

1 December 2016

Formation Group Plc
("Formation" or the "Company" or the "Group")

Application for Admission to ISDX Growth Market

Formation Group plc (AIM: FRM) has today applied for admission of its entire issued share capital, comprising 220,515,112 ordinary shares of 1 pence each ("Ordinary Shares"), to trading on the ISDX Growth Market ("ISDX"). Such admission is expected to take place on or around 15 December 2016. The Company does not intend to raise additional funds as part of its application for admission to trading on ISDX.

The Directors' decision to seek admission to ISDX reflects, amongst other things, the relative costs of maintaining a quotation on AIM and the limited liquidity in the Company's shares on that market. In the light of this, the Directors have concluded that ISDX would be a more appropriate venue for the Company's shares to trade in the future. The Company intends to send a notice in due course, to shareholders convening a general meeting to seek approval to cancel its listing on AIM. For the avoidance of doubt, the Company will remain admitted to trading on AIM following admission to ISDX, until such approval is obtained.

Company Information

Formation, headquartered in East London, is focused on property activities which includes property development, property investment and professional construction management services for small and medium scale building projects in London and the City periphery.

The Company's portfolio includes both new builds and conversion projects, and is also diversified through a limited exposure to commercial work and the rental sector.

Formation's management team combines significant public company experience with property expertise. The Company is well positioned to exploit a buoyant London residential property market, and believes that the property development division forms a substantial part of its profitability in the future.

Property Development

Formation Homes (London) Ltd ("Formation Homes") was formed in 2014 to carry out property development activity as it was felt that it would form a large part of future profits for the Group and enhance shareholder value in the medium term. In pursuit of this strategy, Formation Homes acquired the development site in Iverson Road for a total consideration of £5.9 million using a mixture of development funding and cash from the Group's resources. The scheme comprises 19 residential units and 1 commercial unit and construction works completed in March 2016.

Property Investment

Over the years, Formation has invested in joint venture agreements such as the Aldgate Development and entered into profit share agreements including the Whitechapel Development and more recently the Norwich House Development. Profits arising from these investing activities have been material, particularly Norwich House. It is the Group's intention to continue with these ventures and seek other potential value enhancing investment opportunities.

Details of Directors

The full names of the Directors of the Company and positions are as follows:

Willie O'Dea, Non-Executive Chairman (aged 63)

Willie O'Dea joined the Board in June 2014 as Chairman. He is a Member of Parliament for the Limerick City Constituency in the Republic of Ireland and is a former Minister in several Irish

Government Departments. Willie is a former Director of Union Jack Oil Ltd and a non-practising Barrister at Law.

David Kennedy, Chief Executive Officer (aged 39)

David is a member of the board for the Group's largest shareholder, the David Kennedy Family Trust. David has a background in property development and is qualified in Architecture and Town Planning, which adds significant strength to the board in these areas. David also holds other directorships within property, ecommerce, education and service sectors.

Desmond Khan, Chief Finance Officer (aged 53)

Desmond is a Fellow of the Association of Certified Chartered Accountants with extensive experience in the construction industry. He joined the business as Financial Controller in 1997, and became Finance Director of Formation Design & Build Limited in 2000 and of Formation Architectural Design Limited in 2007. He was responsible for the finance function of both companies prior to his appointment as Group Finance Director and Company Secretary in January 2010.

Patrick Kennedy, Non-Executive Director (aged 36)

Patrick represents the interests of the Group's largest shareholder: the David Kennedy Family Trust. Patrick has a background in property development and adds significant strength to the board in this area, holding other directorships within the property sector.

David Walsh, Non-Executive Director (aged 65)

Mr Walsh has significant experience in the construction management sector, having built a property portfolio through the purchase, development and construction of property from 1976. He acts in a professional capacity as an Agricultural Consultant, being self-employed since 1988 and having worked for the Agricultural Training Council previously.

