

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”), who specialises in advising on the acquisition of shares and other securities if you are resident in the United Kingdom or from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom. The whole of this Document should be read.

This Document is an AIM admission document which has been drawn up in accordance with the AIM Rules. This Document is not an approved prospectus for the purpose of section 85(7) of the FSMA and a copy of it has not been, and will not be, delivered to the FCA in accordance with the Prospectus Regulation Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Regulation ((EU) 2017/1129).

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Existing Ordinary Shares to be re-admitted and the New Ordinary Shares to be admitted in each case to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Enlarged Ordinary Share Capital on 31 December 2020. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Financial Conduct Authority (the “Official List”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document. The Ordinary Shares are not dealt on any regulated market and no application has been made or is being made for the Ordinary Shares to be admitted to any such exchange.

The rules of AIM are less demanding than those of the Official List. You should be aware that an investment in the Company is speculative and involves a degree of risk. Your attention is drawn to the section entitled “Risk Factors” set out in Part III of this Document. All statements regarding the Company’s business should be viewed in light of these risk factors.

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## **Eddie Stobart Logistics plc**

*(a company incorporated in England and Wales under the Companies Act 2006 with  
company number 08922456)*

*(to be renamed Logistics Development Group plc)*

### **PROPOSAL FOR APPROVAL OF WAIVER OF RULE 9 OF THE TAKEOVER CODE SUBSCRIPTION, PLACING AND OPEN OFFER OF UP TO 320,358,528 NEW ORDINARY SHARES AT 5 PENCE PER ORDINARY SHARE ADMISSION OF ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM AND NOTICE OF GENERAL MEETING**

Cenkos Securities plc  
*Nominated Adviser and Joint Broker*

Investec Bank plc  
*Joint Broker*

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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please immediately forward this Document, but not the Form of Proxy and (if relevant) the Application Form (duly completed as instructed by your selling broker), to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, the distribution of this Document into jurisdictions other than the UK may be restricted by law and such documentation should not be mailed, distributed, forwarded to or transmitted in or into or from the United States, Australia, New Zealand, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications which will be in the Application Form (if relevant). The Directors, whose names and functions are set out on page 9 of this Document, and the Company, whose registered office is set out on page 9 of this Document, accept responsibility, both individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of DBAY accept responsibility for the information contained in this Document relating to DBAY, the DBAY Funds and each other member of the Concert Party. To the best of the knowledge and belief of the directors of DBAY, the information contained in this Document for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Placing, Subscription and the Open Offer are conditional, *inter alia*, on Admission becoming effective by 8.00 a.m. on 31 December 2020 (or such later date as the Company, Cenkos and Investec may agree, being not later than 31 January 2021). The New Ordinary Shares and the Existing Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

Notice of a General Meeting of the Company, to be held at 11:00 a.m. on 29 December 2020 at the offices of King & Spalding, 125 Old Broad Street, London EC2N 1AR, is set out at the end of this Document. A Form of Proxy for use at the General Meeting accompanies this Document and, to be valid, should be completed and returned in accordance with the instructions set out therein as soon as possible but in any event so as to reach the Company's registrars, Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by post by no later than 11.00 a.m. on 23 December 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST electronic proxy appointment service or by using the procedures described in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies submitted by CREST must be transmitted so as to be received by the Company's agent, Link Group (ID: RA10) by no later than 11.00 a.m. on 23 December 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for an adjourned meeting). This Document is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose.

**As a result of the ongoing COVID-19 pandemic and the measures that the UK Government has put in place restricting public gatherings and non-essential travel and for the health and safety of our shareholders, employees, advisers and the general public, the General Meeting will be a closed meeting and shareholders will not be able to attend in person. Given these restrictions in place, voting on the Resolutions will be conducted by way of a poll rather than a show of hands and all shareholders are strongly encouraged to vote by proxy, appointing the Chairman as a proxy to ensure that their vote can be cast.**

Cenkos, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as nominated adviser and joint broker to the Company in connection with the Proposals. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this Document. Cenkos will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for providing advice in relation to the contents of this Document or any other matter.

Investec, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively as joint broker to the Company and no one else in connection with the Proposals and will not regard any other person (whether or not a recipient of this Document) as a client of Investec in relation to the Proposals or any arrangement referred to in, or information contained in, this Document and will not be responsible for providing the protections afforded to Investec clients nor for giving advice in relation to the Proposals, or any arrangement referred to or information contained in this Document.

Without limiting the statutory rights of any person to whom this Document is issued, no representation or warranty, express or implied, is made by Cenkos or Investec as to the contents of this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos or Investec by FSMA or the regulatory regime established thereunder, no liability whatsoever is accepted by Cenkos or Investec for the accuracy of any information or opinions contained in this Document, for which the Directors are solely responsible, or for the omission of any information from this Document for which it is not responsible.

The Ordinary Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. The New Ordinary Shares are being offered and issued outside of the United States in accordance with Regulation S, and may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. This Document has been prepared by us solely for use in connection with the offer and sale of the rights and the new shares outside the United States pursuant to Regulation S.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into or from, the United States, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from, the United States, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state or other jurisdiction of the United States, any province or territory of Canada, Australia, Japan or the Republic of South Africa and may not be offered or sold, directly or indirectly, within the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any U.S. person (within the definition of Regulation S).

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company, Cenkos or Investec that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this Document should inform themselves about the distribution of this Document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

## **IMPORTANT INFORMATION**

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, Cenkos or Investec. Neither the delivery of this Document nor any subscription or purchase made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see Part III: "Risk Factors" of this Document).

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Company. No assurance is given, express or implied, that investors will receive back the amount of their investment in Ordinary Shares.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this Document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

### **Notice to Investors in the United States**

The Ordinary Shares offered hereby have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Ordinary Shares are being offered and sold outside of the United States in accordance with Regulations S and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time. The Ordinary Shares have not been approved or disapproved by any U.S. federal or state securities commission or regulatory authority.

The information contained in this Document has been provided by the Company and the other sources identified therein. Distribution of this Document to any person other than those authorised to receive it is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

### **Forward Looking Statements**

Certain statements contained in this Document are, or may be deemed to be, forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and industry and markets in which the Company operates, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "may", "should", "would", "could", "will", "intends", "plans", "believes", "targets", "seeks", "estimates", "aims",

“projects”, “pipeline” and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

Such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as of the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company’s expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

### **Presentation of Financial Information**

The historical financial information incorporated by reference in Part IV: “Financial Information” of this Document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its incorporation by reference in Part IV: “Financial Information” of this Document has been included as required by the AIM Rules and solely for that purpose.

Unless otherwise indicated, financial information incorporated by reference in this Document, including the Company’s audited consolidated financial statements for the years ended 30 November 2019 and 2018 and the notes to those financial statements, has been prepared in accordance with IFRS.

### **Rounding**

The financial information contained in this Document, including that financial information presented in a number of tables in this Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **No Incorporation of Website Information**

Other than as expressly stated in this Document, the contents of the Company’s website (or any other website) do not form part of this Document.

### **Interpretation**

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

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

All times referred to in this Document are, unless otherwise stated, references to London time.

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

### **Information to Distributors**

**Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”);**

(b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

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## KEY STATISTICS

### Existing share capital at the date of this Document

Number of Existing Ordinary Shares 379,347,372

### Subscription, Placing and Open Offer

Issue Price 5 pence

Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Subscription, Placing and Open Offer 320,358,528

Maximum gross proceeds of the Subscription, Placing and Open Offer receivable by the Company £16.0 million

Percentage of Enlarged Ordinary Share Capital represented by the New Ordinary Shares<sup>(2)</sup> 45.6%

Estimated net proceeds of the Subscription, Placing and Open Offer receivable by Company <sup>(1)(2)</sup> £14.7 million

### Upon Admission

Maximum number of Ordinary Shares in issue upon Admission 702,205,900

TIDM ESL

ISIN of the Company's Ordinary Shares GB00BD8QVC95

ISIN of the Open Offer Entitlements GB00BMCWGY34

ISIN of the Excess CREST Open Offer Entitlements GB00BMCWGWZ41

SEDOL of the Company's Ordinary Shares BD8QVC9

LEI number 213800N5AWXCFF613J91

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(1) Net proceeds receivable by the Company are stated after deducting fees and other related expenses and VAT of approximately £1.3 million.

(2) Assuming the Open Offer is fully subscribed

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2020**

|  |   |
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| Record Date for entitlement to participate in the Open Offer for current and former participants in the LTIP and SIP respectively                                      | 6.00 p.m. on 7 December                         |
| Record Date for entitlement to participate in the Open Offer for holders of Ordinary Shares  | 6.00 p.m. on 7 December                         |
| Announcement of the Placing, Subscription and the Open Offer   | 9 December                                      |
| Ex-entitlement Date for the Open Offer   | 8.00 a.m. on 9 December                         |
| Publication and posting of this Admission Document (including Notice of General Meeting), the Application Form (if applicable) and the Form of Proxy                   | 9 December                                      |
| Open Offer Entitlements credited to stock accounts in CREST of from Qualifying CREST shareholders  | as soon as practicable 8.00 a.m. on 10 December |
| Latest time and date for receipt of completed application forms and payment in full under the SIP  | 11.00 a.m. on 18 December                       |
| Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST   | 4.30 p.m. on 18 December                        |
| Latest time and date for depositing Open Offer Entitlements into CREST   | 3.00 p.m. on 21 December                        |
| Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)   | 3.00 p.m. on 22 December                        |
| Latest time and date for receipt of Forms of Proxy for the General Meeting and receipt of electronic proxy appointments via the CREST system                           | 11.00 a.m. on 23 December                       |
| Latest time and date for receipt of completed application forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate) | 11.00 a.m. on 24 December                       |
| General Meeting  | 11.00 a.m. on 29 December                       |
| Announcement of the result of the General Meeting and Open Offer   | 29 December                                     |
| Admission and commencement of dealings in the Enlarged Ordinary Share Capital on AIM   | 8.00 a.m. on 31 December                        |
| Expected date for CREST accounts to be credited (where applicable)   | 8.00 a.m. on 31 December                        |
| Despatch of definitive share certificates (where applicable) by  | within 10 Business Days of Admission            |

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Notes:

- (1) *The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or who are located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which are set out in Part VII: "Terms and Conditions of the Open Offer" of this Document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.*
- (2) *Each of the times and dates set out in the above timetable and mentioned in this Document is subject to change by the Company (with the agreement of Cenkos and Investec), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a RIS.*
- (3) *References to times in this Document are to London times unless otherwise stated.*
- (4) *Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Existing Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.*

## DIRECTORS, SECRETARY AND ADVISERS

|   |  |
|---|--|
| <b>Directors</b>                          | Adrian Collins ( <i>Independent Non-Executive Chairman</i> )<br>Stephen Harley ( <i>Independent Non-Executive Director</i> )<br>Saki Riffner ( <i>Non-Executive Director</i> ) |
| <b>Registered Office</b>                  | Stretton Green Distribution Park<br>Langford Way<br>Appleton<br>Warrington<br>Cheshire WA4 4TQ   |
| <b>Company Secretary</b>                  | Rupert Nichols   |
| <b>Nominated Adviser and Joint Broker</b> | Cenkos Securities plc<br>6, 7, 8 Tokenhouse Yard<br>London EC2R 7AS  |
| <b>Joint Broker</b>                       | Investec Bank plc<br>30 Gresham Street<br>London EC2V 7QP  |
| <b>Auditors</b>                           | PricewaterhouseCoopers LLP<br>1 Hardman Square<br>Manchester M3 3EB  |
| <b>Reporting Accountants</b>              | PricewaterhouseCoopers LLP<br>1 Embankment Place<br>London WC2N 6RH  |
| <b>Solicitors to the Company</b>          | King & Spalding International LLP<br>125 Old Broad Street<br>London EC2N 1AR   |
| <b>Solicitors to the Joint Brokers</b>    | Osborne Clarke LLP<br>One London Wall<br>London EC2Y 5EB   |
| <b>Registrars</b>                         | Link Group<br>The Registry<br>34 Beckenham Road<br>Beckenham<br>Kent BR3 4TU   |
| <b>Receiving Agent</b>                    | Link Group<br>Corporate Actions<br>The Registry<br>34 Beckenham Road<br>Beckenham<br>Kent BR3 4TU  |
| <b>Public Relations Advisers</b>          | FTI Consulting<br>200 Aldersgate Street<br>London EC1A 4HD   |

