LSL

There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which LSL is aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past, a significant effect on LSL and/or the Group’s financial position or profitability.

Pivotal Growth

There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which LSL is aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past, a significant effect on Pivotal Growth's financial position or profitability.

10. Working capital

LSL is of the opinion that, taking into account available facilities and existing cash resources available to the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this document.

11. No significant change

LSL

There has been no significant change in the financial position or financial performance of the Group since 31 December 2020, the date to which the last audited consolidated financial statements of the Group were prepared.

Pivotal Growth

There has been no significant change in the financial position or financial performance of Pivotal Growth since 3 March 2021 (being the date of its incorporation).

12. Consents

Numis has given, and has not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which it appears.

13. Information incorporated by reference

Certain sections of the Annual Reports are incorporated by reference into this document and contain information which is relevant to this document. These documents are also available on LSL's website at lspls.co.uk/investor-relations/investor-communications/annual-reports.

The table below sets out the various sections of such documents which are incorporated by reference into this document, so as to provide the information required under the Listing Rules:

| Document | Information incorporated by reference into this document | Paragraph in this document which refers to the information incorporated by reference |
|---------------------------------|--|---|
| 2018 Annual Report and Accounts | Information on related party transactions included on page 182 and in note 17 | Paragraph 7 of Part V <i>(Additional Information)</i> |
| 2019 Annual Report and Accounts | Information on related party transactions included on page 196 and in note 17 | Paragraph 7 of Part V <i>(Additional Information)</i> |
| 2020 Annual Report and Accounts | Information on related party transactions included on page 201 and in note 17 | Paragraph 7 of Part V <i>(Additional Information)</i> |
| | Information on the Directors' service contracts and appointment letters included on pages 103 to 104 (inclusive) | Paragraph 6 of Part V <i>(Additional Information)</i> |

Information that is itself incorporated by reference in the above documents is not incorporated by reference into this document. Where only parts of a document are being incorporated by reference in this document, the parts of this document which are not being incorporated by reference are either not relevant for the investors or are covered elsewhere in this document.

14. Documents available for inspection

Copies of the following documents will be available for inspection on LSL's website at lsps.co.uk from the date of this document and up to and including the date of the General Meeting and for the duration of the General Meeting:

- (a) LSL's articles of association;
- (b) the consent letter referred to in paragraph 12 of Part V (*Additional Information*) of this document; and
- (c) this document.

PART VI

DEFINITIONS

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

| | |
|---|---|
| “£”, “sterling”, “pence” or “p” | pound sterling, the lawful currency of the UK; |
| “2018 Annual Report and Accounts” | the annual report and audited consolidated financial statements of the Group for the period ended 31 December 2018; |
| “2019 Annual Report and Accounts” | the annual report and audited consolidated financial statements of the Group for the period ended 31 December 2019; |
| “2020 Annual Report and Accounts” | the annual report and audited consolidated financial statements of the Group for the period ended 31 December 2020; |
| “Annual Reports” | the 2018 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2020 Annual Report and Accounts; |
| “Board” | the Directors collectively; |
| “Companies Act” | the UK Companies Act 2006, as amended from time to time; |
| “Company” or “LSL” | LSL Property Services plc, a public limited company incorporated in England and Wales with company number 5114014; |
| “CREST” | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form; |
| “Current Maximum Value” | has the meaning given in Part I (<i>Letter from the Chair of LSL</i>) of this document; |
| “Directors” | the directors of LSL as at the date of this document or, where the context so requires, the directors of LSL from time to time; |
| “Disclosure Guidance and Transparency Rules” | the disclosure, guidance and transparency rules made by the FCA and forming part of the FCA Handbook of Rules and Guidance, as amended from time to time; |
| “Drag Along” | has the meaning given in Part I (<i>Letter from the Chair of LSL</i>) of this document; |
| “FCA” | the Financial Conduct Authority or its successor from time to time; |
| “FSMA” | the Financial Services and Markets Act 2000, as amended from time to time; |
| “General Meeting” | the general meeting of LSL to be convened for the purposes of considering and, if thought fit, passing the Resolution, notice of which is set out in Part VII (<i>Notice of General Meeting</i>) of this document, including any adjournment thereof; |
| “Group” | LSL, its subsidiaries and its subsidiary undertakings from time to time; |
| “Joint Venture” | the joint venture between LSL and PSC with respect to Pivotal Growth; |
| “Joint Venture Agreement” | the joint venture agreement entered into on 22 April 2021 between LSL, PSC, Simon Embley and Pivotal Growth, regulating the ongoing governance and operation of Pivotal Growth; |
| “Latest Practicable Date” | (close of business on) 2 July 2021, being the latest practicable date prior to the publication of this document; |
| “Listing Rules” | the listing rules made by the FCA pursuant to Part 6 of FSMA, referred to in Section 73A(2) of the same, and contained in the FCA’s publication of the same name; |
| “Lock-Up Expiry Date” | has the meaning given in Part I (<i>Letter from the Chair of LSL</i>) of this document; |
| “London Stock Exchange” | London Stock Exchange plc, or its successors; |

