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Nightcap PLC  
28 June 2024

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

28 June 2024

Nightcap plc  
("Nightcap" or the "Company")

**Proposed voluntary cancellation of admission of Ordinary Shares to trading on AIM**

**Proposed re-registration as a private limited company and adoption of new Articles of Association and**

**Notice of General Meeting**

Nightcap plc (AIM: NGHT), the owner and operator of 46 premium bars, announces the proposed cancellation of admission of its Ordinary Shares to trading on AIM ("**Cancellation**"), a proposed re-registration as a private limited company ("**Re-registration**") and the proposed adoption of new articles of association (the "**New Articles**") (together, the "**Proposals**").

The Directors have undertaken an extensive review to evaluate the benefits and drawbacks to the Company and its Shareholders of retaining the admission to trading on AIM of the Ordinary Shares. This review has included, amongst other matters, the value that the current market capitalisation ascribes to the Company, the liquidity of the Ordinary Shares, the ability to raise further equity through public markets at an acceptable price and the cost of maintaining a public quotation. For these reasons, the Directors have concluded that the Proposals are in the best interests of the Company and its Shareholders as a whole. **Further details of the background and strategic context to and the reasons for the Proposals and other matters are set out in Appendix I to this announcement.**

The Company has received irrevocable undertakings from several shareholders and the Directors, representing approximately 76.9 per cent. of the Company's issued share capital, to vote in favour of the Resolutions.

**Gareth Edwards, Chair of Nightcap, commented:**

*"We have not taken this decision lightly, however, following an extensive review and deliberation to ascertain the most effective way to maximise Shareholder value in the longer term and increase the potential for the long-term success of the Company, the*

*Board has unanimously concluded that it is in the best interests of the Company and our Shareholders to cancel our AIM admission and re-register as a private limited company.*

*"The Board believes that Nightcap's current public market valuation does not reflect the underlying potential of our business or our achievements to date and that this is unlikely to change in the short-to-medium term. Since our last institutional fundraise in May 2021, we have demonstrated several times that we can access funding from non-institutional sources at a premium to our share price at the time.*

*"We believe that we will be able to continue to execute on our strategy as a private company and therefore we believe that a cancellation of the Company's admission on AIM is in the best interests for Shareholders and for the future of our business as a whole."*

A circular ("**Circular**") will be sent to Shareholders today, setting out the background to and reasons for the Proposals. The Company is seeking Shareholder approval for the Proposals at a general meeting, to be convened for 10:00 a.m. on 17 July 2024 at the offices of Allenby Capital Limited, 5 St Helen's Place, London EC3A 6AB (the "**General Meeting**").

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out in the Circular. The resolution to approve the Re-registration and adoption of the New Articles also requires the approval of not less than 75 per cent. of the votes cast by shareholders at the General Meeting.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 29 July 2024.

To facilitate future shareholder transactions in the Ordinary Shares, conditional upon the Cancellation Resolution being passed, Asset Match Limited has been appointed to provide a matched bargain facility, which is expected to be available from 29 July 2024. Asset Match, a firm Authorised and Regulated by the Financial Conduct Authority (FRN 579310), will operate an electronic off-market dealing facility in the Ordinary Shares. This facility will allow existing shareholders of the Company and new investors to trade the Ordinary Shares by matching buyers and sellers through periodic auctions.

A copy of the Circular and the New Articles will be made available later today on the Company's website at [nightcapplc.com](https://nightcapplc.com).

#### **Current trading and prospects**

As indicated in previous announcements, trading throughout 2024 has remained challenging for the sector, in line with reports from across the hospitality sector and we expect this to continue until the end of the 2024 calendar year. The main headwinds are from the continuation of the cost of living crisis, above inflation increases to business rates and other costs as well as the impact of the increase to the National Living Wage and ongoing rail strikes. The integration of Dirty Martini has completed, however the ongoing integration of The Piano Works transaction has been more costly than initially anticipated.

In relation to the 52-week period ending 30 June 2024 (FY 2024), the Board currently expects to report revenues that are in line with current market expectations, with adjusted EBITDA\* expected to be below current market expectations, primarily driven by the headwind factors stated above, alongside the additional costs of The Piano Works integration, abortive deal costs and costs associated with the voluntary cancellation of admission of the Ordinary Shares to trading on AIM.