## DEFINITIONS

The following definitions apply throughout this Document, the Form of Proxy and the Application Form unless the context requires otherwise or unless it is otherwise specifically provided:

|                                    |  |
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| “£” or “Pounds” or “Sterling”      | pounds sterling, the lawful currency of the UK   |
| “29.9% Aggregate Limit”            | a restriction on any Shareholder acquiring any New Ordinary Shares pursuant to the Open Offer which would, when aggregated with any existing interests in shares held by such Shareholder, result in such Shareholder holding an interest in shares which (taken together with shares in which persons acting in concert with such Shareholder are interested) carry 30% or more of the voting rights of the Company |
| “Act”                              | the Companies Act 2006 (as amended)  |
| “Admission”                        | the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules   |
| “Admission Document” or “Document” | this document dated 9 December 2020  |
| “AIM”                              | the market of that name operated by the London Stock Exchange  |
| “AIM Rules”                        | the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM  |
| “AIM Rules for Nominated Advisers” | the rules setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time   |
| “Alpha”                            | Alpha Cassiopeiae Limited, a company incorporated in the Isle of Man (company no. 016522V), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF  |
| “Application Form”                 | the application form accompanying this Document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer  |
| “Articles”                         | the articles of association of the Company, as at the date of Admission, a summary of which is set out in paragraph 5 – “Articles of Association” of Part V: “Additional Information About the Company” of this Document   |
| “Audit Committee”                  | the audit committee of the Board, as constituted from time to time   |
| “Basic Entitlement”                | the Open Offer Shares which a Qualifying Shareholder is entitled to subscribe for under the Open Offer calculated on the basis of 37 Open Offer Shares for every 100 Existing Ordinary Shares held by that Qualifying Shareholder as at the Record Date (subject to any adjustment required to remain within the Maximum Limit)  |
| “Board”                            | the board of Directors of the Company from time to time, or a duly constituted committee thereof   |
| “Business Day”                     | any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London  |
| “Cenkos”                           | Cenkos Securities plc, a public limited company incorporated in England and Wales with registered number 5210733 and registered office at 6, 7, 8, Tokenhouse Yard, London, EC2R 7AS, the Company’s nominated adviser and joint broker   |

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| “certificated” or “in certificated form” | recorded on the relevant register of the share or security concerned as being held in certificated form in physical paper (that is not in CREST)  |
| “Company”                                | Eddie Stobart Logistics plc, a public limited company incorporated in England & Wales with registered number 08922456   |
| “Concert Party”                          | the DBAY Funds and those acting, or deemed to be acting, in concert with it, as more fully described in paragraph 1 – “Introduction” of Part VI: “Additional Information on Whitewash / Waiver of Rule 9” of this Document  |
| “CREST”                                  | the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & Ireland in accordance with the CREST Regulations   |
| “CREST member”                           | a person who has been admitted to CREST as a system- member (as defined in the CREST Regulations)   |
| “CREST Proxy Instruction”                | the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear’s specifications   |
| “CREST Regulations”                      | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)  |
| “CREST sponsor”                          | a CREST participant admitted to CREST as a CREST sponsor  |
| “CREST sponsored member”                 | a CREST member admitted to CREST as a sponsored   |
| “DBAY”                                   | DBAY Advisors Limited a company incorporated in the isle of Man (company number 126150C) whose registered office is at 4th Floor, Derby House, 64 Athol Street, Douglas, Isle of Man IM1 1JD  |
| “DBAY Funds”                             | certain funds advised by DBAY (being DouglasBay Capital II Fund LP, DouglasBay Capital II Cayman Fund LP and DouglasBay Capital III Fund LP)  |
| “DBAY Directors”                         | Mike Haxby, Colin Kingsnorth, Jim Mara, Clive Parrish, Alex Pausco, Alexandra Ammann-Pfennig, David Morrison and Saki Riffner   |
| “DBAY Transaction”                       | the disposal by the Company to the DBAY Funds of a 51% indirect interest in GWSA Group on 9 December 2019, under the terms of the 2019 SPA, the 2019 TSA, the SHA, and other related documents, as set out in paragraph 10 – “Material Contracts” of Part V: “Additional Information About the Company”, and paragraph 5 – “DBAY Transaction” of Part VI: “Additional Information on Whitewash / Waiver of Rule 9” of this Document |
| “Directors”                              | the Directors of the Company as at the date of this Document, whose names are set out on page 9 of this Document  |
| “EBIT”                                   | earnings before interest and taxes  |
| “EBITDA”                                 | earnings before interest, taxes, depreciation and amortisation  |
| “Enlarged Ordinary Share Capital”        | the Ordinary Shares in issue immediately following the Subscription, Placing and Open Offer, comprising the Existing Ordinary Shares and the New Ordinary Shares  |
| “EU”                                     | the European Union  |
| “Euroclear “                             | Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST   |
| “Ex-entitlement Date”                    | means 8.00 a.m. on 9 December 2020  |

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| “Excess Applications”                  | applications pursuant to the Excess Application Facility   |
| “Excess Application Facility”          | the mechanism whereby a Qualifying Shareholder, who has taken up his Basic Entitlement in full, can apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder’s Basic Entitlement   |
| “Excess CREST Open Offer Entitlements” | in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this Document |
| “Excess Shares”                        | Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility   |
| “Excluded Overseas Shareholders”       | other than as agreed by the Company, Cenkos and Investec or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction   |
| “Existing Ordinary Shares”             | the 379,347,372 Ordinary Shares in issue as at the date of this Document   |
| “FCA”                                  | the Financial Conduct Authority of the United Kingdom  |
| “Form of Proxy”                        | the form of proxy accompanying this Document for use by Shareholders in relation to the General Meeting  |
| “FSMA”                                 | the Financial Services and Markets Act 2000 (as amended)   |
| “FTL”                                  | full truck load  |
| “FY15”                                 | the financial year ended 30 November 2015  |
| “FY17”                                 | the financial year ended 30 November 2017  |
| “FY18”                                 | the financial year ended 30 November 2018  |
| “FY19”                                 | the financial year ended 30 November 2019  |
| “General Meeting”                      | the General Meeting of the Company to be convened in accordance with the Notice of General Meeting set out in the Appendix to this Document  |
| “Group”                                | the Company, its subsidiaries and its subsidiary undertakings  |
| “GWSA”                                 | Greenwhitestar Acquisitions Limited, a limited company incorporated in England and Wales under company number 8922540  |
| “GWSA Group”                           | Marcelos Limited and all of its subsidiaries from time to time   |
| “HMRC”                                 | HM Revenue and Customs   |
| “iForce”                               | iForce Group Limited, a limited company incorporated in England and Wales under company number 04696839  |
| IFRS                                   | International Financial Reporting Standards  |
| “Independent Director”                 | those directors of the Company other than Saki Riffner   |

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|--------------------------------------|---|
| “Independent Shareholders”           | Shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with such person (as defined by the Takeover Code) which, for the purposes of the Whitewash Resolution, excludes the Concert Party |
| “Investec”                           | Investec Bank plc, the Company’s joint broker   |
| “Investing Company”                  | an Investing Company as defined by the AIM Rules  |
| “Investment Management Agreement”    | an investment management agreement proposed to be entered into between the Company and DBAY, pursuant to which DBAY is to be appointed as the Company’s investment manager  |
| “Investing Policy”                   | the Company’s proposed investing policy more particularly set out in paragraph 7 – “Investing Policy” of Part I: “Letter from the Chairman” of this Document  |
| “Issue Price”                        | 5 pence per New Ordinary Share  |
| “Joint Brokers”                      | together, Cenkos and Investec   |
| “London Stock Exchange”              | London Stock Exchange plc   |
| “Loan Notes”                         | the 18% payment in kind loan notes issued by Alpha to Alpha Persei Limited (a vehicle wholly owned by DBAY Funds) under the terms of the PIK Loan Facility  |
| “LTIP” or “Long Term Incentive Plan” | the Company’s Long Term Incentive Plan 2017 as further described in paragraph 5 – “Employee Share Plans – Long Term Incentive Plan” of Part V: “Additional Information About the Company” of this Document  |
| “LTIP Options”                       | nil cost options in respect of ordinary shares in the Company awarded under the LTIP in 2017 and 2019   |
| “MAR”                                | the Market Abuse Regulation 596/2014/EU   |
| “Marcelos”                           | Marcelos Limited, a company incorporated in the Isle of Man (company no. 016829V), whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF  |
| “Maximum Limit”                      | the maximum aggregate number of 140,358,528 Open Offer Shares that can be subscribed for under Open Offer   |
| “Money Laundering Regulations”       | The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended   |
| “New Ordinary Shares”                | up to 320,358,528 new Ordinary Shares to be issued and allotted pursuant to the Subscription, Placing and Open Offer  |
| “Open Offer”                         | means the offer of New Ordinary Shares to Qualifying Shareholders constituting an invitation to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this Document and the Application Form;                        |
| “Open Offer Entitlements”            | entitlements to subscribe for New Ordinary Shares allocated to Qualifying Shareholders pursuant to the Open Offer   |
| “Open Offer Shares”                  | the 140,358,528 new Ordinary Shares to be offered to Qualifying Shareholders under the Open Offer   |
| “Ordinary Shares”                    | ordinary shares of £0.01 each in the capital of the Company   |
| “Panel”                              | the Panel on Takeovers and Mergers  |

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| “PIK Loan Facility”                 | an agreement under which Alpha Persei Limited, a vehicle wholly owned by DBAY Funds advanced approximately £55 million in cash to Alpha, which was on-lent to GWSA (as further described in paragraph 10 – “Material Contracts” of Part V: “Additional Information About the Company” of this Document) |
| “Placee”                            | any person or entity subscribing for Placing Shares pursuant to the Placing   |
| “Placing”                           | the conditional placing of the Placing Shares by Cenkos and Investec, each as agents for the Company, pursuant to the terms of the Placing Agreement  |
| “Placing Agreement”                 | the placing agreement dated 9 December 2020 between, <i>inter alia</i> , the Company, Cenkos and Investec, relating to the Placing and Open Offer   |
| “Placing Shares”                    | 71,200,000 Ordinary Shares to be issued pursuant to the Placing   |
| “Proposals”                         | the Subscription, Placing, Open Offer, Rule 9 Waiver, Admission and the conversion of the Company to an investing company   |
| “Prospectus Regulation Rules”       | the Prospectus Regulation Rules made by the FCA pursuant to Part VI of FSMA   |
| “QCA”                               | the Quoted Companies Alliance   |
| “QCA Corporate Governance Code”     | the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies published by the QCA from time to time  |
| “Qualifying CREST Shareholders”     | Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form   |
| “Qualifying Non-CREST Shareholders” | Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form   |
| “Qualifying Shareholders”           | holders of Existing Ordinary Shares on the register of members of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders   |
| “Registrars” or “Receiving Agent”   | both being Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU  |
| “Record Date”                       | the record date for entitlement to participate in the Open Offer, being 6.00 p.m. on 7 December 2020 for holders of Ordinary Shares, and 6.00 p.m. on 7 December 2020 for current and former participants in the LTIP and SIP respectively  |
| “Regulation S”                      | Regulations S promulgated under the Securities Act  |
| “Relationship Agreement”            | the agreement entered into between the Company and DBAY, contingent on Admission, more particularly described in paragraph 10 – “Material Contracts” of “Part V: Additional Information About the Company” of this Document   |
| “Remuneration Committee”            | the remuneration committee of the Board, as constituted from time to time   |
| “Resolutions”                       | the ordinary and special resolutions to be voted on in the General Meeting as set out in the notice of General Meeting set out in the Appendix to this Document   |
| “Restricted Jurisdiction”           | each of Australia, Canada, Japan, South Africa, the United States, and any other jurisdiction where the distribution of this document may be restricted by law  |
| “RIS”                               | a Regulatory Information Service, as defined in the AIM Rules   |

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| “Rule 9 Waiver”                           | the waiver which has been granted by the Takeover Panel (conditional upon the approval of the Whitewash Resolution by the Independent Shareholders) of the obligation that would otherwise arise for the Concert Party to make a Rule 9 offer under the Takeover Code as a result of the allotment and issue of Ordinary Shares under the Subscription, Placing and Open Offer which could result in the Concert Party coming to hold shares carrying a maximum of 38.49% of the voting rights of the Company |
| “SDRT”                                    | means Stamp Duty Reserve Tax  |
| “Securities Act”                          | the U.S. Securities Act of 1933, as amended   |
| “Shareholder(s)”                          | holder(s) of Ordinary Shares, and where the context so requires, participants in the LTIP and former participants in the SIP  |
| “SIP” or “Share Incentive Plan”           | the Company’s Share Incentive Plan, as further described in as further described in paragraph 5 – “Employee Share Plans – Share Incentive Plan” of Part V: “Additional Information About the Company” of this Document  |
| “SIP Shares”                              | free shares in the Company awarded under the Company’s Share Incentive Plan in 2017   |
| “SIP Trustee”                             | Link Asset Services   |
| “SIP Trust Deed”                          | means the trust deed dated 18 April 2017 and made in relation to the SIP Shares   |
| “Subscription”                            | the proposed subscription by certain Directors and other parties for the Subscription Shares at the Issue Price, further details of which are set out in this Document  |
| “Subscription Agreement”                  | the subscription agreements dated 9 December 2020 between the Company and certain investors, relating to the Subscription   |
| “Subscription Shares”                     | the 108,800,000 New Ordinary Shares to be subscribed for directly with the Company  |
| “Takeover Code” or “Code”                 | the City Code on Takeovers and Mergers published by the Panel (as amended from time to time)  |
| “TPN”                                     | The Pallet Network Group Limited, a company incorporated in England & Wales (with company number 09916780), whose registered office is at Prologis Park Midpoint, Midpoint Way, Minworth, Sutton Coldfield, West Midlands, United Kingdom, B76 9EH  |
| “UK” or “United Kingdom”                  | the United Kingdom of Great Britain and Northern Ireland  |
| “UK MAR”                                  | MAR as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310), as the same has legal force in the United Kingdom by virtue of the European Union Withdrawal Act 2018, as amended.   |
| “uncertificated” or “uncertificated form” | shares or other securities recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST   |
| “U.S.” or “United States”                 | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction   |
| “VAT”                                     | value added tax   |