| | |
|---|--|
| “LTIP” | the LSL Long Term Incentive Plan; |
| “Main Market” | the Main Market of the London Stock Exchange; |
| “Market Abuse Regulation” | the Market Abuse Regulation (Regulation 596/2014), as it applies in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 |
| “Notice of General Meeting” | the notice of the General Meeting included at Part VII (<i>Notice of General Meeting</i>) of this document; |
| “Numis” | Numis Securities Limited, the Sponsor; |
| “Ordinary Shares” | the ordinary shares of 0.2 pence each in the capital of LSL; |
| “Pivotal Growth” | Mottram Topco Limited, a private limited company incorporated in England and Wales with company number 13224833; |
| “Prospectus Regulation Rules” | the prospectus rules published by the FCA under section 73A of FSMA; |
| “PSC” | PSC Nominee 4 Limited (a vehicle incorporated by Pollen Street Capital for the purposes of the Joint Venture); |
| “Registrar” | Link Asset Services Limited; |
| “Registrar of Companies” | the Registrar of Companies in England and Wales; |
| “Regulatory Information Service” | a regulatory news service operated by the London Stock Exchange, being a regulatory information service that is on the list of regulatory information services maintained by the FCA; |
| “Residential Sales” | LSL’s services for residential property sales; |
| “Resolution” | the resolutions to be proposed and considered at the General Meeting to approve the removal of the Current Maximum Value so as to allow for Uncapped Value on any future disposal by LSL of its equity investment in Pivotal Growth pursuant to the Drag Along, as set out in the Notice of General Meeting forming part of this document; |
| “Sale Price” | has the meaning given in Part I (<i>Letter from the Chair of LSL</i>) of this document; |
| “SAYE” | the LSL Sharesave Plan; |
| “Shareholders” | the registered holders of Ordinary Shares from time to time; |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland; |
| “Uncapped Value” | has the meaning given in Part I (<i>Letter from the Chair of LSL</i>) of this document; |
| “Underlying Operating Profit” | profit before exceptional costs, contingent consideration, amortisation of intangible assets and share-based payments |

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

For the purpose of this document, “subsidiary” and “subsidiary undertaking” have the meanings given by the Companies Act.

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

PART VII

NOTICE OF GENERAL MEETING

LSL PROPERTY SERVICES PLC

(Incorporated and registered in England and Wales with registered number 5114014)

NOTICE IS HEREBY GIVEN that a general meeting of LSL Property Services plc (the “**Company**”) will be held on 22 July 2021 at Marsh & Parsons, 80 Hammersmith Road, London W14 8UD at 12 noon (the “**General Meeting**”) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

That the disposal by the Company, at any time after the date of this resolution, of some or all of its investment in any shares or other instruments in the capital of Mottram Topco Limited pursuant to the Drag Along (as such provision may be amended or modified after the date of this resolution) at a price in excess of the Current Maximum Value (in each case as such terms are defined in the circular sent to shareholders of the Company dated 5 July 2021) be and is hereby approved, and that the Directors (or a committee of the Directors) be and are hereby authorised to do all such things as they may consider to be necessary, expedient or desirable to implement and give effect to, or otherwise in connection with, any such disposal and matters incidental to it.