*\* IAS 17 Earnings before interest, tax, depreciation, amortisation, share based payments, exceptional items, acquisition related transaction costs and pre-opening costs.*

#### **Further re: fundraising and timing of admission of new Ordinary shares**

Further to the Company's announcement on 12 June 2024, the Company is working on the process for the settlement and completion of the subscription tranche for 30,000,000 new Ordinary Shares and a further announcement will be made in due course in relation to this process and the timing of the admission to trading of these new Ordinary Shares on AIM.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date
Announcement of proposed Cancellation, Re-registration and adoption of New Articles	28 June 2024
Publication and posting of the Circular and the Form of Proxy	28 June 2024
Latest time for receipt of proxy appointments in respect of the General Meeting	10:00 a.m. on 15 July 2024
General Meeting	10:00 a.m. on 17 July 2024
Announcement of result of General Meeting	17 July 2024
Last day of dealings in Ordinary Shares on AIM	26 July 2024
Cancellation	7.00 a.m. on 29 July 2024
Proposed commencement of Matched Bargain Facility	29 July 2024
Expected re-registration as a private company	on or around 15 August 2024

## Appendices

The above summary should be read in conjunction with the full text of this announcement and the Circular, extracts from which are set out in the Appendices below. Please refer to Appendix I to this announcement which sets out further details of the Proposals, as extracted from the Circular.

Unless otherwise stated, capitalised terms in this announcement have the meanings ascribed to them in Appendix II to this announcement and in the Circular. References to 'this Document' refer to the Circular.

## Contacts:

### Nightcap plc

Sarah Willingham / Richard Haley / Gareth Edwards      email@nightcapplc.com

**Allenby Capital Limited (Financial Adviser, Nominated Adviser and Broker)**      +44 (0) 20 3328 5656

Nick Naylor / Alex Brearley / Piers Shimwell (Corporate Finance)      [www.allenbycapital.com](http://www.allenbycapital.com)  
Jos Pinnington / Amrit Nahal / Tony Quirke (Sales and Corporate Broking)

**Bright Star Digital (PR)**      <https://www.brightstardigital.co.uk/>

Pam Lyddon

+44 (0) 7534 500 829

pamlyddon@brightstardigital.co.uk

## APPENDIX I - EXTRACTS FROM THE CIRCULAR TO SHAREHOLDERS

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN

**PROPOSED VOLUNTARY CANCELLATION OF ADMISSION OF THE ORDINARY SHARES TO  
TRADING ON AIM  
RE-REGISTRATION AS A PRIVATE LIMITED COMPANY AND ADOPTION OF NEW ARTICLES  
AND**

## NOTICE OF GENERAL MEETING

### 1. Introduction

On 28 June 2024 the Company announced that the Board intends to seek Shareholder approval for the voluntary cancellation of admission of the Ordinary Shares to trading on AIM and the re-registration of the Company as a private limited company. In addition, the Board intends that post Cancellation the Company will adopt new articles of association which are more appropriate for an unquoted private limited company.

This decision follows an extensive review and deliberation by the Board regarding the most effective way to maximise Shareholder value in the longer term and increase the potential for the long-term success of the Company. Following this review, the Board concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the Cancellation and for the Company to be re-registered as a private limited company.

The Company is seeking Shareholder approval for the Cancellation, the Re-registration and the adoption of the New Articles at the General Meeting, which has been convened for 10:00 a.m. on 17 July 2024 at the offices of Allenby Capital, 5 St Helen's Place, London, EC3A 6AB.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on

29 July 2024. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out at the end of this Document.

The Company has received irrevocable undertakings from Shareholders including the Directors, representing approximately 76.9 per cent. of the Company's issued share capital, to vote in favour of the Resolutions.

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation which is expected to become effective at 7.00 a.m. on 29 July 2024.

**The purpose of this Document is to provide information on the background to and reasons for the proposed Cancellation and the Re-registration, to explain the consequences of the Resolutions and provide reasons why the Directors unanimously consider the Resolutions to be in the best interests of the Company and its Shareholders as a whole.**

The Notice of the General Meeting is set out at the end of this Document.