“Valid Applications”

in respect of the Open Offer, applications by Qualifying Shareholders and other persons with claims under the Open Offer to apply for Open Offer Shares under their basic and excess entitlements under the Open Offer, which comply with the terms and conditions of the Open Offer; and

“Whitewash Resolution”

the proposed ordinary resolution of the Independent Shareholders that the Rule 9 Waiver be approved, to be proposed on a poll, as set out in the Notice of General Meeting in the Appendix to this Document

**PART I:**  
**LETTER FROM THE CHAIRMAN**  
**EDDIE STOBART LOGISTICS plc**

*(incorporated and registered in England & Wales under the Companies Act 2006 with registered number 08922456)*

**Registered Office:**

Stretton Green Distribution Park Langford Way, Appleton, Warrington, Cheshire, England, WA4 4TQ

**Directors**

Adrian Collins *(Independent Non-Executive Chairman)*  
Stephen Harley *(Independent Non-Executive Director)*  
Saki Riffner *(Non-Executive Director)*

*To the holders of Ordinary Shares and participants in the LTIP and SIP*

9 December 2020

Dear Shareholder,

**PROPOSAL FOR APPROVAL OF WAIVER OF RULE 9 OF THE TAKEOVER CODE**  
**SUBSCRIPTION, PLACING AND OPEN OFFER OF UP TO**  
**320,358,528 NEW ORDINARY SHARES AT 5 PENCE PER ORDINARY SHARE**  
**ADMISSION OF ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM**  
**AND**  
**NOTICE OF GENERAL MEETING**

**1. INTRODUCTION**

*Proposed conversion to an Investing Company*

On 9 December 2019, the Company completed the disposal of an indirect 51% holding in its operating subsidiary GWSA to DBAY. On completion of this transaction, the Company ceased to own, control or conduct all or substantially all, of its existing trading business, activities or assets and the Company became a cash shell for the purposes of AIM Rule 15. In accordance with the AIM Rules, your Board is seeking shareholder approval to become an Investing Company and, consequently, to apply for readmission to trading on AIM.

**If Shareholders do not approve each of the Resolutions, the conversion to an Investing Company will not take place and the Subscription, Placing and Open Offer cannot be implemented. As such, in accordance with the AIM Rules, the Ordinary Shares would be initially suspended from trading on AIM and after six months of being suspended, the Company's admission to trading on AIM would be cancelled.**

*The Subscription, Placing and Open Offer and Admission of Enlarged Ordinary Share Capital to AIM*

In conjunction with the conversion of the Company to an Investing Company under the AIM Rules, the Company is required to raise at least £6 million of new equity. The Company, therefore, announced on 9 December 2020 that it is proposing to undertake a Subscription, Placing and Open Offer to raise up to £16.0 million (before expenses) through the issue of up to 320,358,528 New Ordinary Shares at the Issue Price.

180,000,000 New Ordinary Shares have been conditionally placed with the DBAY Funds and other placees pursuant to the Placing and the Subscription, and a further 140,358,528 New Ordinary Shares will be available for subscription by existing shareholders, including Concert Party members, in the Open Offer. Cenkos is acting as nominated adviser and joint broker to the Company in connection with the Proposals and Investec is acting as joint broker to the Company in connection

with the Proposals. Conditional upon the passing of the Resolutions and on Admission, the New Ordinary Shares are expected to represent, in aggregate, up to 45.6% of the Company's Enlarged Ordinary Share Capital.

Application will be made to the London Stock Exchange for Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will occur at 8.00 a.m. on 31 December 2020. The conversion to an Investing Company and the Subscription, Placing and the Open Offer are conditional, *inter alia*, on the passing of the Resolutions at the General Meeting. The Resolutions are contained in the Notice of General Meeting set out at the Appendix to this Document.

#### *Waiver by The Panel under Rule 9 of Takeover Code and approval of Whitewash*

The DBAY Funds (along with all other members of the Concert Party) have an aggregate interest in 113,436,794 Existing Ordinary Shares representing approximately 29.90% of the existing issued share capital of the Company. Details of the ownership interests of each of the DBAY Funds and the other members of the Concert Party are set out in paragraph 1 – "Introduction" of Part VI: "Additional Information on Whitewash / Waiver of Rule 9" of this Document.

The DBAY Funds (along with all other members of the Concert Party) have agreed to subscribe for 77,000,000 New Ordinary Shares under the Placing and the Subscription, and the Concert Party has also confirmed its intention to take up its entitlements under the Open Offer which would, if there is no scaling back of its take up of entitlements under the Open Offer to satisfy other Valid Applications made under the Open Offer, increase its voting rights to 38.49% and as such would normally require the Concert Party to make a general offer under Rule 9 of the Takeover Code for the remainder of the ordinary share capital of the Company.

The Independent Directors believe that it is in the best interests of the Company for DBAY and the Concert Party to subscribe for New Ordinary Shares pursuant to the Placing, Subscription and Open Offer and therefore the Company has applied for and received a waiver granted by the Panel of any requirement under Rule 9 of the Takeover Code for the Concert Party to make a general offer to Shareholders that would otherwise arise as a result. The approval of the Independent Shareholders is therefore being sought, by means of the Whitewash Resolution to be taken on a poll at the General Meeting, for the Rule 9 Waiver.

#### *General Meeting*

As part of the Company's conversion into an Investing Company, Shareholders of the Company will be asked to consider and approve such conversion, to agree the Company's proposed Investing Policy and the Company's entry into the Investment Management Agreement with DBAY .

In addition to the resolutions referred to above, the Directors do not currently have authority to allot all of the New Ordinary Shares under the Subscription, Placing and Open Offer and, accordingly, the Company is seeking approval of Shareholders to grant additional authority to the Directors to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment at the General Meeting.

The Company will also seek approval from Shareholders for the Whitewash Resolution required to effect the Whitewash as set out above.

The purpose of this letter is therefore to:

- (i) set out the background to, and the reasons for, the conversion of the Company to an Investing Company under the AIM Rules, and the Placing, Subscription and the Open Offer and why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole. The Board recommends that Shareholders vote in favour of the Resolutions (other than the Whitewash Resolution, as to which, see (ii) below) to be proposed at the General Meeting, as the Directors who are interested in the Company's shares have irrevocably undertaken to do themselves in respect of their own beneficial shareholdings; and
- (ii) provide you with details of the Whitewash Resolution to be proposed at the General Meeting and to explain why the Independent Directors consider the Rule 9 Waiver to be in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of that resolution.

Shareholder approval is being sought for the Resolutions at the General Meeting which is being convened for 11.00 a.m. on 29 December 2020 at the offices of King & Spalding, 125 Old Broad Street, London EC2N 1AR.

**As a result of the ongoing COVID-19 pandemic and the measures that the UK Government has put in place restricting public gatherings and non-essential travel and for the health and safety of our shareholders, employees, advisers and the general public, the General Meeting will be a closed meeting and shareholders will not be able to attend in person. Given these restrictions in place, voting on the Resolutions will be conducted by way of a poll rather than a show of hands and all shareholders are strongly encouraged to vote by proxy, appointing the Chairman as a proxy to ensure that their vote can be cast.**

Your attention in particular is drawn to the following parts of this Document:

PART III: RISK FACTORS

PART V: ADDITIONAL INFORMATION ABOUT THE COMPANY

PART VI: ADDITIONAL INFORMATION ON WHITEWASH / WAIVER OF RULE 9

PART VIII: TERMS AND CONDITIONS OF THE OPEN OFFER

## **2. BACKGROUND TO AND REASONS FOR THE CONVERSION TO AN INVESTING COMPANY AND THE SUBSCRIPTION, PLACING AND OPEN OFFER**

The Company is currently an AIM-quoted “cash shell” which holds a 49% indirect equity interest in GWSA, the holding company of, *inter alia*, Eddie Stobart, iForce, The Pallet Network and The Logistics People businesses (the “**GWSA Group**”), which together form a leading, end-to-end supply chain, transport and logistics group in the UK.

The Company is seeking to convert to an Investing Company under the AIM Rules and this Document, therefore, provides information on the Company’s Investing Policy, the proposed Investment Management Agreement, and the details of the Subscription, Placing and Open Offer, for Shareholders’ consideration.

It is intended that shortly after Admission, by way of powers granted to the Board contained within the Articles, the Company will be renamed “Logistics Development Group plc” to reflect the changed status of the business and the expectation that, in due course, it will invest in other businesses, unconnected with the Eddie Stobart business.

### *Background to the structure of the Placing, Subscription and Open Offer*

As a consequence of the DBAY Transaction, the Company became a “cash shell” under the AIM Rules and is, therefore, required to either undertake a reverse takeover or convert to an AIM investing company and raise a minimum of £6 million within a period of six months from completion of the DBAY Transaction.

In addition, at the time of the DBAY Transaction, following discussion with the Company’s then institutional Shareholders, the Company agreed with DBAY that it would seek to provide Shareholders with the opportunity to participate in an economic interest of up to 49% of the Loan Notes as soon as reasonably practicable following the DBAY Transaction, simultaneously with, and conditional upon, the conversion of the Company to an Investing Company, with DBAY being appointed as investment manager. Such participation was to be funded by way of an equity raise by the Company, the proceeds of which would have been used to acquire up to 49% of the then outstanding Loan Notes at par, including all amounts of accrued interest thereon, following which the Company and DBAY as the holders of Loan Notes in proportion to their respective equity holdings would cancel the Loan Notes to align the economic interests of DBAY and the Company in GWSA.

Following discussions with a number of institutional investors in October 2020, it was clear to the Board that the Company would be better placed to raise the sums required to repurchase the full 49% of the Loan Notes once GWSA Group has reported a full year of results under the new ownership structure. The Board has, therefore, conditionally raised £9 million in the Placing and Subscription to ensure that the Company’s is able to fulfil its regulatory requirement to raise a minimum of £6 million in connection with its proposed conversion to an Investing Company.

DBAY and other Placees have conditionally agreed to subscribe for 71,200,000 Ordinary Shares at the Issue Price via the Placing. Furthermore, certain investors have agreed to subscribe for 108,800,000 New Ordinary Shares at the Issue Price directly with the Company via the Subscription. The Board believes that it is important the Shareholders are able to invest on the same terms as the Placing and the Subscription, and the Company is, therefore, making an Open Offer to raise up to £7.0 million to Qualifying Shareholders.

The net proceeds of the Subscription, Placing and Open Offer will be used to meet the Company's general working capital requirements, undertake due diligence on potential target acquisitions in line with the Investing Policy, and the balance will be used to acquire such proportion of the Loan Notes as the Investment Manager may decide, and for general corporate purposes.

Application will be made for the Existing Ordinary Shares to be readmitted and for the New Ordinary Shares to be admitted in each case to trading on AIM, and the Placing, the Subscription and the Open Offer are conditional upon, *inter alia*, Admission. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence at 8.00 a.m. on 31 December 2020 or such later time as Cenkos, Investec and the Company may agree (being not later than 8.00 a.m. on 31 January 2021).

#### *The objectives of Investing Company, the Investing Policy and the Investment Management Agreement*

The investment objectives of the Company will be to provide Shareholders with attractive total returns achieved through capital appreciation and, when prudent, shareholder distributions and dividends in line with the dividend policy set out in the Articles and described at paragraph 5 – “Articles of Association” of Part V: “Additional Information About the Company”. The Directors believe that opportunities exist to create significant value for Shareholders through an acquisitive growth strategy and the implementation of substantial operational improvements across the sectors outlined in the Company's Investing Policy.

The Company is expected to enter into the Investment Management Agreement with DBAY, the pan-European asset manager and investor in public and private securities, subject to Shareholder approval.