By Order of the Board

Sapna Bedi FitzGerald

(Company Secretary)

5 July 2021

Company number: 5114014

Registered Office: Newcastle House Albany Court, Newcastle Business Park, Newcastle Upon Tyne NE4 7YB

Notes

1. A member entitled to attend, speak and vote at the general meeting (the “**General Meeting**”) may appoint one or more person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the General Meeting. Please submit your proxy electronically whether or not you intend to attend the General Meeting in person. The electronic appointment of a proxy will not prevent you from attending and voting at the General Meeting if you so wish, however due to the ongoing uncertainty around COVID-19 Shareholders are encouraged to register their votes by proxy.
2. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Your proxy could be the Chair, another Director of the Company or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the General Meeting for your vote to be counted. Given the ongoing uncertainty relating to COVID-19, Shareholders are encouraged to appoint the Chair as their proxy. This will ensure Shareholders’ votes are counted in accordance with their instructions. Appointing a proxy does not preclude you from attending the General Meeting and voting in person, should you so wish, however as noted above, Shareholders are encouraged to register their votes by proxy.
4. Proxies must be appointed by using the electronic proxy appointment service in accordance with the procedures set out in Note 7 below. CREST members may appoint proxies using the CREST electronic proxy appointment service (see Note 8 below). In each case the appointment must be received by the Company not less than 48 hours, excluding non-business days, before the time of the General Meeting.
5. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “**Nominated Person**”). The rights to appoint a proxy in this notice cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
6. To be entitled to attend and vote, whether in person or by proxy, at the General Meeting, members must be registered in the register of members of the Company at close of business on 20 July 2021 or, in the case of an adjourned meeting, at close of business on the day which is two days before the meeting (excluding days which are not working days). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the General Meeting or adjourned meeting.
7. Shareholders are asked to submit their proxy electronically by visiting www.signalshares.com and following the instructions on screen. If you have not already registered for the Signal Shares shareholder portal you will need your personal Investor Code which you can find on your share certificate or a dividend confirmation. To be valid your proxy appointment(s) and instructions should reach Link Asset Services no later than 48 hours, excluding non-business days, before the time set for the General Meeting.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website www.euroclear.com/CREST. CREST Personal Members or other CREST sponsored members and those members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. Alternatively, a hard copy proxy form may be used to appoint a proxy and this can be requested directly from the registrars Link Group, PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL. To be valid, a proxy form must be completed in accordance with the instructions that accompany it and delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Group, PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by 12 noon on 20 July 2021.
10. Note that if you request a hard copy proxy form and wish to appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment, in which case you may photocopy the proxy form, indicating on each copy the name of the proxy you wish to appoint and the number of Ordinary Shares in respect of which the proxy is appointed. All forms must be signed and should be returned together in the same envelope.
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
12. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it would interfere unduly with the preparation for the General Meeting or if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
13. As at 2 July 2021 (being the latest practicable date prior to the publication of this notice), the Company’s issued share capital consists of 105,158,950 ordinary shares of 0.2 pence each, carrying one vote each. Therefore, the total voting rights in the Company are 105,158,950.
14. The contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, the total voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members’ statements, members’ resolutions or members’ matters of business received by the Company after the date of this notice, as required pursuant to section 311A of the Companies Act, will be available on the Company’s website: Islps.co.uk/investor-relations.
15. The documents listed in paragraph 14 of Part V (*Additional Information*) of the circular sent to Shareholders of the Company dated 5 July 2021 will be available for inspection on LSL’s website at Islps.co.uk from the date of this document and up to and including the date of the General Meeting and for the duration of the General Meeting.
16. You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated.

lslps.co.uk

Registered in England

(Company number 5114014)

Registered office:

Newcastle House

Albany Court

Newcastle Business Park

Newcastle upon Tyne

NE4 7YB

Email: investorrelations@lslps.co.uk