### 2. Background and strategic context

The Ordinary Shares have been admitted to trading on AIM since the Company's IPO in January 2021, and during this time the Company has raised approximately £20 million through primary and secondary fund raises to support the ongoing requirements and growth of the business.

Nightcap's goal, since its IPO, has been to become the leading bar group in the UK through consolidation and organic roll-out. The Directors considered the Company's AIM admission as an opportunity to rapidly grow the business by pursuing a greater number of opportunities through having ready access to the capital markets. Since the acquisition of The Cocktail Club in conjunction with its IPO the Company has completed strategic acquisitions of a further four businesses and organic roll-out of 12 new bar sites.

The Company has found it difficult to raise funds at a price per share which the Directors consider adequately reflects the underlying value of the business and continues to face similar difficulty in raising funds in the public markets due to its weak share price. This is evidenced by fundraising for the Dirty Martini transaction, The Piano Works transaction and the Company's most recent fundraising announced in May 2024, all being performed at premiums to the Company's share price at the time. From the feedback received from potential investors, the Board believes that as a private limited company, Nightcap will potentially have access to investors who the Directors consider are more likely to support the Company's strategy of consolidating the UK premium bar sector.

As noted in the Company's announcement of 22 May 2024, the Board believes that with five acquisitions in just over three years it is well placed to continue executing on its consolidation strategy. As a private limited company, the Board believes that Nightcap will be able to pursue that strategy at a faster pace, at a lower cost and potentially with less shareholder dilution. The Board is of the opinion that opportunities for further consolidation in the late night sector will continue to arise in the coming year as the sector experiences a fundamental structural transformation. The Board believes that Nightcap will be best placed as a private limited company to pursue such opportunities.

### 3. Reasons for the proposed Cancellation, Re-Registration and adoption of New Articles

Following an extended period of weak share price performance and low liquidity in the Company's Ordinary Shares, the Company has conducted an extensive review of the benefits and drawbacks to the Company

retaining the admission of its Ordinary Shares to trading on AIM. The Directors believe that Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Directors have considered the following key factors:

- despite the Company's positive growth trajectory and focused strategy of consolidating the UK premium bar sector, the Directors believe that the current market capitalisation of the Company does not reflect these positive achievements nor the underlying prospects of the business. Consequently, the Directors are of the view that, as a private company, Nightcap will be able to realise a greater valuation for the brands, and the business as a whole, which would serve in the best interests of its Shareholders;
- factors including the challenging financial market conditions in recent years, combined with a limited free float and lack of liquidity of the Ordinary Shares, have negatively impacted the share price of Nightcap and therefore its market capitalisation which the Directors believe does not accurately reflect the Company's value;
- the Directors are therefore of the opinion that raising further significant equity through public markets would be challenging in the short or medium term, and potentially may not be at a valuation that is acceptable to Shareholders. Additionally, the Directors believe, admission of the Ordinary Shares to trading on AIM does not, in itself, offer investors the opportunity to trade in meaningful volumes or with frequency within an active market;
- From the feedback received from potential investors, the Directors believe that Nightcap's growth prospects and ability to execute its acquisition and roll-out strategy will be best accomplished as a private company due to:
  - potentially faster and cheaper access to a pool of investors as a private company who the Directors consider are more likely to support an increased scale of the business and provide an opportunity for the creation of increased Shareholder value;
  - investors which are likely to include private equity and specialist investors, who the Directors believe have greater appetite for hospitality companies with highly acquisitive strategies such as Nightcap; and
  - challenges in communicating the true impact of its business and acquisitions due to the way in which forward looking statements and financial reporting for quoted companies is regulated;
- the considerable cost of maintaining admission to trading on AIM, including fees payable to its professional advisers, including the nominated adviser and broker, AIM fees payable to the London Stock Exchange as well as incremental legal, insurance, accounting and auditing fees, along with the considerable amount of management time and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Directors' opinion, disproportionate to the benefits to the Company at this time. The Directors believe that the time and cost savings associated with maintaining the Company's admission to trading on AIM could be better utilised for the benefit of the Company and its Shareholders in growing the business and in pursuing further acquisition opportunities; and
- the Company has obtained irrevocable undertakings for the Cancellation from Shareholders representing 76.9 per cent. of the Company's current issued share capital. Further details are set out below.