### **3. CHANGE OF NAME**

The Company intends to change its name to “Logistics Development Group plc” following Admission by resolution of the Board. Given that the Eddie Stobart trading entities are no longer controlled by the Company, the Directors believe that the change of name will help to create an appropriate distinction between the Company and its investments, and will be reflective of the Company's status as an investing company with a focus on the logistics sector.

### **4. HISTORY AND DEVELOPMENT OF THE COMPANY**

Eddie Stobart Logistics' origins were in supplying and delivering fertilizer in the Cumbrian village of Hesketh Newmarket. In 1970, Eddie's eldest son, Edward, established the road haulage business and moved the headquarters to Carlisle. In 2007, the business became part of the larger listed Stobart Group Limited. In 2014, Stobart Group Limited partially realised its interest in the Eddie Stobart Logistics trading entities, through a sale of 51% of its interest in its Transport and Distribution division to a fund managed by DBAY.

During FY15, Eddie Stobart Logistics completed the strategic disposal of its non-core business, Automotive UK, and invested in a training and service support centre in Warrington, as well as continuing investment in other modern warehousing facilities.

The Company was admitted to trading on the AIM market of the London Stock Exchange on 25 April 2017 (the “IPO”), raising gross proceeds for the Company of approximately £122 million. In conjunction with the IPO, the Company also acquired iForce, the e-commerce and multi-channel retail logistics and supply chain management group, for total consideration of approximately £45 million.

On 28 June 2018, the Company acquired The Pallet Network Group Limited, a leading provider of pallet distribution services across UK and Ireland, for total consideration of £52.8 million, on a cash and debt free basis.

At the time of IPO, the Group had revenue of £624 million and adjusted EBIT of £47.8 million (FY17). From the date of the IPO until 2019, the Company pursued a strategy of strong revenue growth in its main logistics business as well as property consultancy to enhance profitability. During its review for the half year 2019 results, the business was required to amend a number of accounting policies, including treating property consultancy as “lease incentives”, thus reducing in-year profitability. This led to a significant delay in announcement of H1 2019 results and the suspension of the Company’s shares from trading on AIM.

At the same time, liquidity deteriorated, and the Company drew on increasing levels of its debt facilities, stretching covenant levels. To ensure stability and the long term survival of the business, the Company needed to be sold or recapitalise, and after a lengthy process, the Board agreed to a proposal from DBAY.

On 9 December 2019, DouglasBay Capital III Fund LP, a fund managed by DBAY, completed the acquisition of an indirect 51% equity stake in GWSA, the holding company of the GWSA trading entities (including Eddie Stobart Limited, iForce and TPN). Accordingly, as a result of the DBAY Transaction, the Company’s equity interest in the GWSA trading entities was reduced from 100% to 49%.

Following the completion of the DBAY Transaction, the Company became a “cash shell” pursuant to the AIM Rules and therefore, in order to remain admitted to trading on AIM, was required, *inter alia*, to complete an acquisition or acquisitions constituting a reverse takeover within six months of the DBAY Transaction. For the purposes of this requirement, becoming an Investing Company (which entails raising a minimum of £6 million in cash via an equity fundraising and publishing an admission document) is treated as a reverse takeover.

In light of the global COVID-19 pandemic, which impacted public fundraising activities, and noting the Company’s retained interest in GWSA, the London Stock Exchange agreed to an extension to the six month timeline noted above to 9 December 2020.

## **5. INVESTMENT OBJECTIVE**

The investment objective of the Company will be to provide Shareholders with attractive total returns achieved through capital appreciation and, when prudent, shareholder distributions and dividends in line with the dividend policy set out in the Articles and described at paragraph 5 – “Articles of Association” of Part V: “Additional Information About the Company” of this Document. The Company’s ability to make shareholder distributions will depend on the cash generated, either organically or inorganically, by the Company’s investments.

The Directors believe that opportunities exist to create significant value for Shareholders through the acquisition of, and the implementation of substantial operational improvements in, businesses in the sectors outlined in the Company’s Investing Policy.

## **6. INVESTMENT STRATEGY**

The Directors believe that the logistics sector (including supply chain management, transportation, warehousing, freight forwarding and home deliveries) is characterised by highly attractive fundamentals. The sector benefits from strong structural growth drivers, such as from a shift towards e-commerce related transport and warehousing activities, and there are numerous opportunities for growth from increased outsourcing in the sector.

The resulting growth and the increased complexity of logistics services will provide substantial opportunities for integrated supply chain service organisations, and specifically for organisations of a certain size, that have the ability to provide the required technological and systems support required by customers. The Covid-19 pandemic has demonstrated the crucial role played by logistics, which is a major contributor to UK GDP, and the dependence of the fast-moving, demand-led economy on the services provided by this sector. The completion of Brexit, which is expected to occur on 1 January 2020, is expected to increase demand in the UK for warehousing capacity, as well as freight forwarding and management expertise.

The UK logistics and supply chain industry is concentrated at the upper end (by revenues) but highly fragmented towards the bottom end of the market, with approximately 192,000 logistics small and medium-sized enterprises in 2018<sup>1</sup>. The Directors believe that the Company will, therefore, have access to numerous opportunities for profitable investments and value creation. The Directors

and DBAY, as investment manager, have considerable knowledge and experience of the sector, and consider that the Company will be able to build on the Company's existing 49% indirect equity investment in the GWSA Group, creating a dynamic portfolio of investments in the logistics sector.

The Directors, together with DBAY as investment manager, have identified a number of companies which they consider to be both attractive investments in their own right, and complementary to the companies in the GWSA Group. The potential targets currently under consideration all share some or all of the following attractive characteristics:

- Profitable with strong cash conversion;
- Scope to achieve cost savings, improve efficiency and accelerate growth;
- Typically with long-term customer relationships, and revenues that are recurring in nature;
- Offer potential synergies and growth opportunities to a larger group; and
- Scope to improve the competitive position of the existing GWSA Group.

It is expected that these businesses will, in most cases, be run on a stand-alone basis following acquisition. This will ensure clear roles and responsibilities for the board and management, which the Directors believe to be a key driver of value creation, and will likewise limit any disruption to the rest of the GWSA Group following successful exit by the Company. Nevertheless, the Directors and DBAY, as investment manager, believe there will be substantial opportunities to realise synergies between the various investments.

The main areas for synergies would be combined pitches and sharing of customers, a reduction of the cost base due to scale efficiencies, enhanced purchasing power and implementation of improved management and control systems, increased use of technology, and greater focus of management attention.

## 7. INVESTING POLICY

The Company will seek to achieve its investment objective by making investments within the following parameters:

- **Sectors:** Logistics, Transport, Warehousing and e-Fulfilment assets
- **Size:** Small to transformational
- **Type:** Stand-alone, or add-on for existing assets
- **Geography:** UK-focused but also continental Europe
- **Characteristics:** Scope for substantial operational improvements or value creation; high growth markets; and offering synergies with the existing portfolio
- **Ownership:** Controlling stakes, or minority stakes with the ability to effect change through active management
- **Hold period:** 2-5 years targeted
- **Concentration:** relatively concentrated portfolio expected, with in excess of 50% of the portfolio exposed to one asset initially
- **Market:** Private or public
- **Leverage:** Private equity style funding structures with anticipated net financial debt levels of 3-5x EBITDA
- **Restrictions:** No assets or businesses which do not sufficiently meet the criteria detailed above, or where equity returns are primarily driven by high levels of financial leverage or fundamental strategic change

The Company would need to raise additional finance in order to make further acquisitions in the form of equity and/or debt. Subject to the composition of the Company's share register, it is possible that any equity fundraising for those purposes will, subject to the requisite Shareholder approvals, be carried out on a non pre-emptive basis.

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<sup>1</sup> FTA Logistics Report 2019

Given the Company's existing investments, the Investing Policy is deemed to have been substantially implemented. Any material changes to the Investing Policy would be subject to Shareholder approval.

## **8. TRACK RECORD OF DBAY AS AN INVESTMENT MANAGER**

Founded in 2011, DBAY is a pan-European asset manager and investor. The firm follows a value investing approach and invests in listed equities across Europe, as well as in private equity style control investments. It is owned by its partners and is regulated and licensed by the Isle of Man Financial Services Authority. As well as an office in the Isle Man, DBAY also has an office in London.

The core DBAY team, which have worked together for 20 years, have developed a diversified set of skills from financial and operational backgrounds, with deep insight into a number of industry sectors. DBAY comprises a team of twelve investment and operating professionals and brings significant expertise in the logistics sector, with key individuals having served on the board of Eddie Stobart and TDG in the past.

Capital is managed on behalf of institutional investors, trusts, foundations, family offices and pension funds. DBAY currently has a controlling interest in companies that have a combined turnover in excess of £1.8 billion and employ more than 15,000 staff.

DBAY managed funds have achieved strong historical returns with its first and second investment vehicles (including co-investment vehicles) having achieved returns in excess of DBAY's targeted 25% net internal rate of return. DBAY is currently investing its third vehicle.

DBAY has an excellent track record for transport and logistics investments, which includes an investment in TDG, a UK-based contract logistics business with over £700 million turnover and 7,000 employees across Europe, which delivered a money multiple of 1.9x in two years during the recession in 2009/2010. DBAY also controlled Eddie Stobart between 2014 and 2017, growing the business substantially before the IPO and achieving a money multiple of more than 3x invested equity capital for its investors.

## **9. INVESTMENT MANAGEMENT AGREEMENT**

This agreement details the terms on which the Company will appoint DBAY Advisors to act as manager of the Company ("**Manager**") with respect to the assets of the Company.

In consideration of the management services, the Company shall pay an annual fee, known as the monitoring fee to the Manager. The fee shall be equal to 2% of the amount invested by the Company in the portfolio company that is the subject of the new investment and shall be paid directly to the Manager from the portfolio company. In addition, the Manager shall receive a profit share being an amount equal to 20% of all distributions of cash made by the relevant portfolio company (or its affiliates), directly or indirectly, to the Company.

Any potential new debt and equity investment on behalf of the Company with an aggregate value of greater than the higher of £20 million or 50% of the available funds will be referred by the Manager to the Board of the Company for approval.

The Manager may control money held in the Company's bank accounts and will not hold any client money of the Company.

Subject to the Company's right to, from time to time, instruct the Manager to take or to refrain from taking a particular action, the Manager will have full authority and power to manage the Company's assets (including any asset, right of interest of the Company and any other right or interest of the Company in respect of property of any kind (including cash) and, without prejudice to the foregoing, wherever situated and whether or not producing income) and shall be the custodian of such assets. Additional responsibilities of the manager include:

- identifying, evaluating and executing on potential new investments for the Company;
- management of the Company assets, including the new investments;
- structuring and negotiating the acquisition, and disposal, of new investments;
- risk management activities;

- reporting to the Company in the manner described herein;
- assisting the Company in complying with its ongoing obligations as a company whose shares are admitted to trading on AIM, including liaising with the Company's nominated adviser under the AIM Rules from time to time, facilitating compliance with the Company's disclosure and communications policy, preparing, with the assistance of the Company's advisors, announcements to be made by the Company, and supervising the running of the Company's website;
- selecting, appointing on behalf of and for the account of the Company, directing, managing, supervising and co-ordinating the Company's third party service providers, in each case in relation to the service provided under the agreement, including agents, brokers, any custodian and any counterparties, as the Manager in its reasonable opinion considers appropriate; and
- assisting the Company in negotiating, structuring and project managing any capital raisings required for the purposes of making the Investments or the working capital of the Company, including debt or equity transactions.

The Manager will have the right, without restriction, to enter into certain types of transaction on behalf of the Company (including, transactions involving contingent liability investments, investments in unregulated collective investment schemes, stock lending transactions or other transactions involving the disposal of an investment subject to an obligation or right to reacquire the same or similar investment from the same counterparty, underwriting or sub-underwriting transactions, investments in securities of which the issue or offer for sale was underwritten, managed or arranged by the Manager or an Affiliate of the Manager during the preceding 12 months and investments the prices of which may be the subject of stabilisation.

The Manager shall be entitled to exercise or direct the exercise, or to refrain from exercising, any voting or similar rights attaching to any Investment (including any voting, conversion or subscription rights arising if an Investment becomes the subject of a takeover or other offer or a reorganisation) in such manner as the Manager, in its discretion, thinks fit.

The Company has agreed to indemnify the Manager in connection with the agreement and the services to be provided by the manager to the Company thereunder.

The agreement has an initial term of five years and renews automatically for a further year on each anniversary of the effective date, provided that either party may terminate the agreement on such five-year anniversary (or on each anniversary thereafter) by giving the other party at least 30 days' written notice (subject to a necessary extension to realise or otherwise dispose of any new investments).