Bartholomew O'Keefe, Non-Executive Director (aged 71)

Mr O'Keefe is a former politician having been a member of Dáil Eireann and Seanad from 1992 to 2011, serving in various departments, including as Minister for Enterprise, Trade and Innovation (2010 – 2011), Minister for Education and Science (2008 – 2010) and Minister of State for Housing and Urban renewal (2007 – 2008).

Noel O'Carroll, Director of Property Management Services (aged 56)

Noel joined the board in June 2007 following the acquisition of Columbia Design & Build (since renamed Formation Design & Build Ltd. Noel is managing Director of Formation Construction Ltd, having joined the business in 1996 as chief surveyor. He is a member of the Royal Institution of Chartered Surveyors and has a professional practice and contracting background, both in the UK and overseas, in civil engineering and general construction.

Michael Kennedy, Non-Executive Director (aged 73)

Michael Kennedy joined the Group in January 2005. He is a Senior Partner at the law firm Herbert Reeves & Co. and specialises in property law.

Sector Classification

Formation will be classified as a Real Estate Investment and Services company on ISDX.

Substantial Shareholder Information

The Company is aware of the following persons/ entities who directly or indirectly hold an interest in the Company representing 3 per cent. or more of the issued ordinary share capital of the Company:

| Shareholder | Number of Shares | % Shareholding |
|--|------------------|----------------|
| Streetwise Limited* | 76,297,354 | 34.60 |
| Fitel Nominees Limited* | 31,322,813 | 14.20 |
| Kennedy Private Trust Company Limited* | 25,320,787 | 11.48 |
| K.B Moran | 10,756,916 | 4.88 |
| Timothy Franey | 8,823,500 | 4.00 |
| Lynchwood Nominees Limited | 7,006,000 | 3.18 |

*Member of a concert party consisting of David Anthony Kennedy and the David Kennedy Family Trust; Streetwise and the Tulip Trust; and Others (the "Concert Party"). Further details of the Concert Party can be found in the re-admission document dated 29 May 2007, which is on the Company's website.

The Concert Party together holds more than 50% of the voting rights attaching to the Company's issued share capital. Accordingly, the Concert Party (for so long as they are treated as acting in concert) may be able to increase their aggregate shareholding in the Company without incurring any further obligation under Rule 9 of the City Code of Takeovers and Mergers to make a general offer. However, individual members of the Concert Party will not be able to increase their percentage shareholdings through a Rule 9 threshold without Panel consent.

In addition to the substantial shareholders the Directors hold the following interest in the share capital of the Company:

| Director | Number of shares | % of the share capital |
|-----------------|------------------|------------------------|
| Willie O'Dea | 2,000,000 | 1.00 |
| Noel O'Carroll | 1,405,1316 | 0.64 |
| David Walsh | 208,000 | 0.09 |
| Michael Kennedy | 50,000 | 0.02 |

The percentage of securities in public hands (as defined in the ISDX Growth Market Rules for Issuers) is 25.91 per cent.

There are currently no options or warrants over Ordinary Shares outstanding.

Further Information

Formation was admitted to trading on AIM via a reverse takeover on 22 June 2007. A copy of the re-admission document dated 29 May 2007 is available on the Company's website: www.formationgroupplc.com

The Company will remain admitted to trading on AIM following admission to ISDX. The Company intends to send a notice to shareholders convening a general meeting to seek approval to cancel its listing on AIM in due course.

The Company's Ordinary Shares are eligible for CREST settlement. There are no restrictions on the transfer of Ordinary Shares.

Registered Address of the Company

Formation Group PLC
Oakwood House
414 – 422 Hackney Road
E2 7SY
London
United Kingdom

Company website

www.formationgroupplc.com

ISDX Corporate Adviser

Peterhouse Corporate Finance Limited
New Liverpool House
15 Eldon Street
London
EC2M 7LD

The directors of the Company accept responsibility for the contents of this document.

For further information please contact:

Formation Group plc

David Kennedy, Chief Executive Officer

Tel: +44 (0) 20 7920 7590

ISDX Corporate Adviser and Broker

Peterhouse Corporate Finance Limited
Fungai Ndoro/ Mark Anwyl

Tel: +44 (0) 20 7469 0930