Accordingly, the Directors are of the view that the continued admission of the Ordinary Shares to trading on AIM is unlikely to provide the Company with the optimal platform to access further significant capital in the future. As a result of this review and following careful consideration, the Board considers the disadvantages associated with maintaining the admission of the Ordinary Shares to trading to be disproportionately high when compared to the perceived benefits of being admitted to trading on AIM and therefore the Board has unanimously concluded that the proposed Cancellation, Re-registration and the adoption of the New Articles is in the best interests of the Group and its Shareholders as a whole.

#### **4. Current trading and prospects**

As indicated in previous announcements, trading throughout 2024 has remained challenging for the sector, in line with reports from across the hospitality sector and we expect this to continue until the end of the 2024 calendar year. The main headwinds are from the continuation of the cost of living crisis, above inflation increases to business rates and other costs as well as the impact of the increase to the National Living Wage and ongoing rail strikes. The integration of Dirty Martini has completed, however the ongoing integration of The Piano Works transaction has been more costly than initially anticipated.

In relation to the 52-week period ending 30 June 2024 (FY 2024), the Board currently expects to report revenues that are in line with current market expectations, with adjusted EBITDA\* expected to be below current market expectations, primarily driven by the headwind factors stated above, alongside the additional costs of The Piano Works integration, abortive deal costs and costs associated with the voluntary cancellation of admission of the Ordinary Shares to trading on AIM.

*\* IAS 17 Earnings before interest, tax, depreciation, amortisation, share based payments, exceptional items, acquisition related transaction costs and pre-opening costs.*

#### **Further re: fundraising and timing of admission of new Ordinary shares**

Further to the Company's announcement on 12 June 2024, the Company is working on the process for the settlement and completion of the subscription tranche for 30,000,000 new Ordinary Shares and a further announcement will be made in due course in relation to this process and the timing of the admission to trading of these new Ordinary Shares on AIM.

#### **5. Process for, and principal effects of, Cancellation**

The Company welcomes all Shareholders who wish to remain shareholders of Nightcap in the event of Cancellation. However, the Directors are aware that certain Shareholders may be unable, or unwilling, to hold Ordinary Shares in a private company in the event that the Cancellation is approved and becomes effective. Such Shareholders may consider selling their Ordinary Shares in the market prior to the Cancellation becoming effective. Alternatively, should the Cancellation become effective, the Company has arranged for a Matched Bargain Facility with Asset Match Limited who would facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation.

Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 clear Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of its Ordinary Shares to trading on AIM on 29 July 2024. Accordingly, if the Cancellation Resolution is passed at the General Meeting, the Cancellation will become effective at 7.00 a.m. on 29 July 2024.

If the Cancellation becomes effective, Allenby Capital will cease to be the nominated adviser of the Company pursuant to the AIM Rules and the Company will no longer be required to comply with the AIM Rules, however the Company will remain subject to the Takeover Code, details of which are set out below.

Under the AIM Rules, it is a requirement that the Cancellation must be approved via a special resolution by Shareholders holding not less than 75 per cent. of votes cast by Shareholders (by proxy or in person) at the General Meeting. Accordingly, the Notice of General Meeting set out at the end of this Document contains the Cancellation Resolution.

The principal effects of the Cancellation will include the following:

- as a private company, there will be no formal market mechanism enabling Shareholders to trade in the Ordinary Shares (other than any limited off-market mechanism provided by the Matched Bargain Facility);
- there will be no formal market quote or live pricing for the Ordinary Shares, therefore it may be more difficult to sell Ordinary Shares or for Shareholders to determine the market value of their investment in the Company, compared to shares of companies admitted to trading on AIM (or any other recognised market or trading exchange);
- it is possible that immediately following the publication of this Circular, the liquidity and marketability of the Ordinary Shares, including the liquidity and marketability of the Ordinary Shares under the Matched Bargain Facility, may be significantly reduced and their value adversely affected (however, as set out above, the Directors believe that the liquidity in the Ordinary Shares is currently and has recently been in any event limited);
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply albeit the Company will remain subject to the Takeover Code for a period of time (see below for more details);

- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain types of acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company will not be as stringent as for a company quoted on AIM. However, the Company intends to continue to communicate information to Shareholders in the form of newsletters, updates and via the Company website (see below);
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- Allenby Capital will cease to be nominated adviser to the Company for the purpose of the AIM Rules;
- whilst the Company's CREST facility will remain in place post the Cancellation and it is anticipated that this will be maintained for at least 12 months, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.**