Both parties have an immediate right to terminate by giving notice in writing in the event (i) that the Company has made no new investments in the first 18 months after the date of the agreement (ii) the Company's Shareholders holding 75+% of voting shares in the Company vote to terminate the Agreement at a duly convened and quorate meeting of the Company's Shareholders, provided that at least 50% of the shares voted in favour of such termination are voted by shareholders other than DBAY (or any of its affiliates) (iii) the Manager ceases to be licensed under the Isle of Man Financial Services Authority (or another regulatory authority in another jurisdiction) with sufficient permissions to allow it to perform its obligations (iv) there is a material breach of the terms of the agreement or (v) liquidation of the other party.

In the event of termination of the Investment Management Agreement pursuant to a material breach (where the Company is the defaulting party) or in the event of the Company's insolvency, the Manager shall be entitled to receive (i) all accrued and unpaid monitoring fees and profit share, to be paid promptly following termination of the agreement; and (ii) 100% of the profit share in respect of all new investments that remain unrealised or otherwise disposed of as at the date of termination.

In the event of termination of the Investment Management Agreement due to the Manager ceasing to be licensed under the Isle of Man Financial Services Authority (or another regulatory authority in another jurisdiction) with sufficient permissions to allow it to perform its obligations or a material breach of the terms of the agreement by the Manager, the Manager shall be entitled to receive (i) all accrued and unpaid monitoring fees and profit share, to be paid promptly following termination and (ii) 50% of the profit share in respect of all new investments that remain unrealised or otherwise disposed of as at the date of termination, provided that the profit share in respect of any

such new investment shall only be paid to the Manager upon the realisation or other disposal of such new investment.

In the event of a conflict of interest between the Company and the Manager the parties shall use reasonable commercial efforts to ensure that the conflict is managed fairly. The Manager will use reasonable commercial efforts to ensure that all transactions involving one or more potential conflicts of interest are effected on terms which are not less favourable to the Company than if the potential conflicts of interest had not existed.

## 10. CURRENT STRUCTURE OF THE GROUP

The Company's sole investment is a 49% indirect equity interest in GWSA, the holding company of, *inter alia*, the Eddie Stobart, iForce, The Pallet Network and The Logistics People businesses. For the six months ended 31 May 2020<sup>2</sup>, GWSA generated Underlying EBITDA<sup>3</sup> of £16.6 million (2019<sup>4</sup>: loss of £6.3 million) and Underlying EBIT of £10.6 million (2019<sup>4</sup>: loss of £11.6 million) on revenues of £416.5 million (2019<sup>4</sup>: £421.3 million).

As described in the Company's Shareholder circular dated 20 November 2019, DBAY provided approximately £55 million into Alpha, the intermediate holding company of GWSA and the trading entities of the Group through the PIK Facility, a payment-in-kind facility which accrues interest at a rate of 18% per annum. The Loan Notes issued under the PIK Facility are expected to remain in place following Admission.

## 11. INVESTMENTS

### ***Eddie Stobart***

Eddie Stobart is a leading supply chain, transport and logistics business, providing services to many of the UK's best-known brands. The business runs the largest FTL network in the UK, with over 2,200 trucks and 3,500 trailers, operates six trains per day, and provides warehousing services from over 20 sites with over six million sq.ft. of storage space. The Group's EU business also provides transport and warehousing services from various sites in continental Europe. The business has benefited from its exposure to the fast-moving consumer goods (FMCG) and grocery sectors as well as from a growing demand for warehousing. Trading was strong including during the Covid-19 lockdown, and notable contracts were secured with Nike, Amazon, and after the period end from Wm Morrison. For the six months ended 31 May 2020, the Eddie Stobart business generated Underlying EBITDA of £6.5 million and Underlying EBIT of £1.4 million on revenues of £309.5 million.

### ***iForce***

iForce provides e-commerce logistics, fulfilment, returns processing and carriage management solutions for some of the leading brands and retailers in the UK. The business is performing strongly and is benefitting from exceptionally high demand for its services due to the recent accelerated growth in online sales in light of the Covid-19 pandemic. This has resulted in a number of new business wins from well-known brands. For the six months ended 31 May 2020, iForce generated Underlying EBITDA of £6.6 million and Underlying EBIT of £6.0 million on revenues of £46.6 million.

### ***The Pallet Network***

The Pallet Network is one of the largest high-quality palletised distribution service providers in the UK, with sector-leading IT systems and over 120 regional transport partners operating from over 150 locations. After seeing volumes decline at the start of the Covid-19 lockdown period, the business has rebounded swiftly and is currently delivering record pallet volumes while gaining market share. For the six months ended 31 May 2020, The Pallet Network generated Underlying EBITDA of £2.3 million and Underlying EBIT of £2.1 million on revenues of £62.6 million.

<sup>2</sup> All financials are stated before the application of IFRS 16.

<sup>3</sup> Underlying EBITDA is defined as Underlying EBIT before depreciation of property, plant and equipment. Underlying EBIT is defined as profit from operating activities before exceptional items, amortisation of acquired intangibles and includes the Company's share of profit from equity accounted investees as well as a gain of £3.9 million in 2020 arising from the exit of a leased property and in 2019 it is stated before the costs of employee share costs funded by previous parent holding group, charges to the income statement relating to the management incentive plan and long-term incentive plan

<sup>4</sup> The comparator stated is the results of Eddie Stobart Logistics Plc which owned 100% of GWSA prior to 9 December 2019 and included the operating businesses within its consolidated results.

### ***The Logistics People***

The Logistics People is a temporary staff provider to the GWSA Group and other companies in the logistics industry, specialising in the recruitment of drivers and industrial workers and provision of site security, managed from a centralised 24/7 monitoring suite. The company has successfully navigated the unexpected demand volatility during the period and continues to trade strongly. For the six months ended 31 May 2020, The Logistics People generated revenue of £30.2 million, primarily from other GWSA Group companies. Underlying EBITDA and underlying EBIT for the period were £2.7 million and £2.6 million respectively.

### ***Speedy Freight***

GWSA also holds a 20% stake in Speedy Freight, a national franchised courier company operating across 60 branches throughout the UK specialising in same-day dedicated delivery services.

### ***Performance improvements***

Since DBAY's acquisition of an indirect 51% holding in GWSA in December 2019, DBAY and the management team have been implementing a range of performance improvements in the GWSA business, and the initial phase of the business re-organisation is now complete. The key measure taken in the Eddie Stobart business has been to refocus the business on customers service and attention to detail, which has strengthened its differentiated business model. The Eddie Stobart business has since achieved new business wins from blue chip customers such as Wm Morrisons, Hillebrand, McBride and, in the European business with Nike and Amazon.

Improvements have also been made to the warehousing portfolio, through the addition of new clients and a reduction of property rental liabilities by exiting selected underperforming locations. In addition, non-core activities and non-performing contracts have been terminated, while important investments in the business have been undertaken, including the acquisition of the Eddie Stobart brand. The iForce e-fulfilment business has seen a centralisation of large parts of the business into the new 850,000 sq.ft. National Fulfilment Centre in Corby, with benefits expected in the coming years.

Measures taken at TPN have focused on creating additional capacity to cope with the record volumes the business has seen in recent months, after an initial drop in activity during the first Covid-19 lockdown. Despite the work required to extend the central cross-dock hub by 75,000 sq.ft., the TPN management team has continued to maintain strong customer service levels. A rebranding exercise is ongoing and is expected to further strengthen the business and the relationship with its partners in the Partner Powered Alliance.

The Logistics People has continued to grow the provision of staff to other group companies at competitive rates, and the management has started to increase its focus on opportunities with external clients, an activity the company would hope to grow going forward.

As previously announced, for the six months to 31 May 2020 GWSA Group's operating cash flow was positive, and debt repayments of £14.7 million have been made since the period end, while maintaining substantial investment in the business. GWSA Group expects to make further debt repayments in the six months ended 31 May 2021.

## **12. THE LOGISTICS MARKET**

The overall UK logistics market, comprising wholesale, warehousing and cargo, road (including postal and courier), rail and air, contributed approximately £124 billion Gross Value Add to the UK economy in 2018<sup>5</sup>. The European logistics market is underpinned by structural growth from increased outsourcing and e-commerce activity, areas which have shown resilience during the global COVID-19 pandemic.

Rapid growth in the online retail market has been a key contributor to growth in the UK logistics market, with e-commerce's share of total UK retail sales having grown from c.2.8% in 2007 to c.20.4% in 2020<sup>6</sup>. E-commerce participants are reliant on both modern warehousing and storage space and responsive road freight services to achieve fast and on time deliveries. The Directors believe that the resulting growth in demand for increasingly complex and responsive logistics

<sup>5</sup> FTA Logistics Report 2019

<sup>6</sup> Office for National Statistics

services to meet end customers' needs will provide substantial opportunities for integrated supply chain service organisations that have the ability to provide the required technological and systems support.

The Directors consider that there is also a significant opportunity to capture currently insourced logistics work across the EU, and expect that outsourcing opportunities will increase the overall share of the market available to third party service providers such as the GWSA Group companies.

The UK logistics and supply chain industry is concentrated at the upper end (by revenues) but highly fragmented towards the bottom end of the market, with approximately 192,000 logistics small and medium sized enterprises in 2018<sup>7</sup>. The GWSA Group's main source of competition comes from other multi-modal logistics providers and the larger sector and road haulage specialists. Key competitors in these segments include XPO Logistics, Wincanton, Kuehne & Nagel, Gist and Clipper Logistics.

While there are low barriers to entry at the smaller end of the market (as measured by revenues), there are high barriers to entry at the larger end. The Directors believe that securing and effectively managing large customer contracts requires an integrated offering, a large fleet size, an experienced and skilled labour force and efficient back-office capabilities. The Directors consider that an integrated model affords significant barriers to entry, given the considerable long-term investment necessary to deliver a fully functioning national footprint, a long-term customer contract base and the proprietary systems required to provide a competitive service.

### 13. SUMMARY FINANCIAL INFORMATION

Part IV: "Financial Information" of this Document incorporates by reference the audited consolidated historical financial information of the Company for the two years ended 30 November 2019, as well as the Company's unconsolidated unaudited interim results for the six months ended 31 May 2020. Set out below is a summary of this financial information, which should be read in conjunction with the full text of this Document. and on which investors should not place their sole reliance.

The Company's financial statements for the two years ended 30 November 2019 are consolidated. As noted above, on 9 December 2019, the Company disposed of its only subsidiary undertaking, Greenwhitestar Acquisitions Limited. At the reporting date of 31 May 2020, the Company had no subsidiaries and, as such, the Company's unaudited interim results for the six months ended 31 May 2020 are not consolidated.

The following summary financial information has been derived from the audited consolidated historical financial information of the Company for the two years ended 30 November 2019 incorporated by reference in Part IV: "Financial Information" of this Document:

|                            | <u>FY19</u> | <u>FY18</u>     |
|----------------------------|-------------|-----------------|
|                            |             | <b>Restated</b> |
| Revenue (£M)               | 857.5       | 781.5           |
| Underlying EBIT (£M)       | (9.9)       | 9.0             |
| Earnings per share (Pence) | (61.0)      | (5.9)           |
| Net debt (£M)              | 214.5       | 159.6           |

<sup>7</sup> FTA Logistics Report 2019

The following summary financial information has been derived from the Company's unconsolidated unaudited interim results for the six months ended 31 May 2020 incorporated by reference in Part IV: "Financial Information" of this Document.

|                                 | <b>Six months<br/>ended<br/>31 May<br/>2020</b> | <b>Six months<br/>ended<br/>31 May<br/>2019</b> |
|---------------------------------|---|---|
|                                 | <b>Unaudited</b>                                | <b>Unaudited</b>                                |
| Underlying loss before tax (£M) | (16.3)  | (3.9)   |
| Loss per share (Pence)          | (3.4)   | (1.0)   |

  

|                 | <b>31 May<br/>2020</b> | <b>30 Nov<br/>2019</b> |
|-----------------|------------------------|------------------------|
|                 | <b>Unaudited</b>       | <b>Audited</b>         |
| Net assets (£M) | 29.6                   | 42.0                   |

#### 14. CURRENT TRADING AND PROSPECTS

As set out in paragraph 16 – "General" of Part V: "Additional Information About the Company" of, and save as described in, this Document, there has been no significant change in the financial position or financial performance of the Company since 31 May 2020, being the date to which the latest unaudited interim results of the Company were prepared. Save as described in this Document, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the current financial year.

During the six months ended 30 November 2020, the Company has continued to incur ongoing running costs broadly in line with the first half of the year. Following Admission, the Company's cost base is expected to remain broadly the same.

As announced by the Company on 12 October 2020, for the year to 30 November 2020, GWSA expects to achieve an underlying EBTDA in excess of £33 million (pre IFRS 16) and intends to continue to focus on reducing net debt.

Given the above statement was made in respect of the year ended 30 November 2020, being GWSA's year end, no significant forward-looking assumptions have been made in relation to trading. The sole assumption is that the management accounts of GWSA to 31 October 2020 reflect the financial position of the business and that no unforeseen or unrecorded adverse event or accounting treatments have or will occur that will change them or the final month of GWSA's financial year 2020 for which such management accounts are being finalised. Neither the above statement nor GWSA Group's management accounts incorporate the impact of IFRS 16.

#### 15. DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

The Board on Admission will comprise the following three non-executive directors:

##### **Directors**

##### **Adrian Collins** (*Independent Non-Executive Chairman, aged 66*)

Adrian has worked in the fund management business for over 40 years, most recently at Liontrust Asset Management where he served as Chairman from 2009 to 2019. Prior to that he was Managing Director at Gartmore Investment Management, where he spent a large part of his career. He is currently Chairman of CIP Merchant Capital Ltd. He is also a Non-Executive Director of Hargreaves Lansdown plc and Bahamas Petroleum Company plc. Adrian was a director of DouglasBay Capital plc from 2008 to 2012, and a director of Tri-Star Resources plc from 2010 until 2020.

##### **Stephen Harley** (*Independent Non-Executive Director, aged 69*)

Stephen brings significant international logistics and supply chain expertise to the Board. He spent most of his 42 year career with Ford in logistics and supply chain management and held the most

senior positions in this area; executive director for global material planning and logistics and for parts supply and logistics. Stephen was previously Managing Director, Advance Manufacturing for Laing O'Rourke.

**Saki Riffner** (*Non-Executive Director, aged 44*)

Saki is Chief Investment Officer and Co-Founder of DBAY, and has extensive experience in the logistics and distribution sector, as well as significant knowledge of the Company's operations. Saki previously worked at Laxey Partners and Rothschild.

**Corporate Governance**

The Directors acknowledge the importance of high standards of corporate governance. The Directors intend to continue to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized quoted companies, particularly AIM companies.

Immediately following Admission, the Board will comprise three directors all three of whom shall be non-executive directors, reflecting a blend of different experience and backgrounds.

Following Admission, the Board will meet regularly to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. It has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

**Board Committees**

The Company has established Audit and Remuneration Committees comprised solely of non-executive directors.

**Audit Committee**

The Audit Committee is chaired by Adrian Collins and comprises the independent non-executive directors Adrian Collins and Stephen Harley, as well as Saki Riffner. The Audit Committee is expected to meet formally at least twice a year and otherwise as required. It will have the responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

**Remuneration Committee**

The Remuneration Committee is chaired by Adrian Collins and comprises the independent non-executive directors Adrian Collins and Stephen Harley, as well as Saki Riffner. The Remuneration Committee is expected to meet as required. It will have responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's executive management, which at the date hereof comprises solely the Deputy Company Secretary. It will also have responsibility for recommending new appointments to the Board.

**Share Dealing Policy**

The Company has adopted, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with MAR and, following 31 December 2020, UK MAR). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Further details relating to remuneration and the Director's service agreements are set out in paragraph 7 – "Directors' Interests" and paragraph 8 – "Directors' Letters of Appointment" of Part V: "Additional Information About the Company" of this Document.

### ***Relationship Agreement and Conflicts of Interest***

As set out in paragraph 10 – “Material Contracts” of Part V: “Additional Information About the Company”, the Relationship Agreement between the Company and DBAY shall manage the relationship between the parties thereto, contingent upon Admission, in order to ensure that (i) the Company will at all times be capable of carrying on the business of the Company independently of DBAY and its associates; and (ii) all transactions and arrangements between the Company and DBAY and/or its associates will be at arm’s length and on normal commercial terms.

Saki Riffner is a non-independent non-executive member of the board appointed by DBAY, the proposed investment manager of the Company under the Investment Management Agreement and the manager of the DBAY Funds holding 27.1% of the shares in the Company. In matters relating to the performance of DBAY as the Company’s investment manager or other matters brought before the board relating solely to DBAY rather than shareholders as a whole, Saki Riffner (or such other appointee of DBAY from time to time) will recuse himself (or themselves) from discussions and voting. Other conflicts of interest of DBAY as investment manager of the Company are addressed and managed through the Investment Management Agreement and the Relationship Agreement.

## **16. EMPLOYEES**

As at 8 December 2020, being the last practicable date prior to the publication of this Document, the Company has one employee, in addition to the Directors.

## **17. EMPLOYEE SHARE PLANS**

### ***Share Incentive Plan***

Free shares in the Company were awarded under its Share Incentive Plan in 2017. The SIP Shares were held by the SIP Trustee (originally Capita IRG Trustees Limited – now Link Asset Services) in accordance with the SIP Trust Deed.

As a result of the DBAY Transaction in 2019, the allocated SIP Shares ceased to be subject to the SIP because the participants were no longer eligible employees for the purposes of the SIP due to a change of control. As a result, the SIP has been terminated and the shares shall be distributed to the employee shareholders.

### ***Long Term Incentive Plan***

Nil cost options in respect of ordinary shares in the Company were awarded under the LTIP in 2017 and 2019. The DBAY Transaction resulted in the partial lapsing of LTIP Options awarded to employees of the former subsidiaries of the Company but did not impact the LTIP Options awarded to former employees of the Company.

All outstanding LTIP Options are subject to the LTIP performance conditions having been met at the time of exercise and the LTIP Options not otherwise having lapsed. The outstanding LTIP Options remain subject to the other relevant provisions of the LTIP rules including the applicable provisions relating to malus and clawback. None of the performance criteria have been satisfied to date.

## **18. TAXATION**

Information regarding taxation is set out in paragraph 11 – “Taxation” of Part V: “Additional Information About the Company” of this Document. These details are intended only as a general guide to the current tax position in the UK.

**If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.**

## **19. DIVIDEND POLICY**

It is expected that, in the near term, the focus of GWSA will be on reducing its debt levels and will not be in a position to pay a dividend to the Company as one of its shareholders. The Directors, therefore, consider it inappropriate to make a forecast on the likelihood of any future dividends, and the Company’s dividend policy will also depend on the nature of any future acquisitions, which are not yet known. The Directors intend, however, to commence the payment of dividends when it becomes financially prudent to do so.

The payment of dividends will be subject to the need to retain sufficient funds to finance due diligence on potential acquisition targets, and for other working capital purposes. Within these parameters, it is expected that the Company's dividend policy will remain continually under review.

## **20. ADMISSION, SETTLEMENT AND DEALINGS**

Application has been made to the London Stock Exchange for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 31 December 2020.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST). Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Ordinary Shares in uncertificated form, Ordinary Shares will be credited to their CREST stock accounts on 31 December 2020. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the New Ordinary Shares to be issued pursuant to the Placing, Subscription and Open Offer are expected to be despatched by post to such Shareholders within 10 Business Days of Admission.

CREST is a paperless settlement enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in CREST.

The ISIN of the Ordinary Shares is GB00BD8QVC95. The TIDM is ESL.

## **21. INTERESTS IN ORDINARY SHARES**

Upon Admission, it is expected that the Directors will in aggregate be interested in, directly and indirectly, up to 6,562,340 Ordinary Shares representing a maximum of approximately 0.9% of the Enlarged Ordinary Share Capital. Further information is available in paragraph 7 – "Directors' Interests" of Part V: "Additional Information About the Company" of this Document.

## **22. DETAILS OF THE SUBSCRIPTION, PLACING AND OPEN OFFER**

The Directors have given careful consideration to the structure of the proposed fundraising and have concluded that Placing, Subscription and the Open Offer is the most suitable option available to the Company and its Shareholders at this time to provide certainty while also allowing participation by existing shareholders.

Through the Subscription, Placing and Open Offer, 320,358,528 New Ordinary Shares will be issued to private investors, Placees and Qualifying Shareholders who validly subscribed under the Open Offer, in each case at 5 pence per New Ordinary Share to raise gross proceeds of up to £16.0 million.

The allotment and issue of the New Ordinary Shares is conditional upon the approval by Shareholders of the Resolutions required for the Directors to be authorised to allot the New Ordinary Shares and for statutory pre-emption rights to be disapplied in respect of such allotments. The Resolutions include the relevant approvals required for the implementation of the Subscription, Placing and Open Offer.

### *Principal Terms of the Subscription and Placing*

Certain subscribers have agreed to conditionally subscribe for 108,800,000 Subscription Shares.

DBAY and other Placees have agreed to conditionally subscribe for 71,200,000 Placing Shares.

Cenkos and Investec, each as agent for the Company, have agreed to use their respective reasonable endeavours to procure Placees for the Placing Shares on the terms of the Placing Agreement. The Placing is not being underwritten.

It is expected that the Placing proceeds and the Subscription proceeds will be received by the Company by 31 December 2020.

### *Principal terms of the Open Offer*

The Directors consider it important that Qualifying Shareholders have the opportunity to participate in the fundraising, and the Directors have concluded that the Open Offer is the most suitable option available to the Company and its Shareholders.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 37 Open Offer Shares for every 100 Existing Ordinary Shares held on the Record Date.

If the Qualifying Shareholders take their full entitlements under the Open Offer, the Open Offer will raise gross proceeds of approximately £7.0 million.

The Placing and Subscription, and the Open Offer are separate and distinct transactions involving the issue of New Ordinary Shares. However, the Open Offer is conditional upon the Placing and will not be implemented independently if for any reason the Placing lapses.

Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 45.8% following the Subscription, the Placing and the Open Offer (assuming full subscription under the Open Offer). Shareholders who take up their Basic Entitlements in full will suffer a dilution to their interests of 25.7% on the same basis.

#### *i. Basic Entitlement*

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

#### **37 Open Offer Shares for every 100 Existing Ordinary Shares**

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 140,358,528 New Ordinary Shares.

#### *ii. Allocations under the Open Offer*

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that no Qualifying Shareholder (other than the DBAY Funds) shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the 29.9% Aggregate Limit.

#### *iii. Excess Application Facility*

Subject to availability and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9% Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form and should refer to paragraph 4(a)(iii) of Part VII: "Terms and Conditions of the Open Offer" of this Document for further information. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(b)(iii) of Part VII: "Terms and Conditions of the Open Offer" of this Document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess Applications may be allocated in such a manner as the Directors (in consultation with Cenkos and Investec) may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

*iv. Application procedure under the Open Offer*

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown in Box 7 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and also in respect of their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 10 December 2020.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The Basic Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 10 December 2020. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part VII: "Terms and Conditions of the Open Offer" of this Document and, where relevant, on the Application Form.

*v. Conditionality*

The Placing and the Open Offer are conditional upon, among other things, the following:

- the passing (without amendment) at the General Meeting of the Resolutions and the Resolutions becoming unconditional;
- the London Stock Exchange agreeing to admit (subject only to allotment where relevant) the Enlarged Ordinary Share Capital to trading on AIM;
- Admission taking place by not later than 8.00 a.m. on 31 December 2020 (or such later date as the Company, Cenkos and Investec may agree as the date for Admission, but in any event not later than 8.00 a.m. on 31 January 2021);
- The Company having received, in cleared funds, the aggregate amounts payable under the Subscription prior to Admission; and
- the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission.

If the conditions set out above are not satisfied or waived (where capable of waiver):

- the Placing and the Open Offer will lapse;
- the Placing Shares will not be issued and all monies received from the placees in respect of the Placing Shares will be returned to the placees (at the placees' risk and without interest) as soon as possible thereafter;

- any Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

In addition, the Subscription Agreement is conditional on re-admission of the Company's entire issued and to be issued share capital to the AIM prior to 31 January 2021. It is therefore not conditional on the Placing or Open Offer as long as the conditions for the readmission of the Company's share capital are met before 31 January 2021.

The Placing, the Subscription and the Open Offer are separate and distinct transactions involving the issue of New Ordinary Shares. However the Open Offer is conditional on the Placing and will not be implemented independently if for any reason the Placing lapses.

#### *Settlement*

Application will be made to the London Stock Exchange for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. Admission is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 31 December 2020 (or such later time and/or date as may be agreed between the Company, Cenkos and Investec, being no later than 8.00 a.m. on 31 January 2021). No temporary document of title will be issued.

The New Ordinary Shares will be issued free of all liens, charges and encumbrances and will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the date of this Document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

***Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company.***

***Qualifying Shareholders are being invited to participate in the Open Offer and (subject to certain exceptions) will have received an Application Form with this Document. However Qualifying Shareholders are not entitled to participate in the Placing and the Subscription unless expressly invited by the Company, Cenkos and Investec to do so.***

In issuing this Document and structuring the Placing, Subscription and the Open Offer in this manner, the Company is relying on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the date on which the shares are marked 'ex-entitlement' is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.

Upon completion of the Placing, Subscription and the Open Offer, the New Ordinary Shares will represent approximately 45.6% of the Enlarged Ordinary Share Capital.