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with, and subject to the Companies Act, notwithstanding the Cancellation, Re-registration and adoption of New Articles.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company intends to:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Companies Act; and
- continue, for at least 12 months following the Cancellation, to maintain its website, [www.nightcapplc.com](http://www.nightcapplc.com), and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, UK MAR or AIM Rule 26 or to update the website as currently required by the AIM Rules.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration. A summary of the principal differences between the Current Articles and the proposed New Articles is included in this Document. A copy of the New Articles is also attached to this Document and can be viewed at [www.nightcapplc.com](http://www.nightcapplc.com).

## **5. Transactions in the Ordinary Shares prior to and post the Proposed Cancellation**

### **Prior to the Cancellation**

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to the date of Cancellation. If the requisite majority of Shareholders approve the Cancellation Resolution at the General Meeting, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 26 July 2024. The Board is not making any recommendation as to whether or not Shareholders should buy or sell their Ordinary Shares.

### **Dealing and settlement arrangements post the Cancellation**

The Directors are aware that Shareholders may wish to acquire or dispose of Ordinary Shares in the Company following the Cancellation. Should the Cancellation Resolution be approved by Shareholders at the General Meeting, the Company has arranged a Matched Bargain Facility conditional upon the Cancellation Resolution being passed and has appointed Asset Match Limited ([www.assetmatch.com](http://www.assetmatch.com)) to facilitate trading in the Ordinary Shares. This facility will allow Shareholders and new investors to trade Ordinary Shares by matching buyers and sellers through periodic auctions. Investors can register their interest for further information on the Asset Match auction process by emailing [dealing@assetmatch.com](mailto:dealing@assetmatch.com).

The Asset Match trading facility operates under its own code of practice which governs the behaviour of participants and the running of the periodic auctions. Asset Match Limited operates an open auction system



where volumes of bids and offers at different prices are displayed on its website together with the closing date of the auction. At the end of each auction period, Asset Match Limited passes this information through a non-discretionary algorithm that determines a "market-derived" share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction.

Shareholders will continue to be able to hold their shares in uncertificated form (i.e. in CREST) and should check with their existing stockbroker whether they are willing or able to trade in unquoted shares. Shareholders wishing to trade shares through the Asset Match trading facility must do so through a stockbroker. A comprehensive list of stockbrokers who have signed up to access the Asset Match trading facility is available on request by emailing [dealing@assetmatch.com](mailto:dealing@assetmatch.com).

Should the Cancellation become effective and the Company establishes the Matched Bargain Facility, full details will be made available to Shareholders on the Company's website at [www.nightcapplc.com](http://www.nightcapplc.com) and directly by letter or e-mail (where appropriate). Shareholders may contact Asset Match Limited in relation to any queries regarding trading via the secondary market trading facility by emailing [dealing@assetmatch.com](mailto:dealing@assetmatch.com).

It is intended that the Matched Bargain Facility will operate for a minimum of twelve months after Cancellation. The Directors' current intention is that it will continue beyond that time, but Shareholders should be aware that the Company will have the ability to withdraw the Matched Bargain Facility at a later date, which would therefore inhibit the ability to trade the Ordinary Shares. Further details will be communicated to the Company's Shareholders at the relevant time.

There can be no guarantee as to the level of the liquidity or marketability of the Ordinary Shares under the Matched Bargain Facility, or the level of difficulty for Shareholders seeking to realise their investment under the Matched Bargain Facility.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 26 July 2024 and that the effective date of the Cancellation will be 29 July 2024.

## **6. Process for the Re-registration**

As set out above, following Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Under the Companies Act 2006, the Re-registration and the adoption of the New Articles must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting contains the Re-registration Resolution.

Subject to, and conditional upon, the Cancellation and the passing of the Re-Registration Resolution, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Re-registration Resolution or that any such application to cancel the Re-registration Resolution has been determined and confirmed by the Court.