### **23. THE PLACING AGREEMENT**

Pursuant to the terms of the Placing Agreement, Cenkos and Investec, each as joint broker for the Company, have agreed to use their respective reasonable endeavours to procure subscribers for the Placing Shares. The Placing is not being underwritten.

The Placing Agreement is conditional upon, among other things, the conditions set out above (sub-paragraph v – "Conditionality" of paragraph 22 – "Details of The Subscription, Placing and Open

Offer”) and none of the warranties or undertakings given to Cenkos and Investec prior to Admission being or becoming untrue, inaccurate or misleading.

The Placing Agreement contains customary warranties given by the Company in favour of Cenkos and Investec in relation to, among other things, the accuracy of the information in this Document and other matters relating to the Company and its business.

Each of Cenkos and Investec have the right to terminate the Placing Agreement in certain circumstances prior to Admission. In particular, in the event of breach of the warranties or a material adverse change or if the Placing Agreement does not become unconditional.

## **24. REASONS FOR ADMISSION, THE SUBSCRIPTION, PLACING, AND OPEN OFFER, AND USE OF PROCEEDS**

The Directors believe that Admission to AIM will have the following benefits:

- provide access to equity capital to support the Company’s Investing Policy;
- quoted shares may be an attractive form of consideration to vendors of potential investee companies; and
- enhance the Company’s reputation and profile with potential investee companies.

As described above, following completion of the DBAY Transaction, the Company became a “cash shell” pursuant to the AIM Rules and therefore, in order to remain quoted on AIM, had been required, *inter alia*, to complete an acquisition or acquisitions constituting a reverse takeover or convert to an Investing Company under the AIM Rules by 9 June 2020. The global COVID-19 pandemic has impacted public fundraising activities and noting the Company’s retained interest in GWSA Group, the London Stock Exchange subsequently agreed with the Company to an extension to this timeline to 9 December 2020. For the purposes of this requirement, becoming an Investing Company (which entails raising a minimum of £6 million in cash via an equity fundraising and publishing an admission document) is treated as a reverse takeover.

The Company will receive approximately £14.7 million of net proceeds from the Placing, Subscription and Open Offer (after deducting fees and other related expenses incurred by the Company of approximately £1.3 million). The Company intends to use the net proceeds from the Placing, Subscription and Open Offer for its ongoing working capital requirements and due diligence costs, and the balance will be used to acquire a proportion of the Loan Notes as the Investment Manager may decide as well as other general corporate purposes.

## **25. RULE 9 WAIVER**

The Concert Party currently holds 29.90% of the Existing Ordinary Shares (equalling 113,436,794 Existing Ordinary Shares). The Concert Party has agreed to subscribe for 77,000,000 New Ordinary Shares pursuant to the Placing and Subscription, and may subscribe for up to 41,971,614 Open Offer Shares in the Open Offer, resulting in a maximum shareholding of 38.49% of the Enlarged Ordinary Share Capital.

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies, and its Shareholders are entitled to the protections afforded by the Code. Shareholders should be aware of Rule 9 of the Takeover Code. Rule 9 of the Takeover Code requires any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code), in shares which, individually or taken together with shares in which persons acting in concert with such person are interested, carry 30% or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares (a “**Rule 9 Offer**”). Rule 9 of the Takeover Code also requires that a Rule 9 Offer must be made if a person (or group of persons acting in concert) is interested in shares carrying 30% or more of the voting rights in that company but does not hold shares carrying more than 50% of the voting rights in that company, and that person, or any person acting in concert with it, acquires further interests in shares carrying voting rights in the company.

An offer under Rule 9 of the Takeover Code must be made in cash (or with a cash alternative) and at the highest price paid by the person required to make the offer, or any persons acting in concert

with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Members of the Concert Party hold 29.9% of the Company's issued share capital, which when combined with the Concert Party's maximum participation in the Placing, the Subscription and Open Offer, may result in the Concert Party holding a maximum of 38.49% of the Enlarged Ordinary Share Capital. Under Note 1 on the dispensations from Rule 9 of the Code, in the prescribed circumstances the Panel will normally waive the obligation if, *inter alia*, there is an independent vote at a shareholders' meeting.

The Panel has agreed, subject to the Whitewash Resolution being passed on a poll by Independent Shareholders at the General Meeting, to waive the obligation to make a mandatory offer under Rule 9 of the Takeover Code for the entire issued share capital of the Company that the Concert Party would otherwise be required to make (such waiver is commonly referred to as a "**Whitewash**"). Neither the DBAY Funds nor any other member of the Concert Party (nor any adviser connected to them) are permitted to exercise their voting rights in respect of the Whitewash Resolution but may exercise their voting rights in respect of the remainder of the Resolutions.

The Rule 9 Waiver will be invalidated if any purchases are made by the DBAY Funds or any other member of the Concert Party, in the period between the date of this Document and the General Meeting. Furthermore, neither the DBAY Funds, nor any other member of the Concert Party have purchased Ordinary Shares in the 12 months preceding the date of this Document.

If the Whitewash Resolution is passed by the Independent Shareholders at the General Meeting, DBAY will not be restricted from making an offer for the Ordinary Shares in the Company.

DBAY and the other members of the Concert Party have confirmed to the Company that they are not proposing, following any increase in their percentage interests in Ordinary Shares or voting rights as a result of the Placing, the Subscription and Open Offer, and save for the Company's proposed conversion to an Investing Company, to seek any change in the general nature of the Company's business.

DBAY and the other members of the Concert Party have also each confirmed that they have no intention to make any changes regarding the future of the Company's business, the locations of the Company's places of business and the continued employment of its employees and management (and those of its subsidiaries) as a result of any increase in their percentage interests in Ordinary Shares or voting rights as a result of the Subscription, Placing and Open Offer nor will there be any redeployment of the fixed assets of the Company as a result of such an increase. The Concert Party intends that the Company's Enlarged Ordinary Share Capital is admitted to AIM and that following Admission, the Company remains quoted on AIM.

DBAY and the other members of the Concert Party have no intention of making any changes in relation to:

- the future business of the Company (save for the Company's proposed conversion to an investing company);
- any research and development activities of the business;
- the continued employment of the Company's (and its subsidiaries) employees and management, including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management;
- the strategic plans of the Company;
- the location of the Company's places of business;
- employer contributions into the Company's pension scheme and the admission of new members;
- the redeployment of any fixed assets of the Company;
- the maintenance of the trading facilities for the Company's shares to be admitted to AIM.

The effect of the proposals outlined above will not have a significant impact on DBAY's earnings, assets or liabilities.

Note, for the avoidance of doubt, that the above confirmations are in relation to the Company only and they do not extend to the GWSA Group.

The Independent Directors fully agree with the Concert Party's intentions and strategic plans, in particular, in relation to their likely repercussions on employment and the locations of the Company's place of business.

Under Rule 25.2 of the Code, only the Independent Directors are able to make a recommendation to the Independent Shareholders with respect to the proposed Whitewash Resolution. The Independent Directors believe it is in the best interests of the Company that the Whitewash Resolution be passed in order to enable the DBAY Funds and other members of the Concert Party to agree to subscribe for 77,000,000 Ordinary Shares pursuant to the Subscription and Placing, and to allow the DBAY Funds and other members of the Concert Party to take up their rights under the Open Offer, to ensure that the minimum amount of investment required under the AIM Rules of £6 million is met in order for the Company to become an investment company within the meaning of the AIM Rules.

## **26. GENERAL MEETING**

The Directors do not currently have authority to allot all of the New Ordinary Shares under the Subscription, Placing and Open Offer and, accordingly, the Company is seeking approval of Shareholders to grant additional authority to the Directors to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment at the General Meeting.

The General Meeting of the Company, notice of which is set out at the end of this Document, is to be held at 11.00 a.m. on 29 December 2020 at the offices of King & Spalding, 125 Old Broad Street, London EC2N 1AR. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions in order to approve the authorities required to allot and issue the New Ordinary Shares.

**As a result of the ongoing COVID-19 pandemic and the measures that the UK Government has put in place restricting public gatherings and non-essential travel and for the health and safety of our shareholders, employees, advisers and the general public, the General Meeting will be a closed meeting and shareholders will not be able to attend in person. Given these restrictions in place, voting on the Resolutions will be conducted by way of a poll rather than a show of hands and all shareholders are strongly encouraged to vote by proxy, appointing the Chairman as a proxy to ensure that their vote can be cast.**

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this Document.

### *i. Resolution 1: Authority to allot New Ordinary Shares*

This ordinary resolution will grant the Directors authority to allot up to 320,358,528 New Ordinary Shares in connection with the Subscription, Placing and Open Offer. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution and is conditional on the passing of Resolutions 2, 3 and 4. This authority will be in addition to the any authorities previously given to Directors.

### *ii. Resolution 2: Disapplication of pre-emption rights in respect of the New Ordinary Shares*

This special resolution disapplies statutory pre-emption rights in respect of the allotment up to 320,358,528 New Ordinary Shares to be allotted in connection with the Subscription, Placing and Open Offer. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution and is conditional on the passing of Resolutions 1, 3 and 4. This authority will be in addition to the any authorities previously given to Directors.

### *iii. Resolution 3: Waiver of Rule 9*

This ordinary resolution approves the conditional waiver granted by the Panel of the obligation that would otherwise arise under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the Company, as a result of the issue to DBAY and other members of the

Concert Party of up to 118,971,614 Ordinary Shares pursuant to the Subscription, Placing, and Open Offer.

*iv. Resolution 4: Conversion to an Investing Company and approval of entry into Investment Management Agreement incorporating the Company's Investing Policy*

This ordinary resolution will approve the Company's conversion to an Investing Company, and authorise the Company to enter into the Investment Management Agreement.

*Action to be taken in respect of the General Meeting*

**A Form of Proxy for use at the General Meeting accompanies this Document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's Registrars Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by post by no later than 11.00 a.m. on 23 December 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).**

**If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST electronic proxy appointment service or by using the procedures described in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies submitted by CREST must be transmitted so as to be received by the Company's agent, Link Group(ID: RA10) by no later than 11.00 a.m. on 23 December 2020 (or if the General Meeting is adjourned, 48 hours before the time fixed for an adjourned meeting).**

## **27. INDEPENDENT ADVICE**

Cenkos has provided competent, independent advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of the Appendix to the Takeover Code, in relation to the granting of the Rule 9 Waiver, and as to the controlling position it will create, and the effect which they will have on the Shareholders generally.

In providing such advice Cenkos has taken into account the Independent Directors' commercial assessments.

## **28. PROPOSED RELATED PARTY TRANSACTIONS**

As a result of its substantial shareholding in the Company, DBAY is deemed to be a related party of the Company under the AIM Rules. The Company's proposed entry into the Investment Management Agreement with DBAY, and DBAY's proposed participation in the Placing (details of which are set out in paragraph 1 – "Introduction" of Part VI: "Additional Information on Whitewash / Waiver of Rule 9" of this Document), are therefore each deemed to constitute related party transactions pursuant to Rule 13 of the AIM Rules.

The Independent Directors, comprising Adrian Collins and Stephen Harley, consider, having consulted with Cenkos as the Company's nominated adviser, that the terms of both related party transactions are fair and reasonable insofar as Shareholders are concerned.

The Directors are participating in the Placing and Subscription as set out below:

|                |                           |
|----------------|---------------------------|
| Adrian Collins | 1,000,000 Ordinary Shares |
| Stephen Harley | 1,000,000 Ordinary Shares |
| Saki Riffner*  | 3,000,000 Ordinary Shares |

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\*Given his role as Chief Investment Officer of DBAY, Mr Riffner is also deemed to have a beneficial interest in the 48,600,000 shares being placed with funds under the discretionary management of DBAY pursuant to the Placing.

The participation by the Directors in the Placing and Subscription constitutes a related party transaction for the purposes of the AIM Rules.

As there are no independent directors (for the purposes of the Directors' subscriptions) to provide a fair and reasonable statement because all of the Directors are participating in the Placing or Subscription, Cenkos (in its capacity as nominated adviser for the purposes of the AIM Rules)

considers that the participation by the Directors in the Placing and Subscription is fair and reasonable insofar as the Shareholders are concerned.

## **29. RECOMMENDATION & IMPORTANCE OF VOTE**

### ***Importance of the vote***

The Company became a cash shell on 9 December 2019 and so it is required to complete a reverse takeover or become an Investing Company and complete an equity fund raise of at least £6 million, by 9 June 2020. The global COVID-19 pandemic has impacted public fundraising activities and noting the Company's retained interest in GWSA Group, AIM agreed with the Company to an extension to this timeline to 9 December 2020. If the Shareholders do not approve each of the Resolutions then the conversion to an investing company will not take place, the Subscription, Placing and Open Offer cannot be implemented and Company will be initially suspended from trading on AIM and after six months of being suspended, the Company's admission to trading on AIM would be cancelled. In addition, the Company intends to use the net proceeds from the Subscription, Placing and Open Offer for its ongoing working capital requirements. If the Resolutions are not passed, and the funds not received, the Company would need to raise funds from other sources which may not be available on terms favourable to the Company.