## **7. The Takeover Code**

The following summary is based upon the Takeover Code as it currently operates. Shareholders should also note that on 24 April 2024 the Panel published a public consultation paper - PCP 2024/1 Companies to which the Takeover Code applies (the "Consultation Paper"). The Consultation Paper includes proposals to reduce the period of time the Takeover Code will continue to apply to companies whose shares cease to be traded on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man from 10 years to three years. The consultation period ends on 31 July 2024.

The Takeover Code applies to all offers for companies which have their registered offices in the United



Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met - for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

On the basis of the current composition and residency of the Directors, the residency test will be satisfied, therefore the Company is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. Consequently, the Takeover Code will continue to apply to the Company following the Cancellation and the Re-registration subject to its terms until the later of:

- the date falling 10 years following the date of Cancellation;
- the date falling 10 years after dealings and/or prices at which persons are willing to deal in any of the Ordinary Shares have been published on a regular basis for a continuous period of at least six months, whether via a newspaper, electronic price quotation system or otherwise;
- the date falling 10 years after any of the Ordinary Shares have been subject to a marketing arrangement as described in section 693(3)(b) of the UK Companies Act 2006; or
- the date falling 10 years after the Company has filed a prospectus for the offer, admission to trading or issue of securities with the registrar of companies or any other relevant authority in the United Kingdom, the Channel Islands or the Isle of Man,

provided that, the Takeover Code may cease to apply earlier, if any changes to the composition of the Board result in the majority of the Directors not being resident in the United Kingdom, Channel Islands or Isle of Man. Should the Takeover Code cease to apply to the Company in the future, Shareholders will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.

#### The Takeover Code

The Takeover Code is issued and administered by the Panel. The Code currently applies to the Company and, accordingly, its shareholders are entitled to the protections afforded by the Takeover Code. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover, and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

#### The General Principles and Rules of the Takeover Code

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. The General Principles apply to takeovers and all other matters with which the Takeover Code is concerned. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules. Some of the Rules provide more detail on how the General Principles will be applied by the Panel and others govern specific aspects of takeover procedure. Like the General Principles, the Rules are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

#### Continued application on Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, acquire an interest in shares which carry 30 per cent. or more of the voting rights of a company; or are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

## **8. Options**

The rights of certain individuals who hold options over Ordinary Shares will be unaffected by the proposed Cancellation and Re-registration.

## **9. Shareholder support**

The Company has received irrevocable undertakings from Shareholders, including the Directors who are shareholders, holding in aggregate 180,431,833 Ordinary Shares (representing approximately 76.9 per cent. of the existing issued ordinary share capital of the Company) to vote in favour of the Resolutions. These Shareholders have indicated they wish to continue to support the Company's growth strategy as ongoing Shareholders in a private vehicle. They have therefore irrevocably undertaken to vote in favour of the Resolutions.

## **10. General Meeting**

The notice convening the General Meeting to be held at the offices of Allenby Capital, Fifth Floor, 5 St. Helen's Place, London, EC3A 6AB at 10:00 a.m. on 17 July 2024 is set out at the end of this Document.

Resolution 1 to be proposed at the General Meeting is a special resolution to approve the Cancellation.

Conditional on the passing of Resolution 1, Resolution 2 to be proposed at the General Meeting is a special resolution to re-register the Company as a private company and to approve the adoption by the Company of the New Articles.

## **11. Action to be taken by Shareholders**

Shareholders are encouraged to vote in the following ways:

- **Online:** Submitting a proxy vote at [www.signalshares.com](http://www.signalshares.com). Further details can be found in the notes to the Notice of General Meeting on page 20 of this Document.
- **CREST:**  
CREST members may use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the General Meeting as detailed in the notes to the Notice of General Meeting on page 19 of this Document.
- **Proxymity:**  
If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform as detailed in the notes to the Notice of General Meeting on page 19 of this Document.
- **Requesting a Form of Proxy:** If you require a Form of Proxy please contact our Registrar, Link Group via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk), or call on 0371 664 0391. 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. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Please note that all proxy appointments, whether postal or electronic, must be received by no later than 10.00 a.m. on 15 July 2024, being 48 hours (excluding days that are not Business Days) before the time fixed for the General Meeting.

Shareholders are encouraged to appoint the chair of the General Meeting as their proxy with directions as to how to cast their vote on the Resolutions proposed. The appointment of a proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

Shareholders wishing to attend the General Meeting are encouraged to email [email@nightcapplc.com](mailto:email@nightcapplc.com) to register their intention to do so. Failure to register will not prevent a Shareholder from attending the General

Meeting in person.

It is important that as many votes as possible are cast. Whether or not Shareholders plan to attend the General Meeting in person, Shareholders are encouraged to submit proxy votes as soon as possible. If either the Cancellation Resolution or the Re-registration Resolution is not approved by Shareholders at the General Meeting, then neither the Cancellation nor the Re-registration will take place.

## 12. Directors' recommendation

The Directors believe that the Resolutions to be put to the General Meeting are in the best interests of the Company and will promote its success for the benefit of the Shareholders as a whole and unanimously recommend that you vote in favour of the Resolutions, as they have irrevocably committed to do in respect of their own shareholdings.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

## 13. Result of General Meeting

The results of the General Meeting will be announced through a Regulatory Information Service and on the Company's website at [www.nightcapplc.com](http://www.nightcapplc.com) as soon as possible after the meeting has been held.

Yours faithfully

Gareth Edwards

Non-Executive Chairman

## APPENDIX II - DEFINITIONS

The following definitions and technical terms apply throughout this announcement, unless the context otherwise requires:

AIM, the market operated by the London Stock Exchange;

the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;

Allenby Capital Limited, the Company's nominated adviser and broker pursuant to the AIM Rules;

a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for the transaction of normal banking business in London;

the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution;

Resolution 1 to be proposed at the General Meeting;

"Companies Act" the Companies Act 2006 (as amended from time to time);

"Company" or "Nightcap" Nightcap plc;

the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & International in accordance with the CREST Regulations;

the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);

the existing articles of association of the Company dated 22 December 2020;

"Directors" or "Board" the directors of the Company, each a "Director";

"Disclosure Guidance and Transparency Rules" the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA;

this document, containing information regarding the Cancellation, the Re-registration, the adoption of the New Articles and the General Meeting;

the 234,550,656 existing Ordinary Shares in the capital of the Company as at the date of this Document;

"Euroclear UK & International" Euroclear UK & International Limited, the operator of CREST;

the form of proxy for use at the General Meeting available on request from the Registrars;

<b>'GM'</b>	the general meeting of Shareholders to be held at the offices of Allenby Capital, Fifth Floor, 5 St. Helen's Place, London, EC3A 6AB at 10:00 a.m. on 17 July 2024;
<b>"Group"</b>	Nightcap and its subsidiary undertakings (as such term is defined in section 1162 of the Companies Act) from time to time;
	initial public offering;
<b>"Link" or "Link Group"</b>	a trading name of Link Market Services Limited;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Matched Bargain Facility"</b>	the unregulated matched bargain trading facility to be provided by Asset Match Limited, with whom the Company has entered into an agreement, conditional upon the passing of the Cancellation Resolution, to implement a mechanism for the trading of the Ordinary Shares following Cancellation;
<b>"New Articles"</b>	the new articles of association of the Company proposed to be adopted pursuant to Resolution 2 to be proposed at the General Meeting with the principal differences between the Current Articles and the proposed New Articles summarised in Part II of this Document, a copy of which is attached to this Document and can be viewed at <a href="http://www.nightcapplc.com">www.nightcapplc.com</a> ;
<b>"Notice of General Meeting"</b>	the notice of General Meeting set out at the end of this Document;
<b>"Ordinary Shares"</b>	the ordinary shares of 1p each in the capital of the Company;
<b>"Panel"</b>	the Panel on Takeovers and Mergers;
<b>"Registrars"</b>	Link Group;
<b>in Service"</b>	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements;
	the proposed re-registration of the Company as a private limited company;
<b>tion"</b>	Resolution 2 to be proposed at the General Meeting;
	the resolutions set out in the Notice of General Meeting to be proposed at the General Meeting;
	the City Code on Takeovers and Mergers;
	Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time);
<b>"Shareholder(s)"</b>	holder(s) of Ordinary Shares;
<b>"£", "pence" or "p"</b>	the lawful currency of the United Kingdom.

#### Additional information

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) or any previous announcement made by the Company is incorporated into, or forms part of, this announcement.

Allenby, is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Allenby is acting as financial adviser exclusively for the Company and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby or its affiliates, or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

[rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

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