### ***The Whitewash Resolution***

The Independent Directors, being Adrian Collins and Stephen Harley, who have been so advised by Cenkos, consider the Proposals to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the General Meeting.

Stephen Harley, the sole Independent Director who holds Shares, intends to vote in favour of the Whitewash Resolution.

### ***Other Resolutions***

The Directors consider the Placing, the Subscription and the Open Offer, Admission and the conversion to an Investing Company to be fair and reasonable and in the best interests of the Company as a whole and accordingly unanimously recommend that Shareholders vote in favour of Resolutions 1, 2 and 4 at the General Meeting.

Stephen Harley and Saki Riffner, the Directors who hold Shares, intend to vote in favour of Resolutions 1, 2, and 4.

Yours faithfully

*Adrian Collins*  
*Independent Non-Executive Chairman*

9 December 2020

## **PART II:**

### **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

Prospective investors should only rely on the information in this Admission Document. No person has been authorised to give any information or to make any representations other than those contained in this Admission Document in connection with the Subscription, Placing and Open Offer and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, Cenkos or Investec. No representation or warranty, express or implied, is made by Cenkos as to the accuracy or completeness of such information and nothing contained in this Admission Document is, or shall be relied upon as, a promise or representation by Cenkos or Investec as to the past, present or future.

The Company will update the information provided in this Document by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors in the Placing, Subscription or Open Offer occurs prior to Admission or if this Document contains any material mistake or inaccuracy.

The contents of this Admission Document are not to be construed as legal, business or tax advice. Each prospective investor should consult its, his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription or purchase, or proposed subscription or purchase, of Ordinary Shares. In making an investment decision, each prospective investor must rely on its, his or her own examination, analysis and enquiry of the Company and the terms of the Subscription, Placing and Open Offer, including the merits and risks involved.

This Admission Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Cenkos or Investec or any of their respective affiliates and representatives that any recipient of this Admission Document should purchase or subscribe for any of the Ordinary Shares. Prior to making any decision as to whether to purchase or subscribe for any of the Ordinary Shares, prospective investors should read the entirety of this Admission Document. Prospective investors should ensure that they read the whole of this Admission Document and not just rely on key information or information summarised within it.

Investors who purchase or subscribe for Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Cenkos, Investec or any of their respective affiliates or representatives in connection with any investigation of the accuracy of any information contained in this Admission Document for their investment decision; and (ii) they have relied only on the information contained in this Admission Document, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Admission Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Cenkos, Investec or their respective affiliates or representatives.

None of the Company, the Directors, Cenkos, Investec or any of their representatives is making any representation to any subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Cenkos, Investec and any of their affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Admission Document to the Ordinary Shares being offered, acquired, placed or otherwise dealt with should be read as including any offer to, or acquisition, dealing or placing by, Cenkos, Investec and any of their respective affiliates acting as investors for their own accounts.

Cenkos does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

#### **Presentation of Financial Information**

The Historical Financial Information incorporated by reference in Part IV: "Financial Information" of this Document has been prepared in accordance with the requirements of the AIM Rules and in accordance with the basis of preparation stated in it. The basis of preparation and significant IFRS

accounting policies are further explained in the notes to the Historical Financial Information, as incorporated by reference.

### **Historical Financial Information**

The Historical Financial Information for the Company has been prepared for FY19 and FY18 on a consolidated basis. The Historical Financial Information comprises the financial information of the Company as of and for the relevant period.

Except as otherwise stated, the financial information in this Document has been prepared and presented in accordance with IFRS and International Reporting Standards Interpretations Committee interpretations adopted by the European Union. IFRS as adopted by the European Union differs in certain respects from international financial reporting standards as adopted by the International Accounting Standards Board.

### **Unaudited Historical Financial Information**

This Document includes information on the Company for the six months ended 31 May 2020. This unaudited information is presented under IFRS.

As noted above, on 9 December 2019, the Company disposed of its only direct subsidiary undertaking, Greenwhitestar Acquisitions Limited. At the reporting date of 31 May 2020, the Company had no subsidiaries and, as such, the Company's unaudited interim results for the six months ended 31 May 2020 are not consolidated.

### **Currency Presentation**

Unless otherwise indicated, all references in this Document to:

- "sterling", "pounds sterling", "GBP", "£" or "pence" are to the lawful currency of the United Kingdom;
- "Euros" or "€" or "EUR" are to the lawful currency of the European Monetary Union. The Company prepares its financial statements in pounds sterling.

### **Market, Industry and Economic Data**

Unless the source is otherwise identified, the market, economic and industry data sourced and statistics in this Admission Document constitute Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as described in the footnotes to such information. The Company confirms that all third party information set out in this Admission Document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Admission Document, the source of such information has been identified. Such third party information has not been audited or independently verified.

### **Information regarding Forward-Looking Statements**

This Admission Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "targets" or "anticipates" or the negative of those terms, other variations on those terms or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Admission Document and include statements regarding the intentions, beliefs and current expectations of the Directors or the Company concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industries in which it operates.

In particular, statements in Part I: “Letter from the Chairman” and Part III: “Risk Factors” of this Document regarding the Company’s strategy and other future events or prospects are forward-looking statements. These forward-looking statements and other statements contained in this Admission Document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

The forward-looking statements contained in this Admission Document are made only as of the date of this Admission Document. The Company, the Directors, Cenkos and Investec expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Admission Document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law or the AIM Rules. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working Capital in this Admission Document.

### **Information not contained in this Admission Document**

No person has been authorised to give any information or make any representation other than those contained in this Admission Document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this Admission Document nor any subscription, sale, or purchase made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Admission Document or that the information in this Admission Document is correct as of any time subsequent to the date of this Admission Document.

### **Available Information**

The Company is exempt from the reporting requirements of Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), pursuant to Rule 12g3-2(b) under the Exchange Act. Pursuant to the terms of such exemption, the Company will publish in English, on its website or through an electronic information delivery system generally available to the public in its primary trading market, certain information in accordance with Rule 12g3-2(b).

### **No Incorporation of Website Information**

Save as where expressly stated in this Document, the contents of the Company’s website, any website mentioned in this Admission Document or any website directly or indirectly linked to these websites have not been verified and do not form part of this Admission Document, and investors should not rely on such information.

### **Rounding**

Certain data contained in this Admission Document, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this Admission Document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this Admission Document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this Admission Document have been rounded and accordingly may not add up to 100%.

## **PART III:**

### **RISK FACTORS**

**Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below.**

**Ordinary Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.**

**Investment in the Company should be regarded as long-term in nature and involving a high degree of risk. Accordingly, investors should consider carefully all of the information set out in this Document and the risks attaching to an investment in the Company, including, in particular, the risks described below.**

**Only those risks which are believed to be material and currently known to the Company in relation to itself and its industry as at the date of this Document have been disclosed. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Document, may also have an adverse effect on the business, results of operations, financial condition and prospects of the Company and the market price of the Ordinary Shares. Potential investors should review this Document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Ordinary Shares.**

**If any of the events described in the following risks actually occur, the Company's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment.**

#### **RISKS RELATING TO THE COMPANY AND ITS OPERATIONS**

**The Company, in its current form (as distinct from the GWSA Group) has limited past performance data**

Company's future financial performance may reflect unrealised gains on investments as at applicable measurement dates which may never be realised due to many factors, some or all of which are not in the Company's control, which in turn may adversely affect the ultimate value realised from the Company's investments and the market price of the Ordinary Shares.

The previous experience of the Company may not be directly comparable with the Company's proposed investment business.

The Company's success will depend upon, among other things:

- The Company's ability to select successful investment opportunities.
- The performance of the Company's investments.
- The management and performance of the portfolio companies in which the Company invests.

An investment in the Company is subject to all of the risks and uncertainties associated with an investment business of the Company's type, including the risk that the Company will not achieve its investment objective and that the value of the Ordinary Shares could decline substantially. An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

#### **Investing Policy Implementation**

In accordance with the AIM Rules, if the Company fails to make an acquisition or has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek Shareholder approval for its Investing Policy at each subsequent annual general meeting until such time as there has been an acquisition or the Investing Policy has been substantially implemented. The Directors will, at any subsequent annual general meeting, ask Shareholders to consider

whether to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders.

In such circumstances, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation event and dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation event, such costs and expenses will result in investors receiving less than the initial subscription price and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

#### **Any future portfolio investments could be at an early stage and carry inherent risk**

The Company intends to invest further in its pipeline of direct investments and to take advantage of any future opportunities. These direct investments may be in early stage companies which may be subject to one or more of the following risks (or a combination of these risks):

- The technology and offering developed by these businesses may fail and/or these businesses may not be able to develop their offering or technology into commercially viable products or technologies.
- Early-stage businesses may not be able to secure subsequent rounds of funding which may restrict their ability to fund on-going research and the development and commercialisation of their offering and technology. Any such lack of funding could result in a company being forced to sell off its assets.
- These businesses may not be able to source and/or retain appropriately skilled personnel. In particular, they may not have the financial resources to compete with the salary and other incentivisation packages offered by their competitors or other scientific and technology based companies or organisations.
- Competing offerings and technologies may enter the market which may adversely affect the businesses' ability to commercialise their intellectual property or the underlying companies may not have been able to adequately protect their intellectual property (whether due to lack of financial resource or otherwise).

There is no certainty that any of the businesses: will (i) reach the stage where economic benefits resulting from expenditure on research activities become probable; or (ii) generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders the Company will be able to secure a profitable exit from its investment in any or all of the Company's portfolio businesses.

#### **The Company has and may make further investments in entities in which it does not have control**

The Company holds non-controlling interests in the GWSA Group and may hold non-controlling interests in its future investments and, therefore, may have a limited ability to protect its position in such investments. This could materially adversely affect the Company's business, financial condition, results of operations and/or the market price of the Ordinary Shares.

#### **Concentration of investments**

A large proportion of the overall value of the portfolio of investee companies held by the Company may at any time be accounted for by one, or very few, investee companies.

Any material adverse impact on the value of the Company's portfolio of investee companies could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

#### **Valuation of investments may not be accurate**

The Company's investments will be difficult to value accurately, valuation methodologies are subject to significant subjectivity and there can be no assurance that the values of the Company's investments reported will in fact be realised.

The Company's investments may include securities and other obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable laws and/or the relevant investment documentation.

The value of the Company's investments (including the GWSA Group) which can be liquidated may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain investment positions held by the Company or may not be available in a timely manner.

Absent bad faith or manifest error, valuations determined in accordance with the Company's valuation policy will be conclusive and binding. Further, such valuations cannot by their nature be exact and are liable to change. Such valuation estimates will be unaudited and may not be subject to independent verification or other due diligence.

The aggregate value of the Company's investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may materially adversely affect the market price of the Ordinary Shares.

**The Company may experience competition with other market participants which may reduce the opportunities available for investment**

The execution of the Company's investment strategy depends primarily on the ability of the Company to identify opportunities to make investments and to convert those opportunities. There will be entities competing with the Company for investment opportunities, including public and private investment funds, commercial and investment banks, commercial finance companies, business development companies and operating companies acting as strategic buyers. The Company believes that competition for investment opportunities is based primarily on pricing, terms and structure of a proposed investment, certainty of execution and in some cases, brand or reputational presence. Some of the Company's competitors will have access to funding sources that are not available to the Company. In addition, some of the Company's competitors may have higher risk tolerances, higher profile brands or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. The competitive pressures faced by the Company may prevent it from identifying investments that are consistent with its investment objectives or that generate attractive returns for Shareholders. The Company may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on its business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

**Material facts or circumstances may not be revealed in the Company's due diligence of prospective investments, exposing the Company to unknown risks**

Prior to making or proposing any investment, the Company intends to undertake due diligence on potential acquisition targets to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may elect or be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the target company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

**Success of Investing Policy not guaranteed**

The Company's level of profit will be reliant upon the performance of the assets acquired and the Investing Policy. The success of the Investing Policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for

Shareholders. If the Investing Policy is not successfully implemented, this could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

### **Changes in Investing Policy may occur**

The Company's Investing Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use and, which are disclosed in this Document. Any such change could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

### **Need for additional funding and dilution**

Although the Company will have sufficient cash resources for at least 12 months from the date of Admission, the net proceeds of the Placing, the Subscription and the Open Offer will be insufficient to fund in full suitable acquisitions and/or investments identified by the Board. Accordingly, the Company intends to seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all.

If further financing is obtained or the consideration for an acquisition is provided by issuing equity securities or convertible debt securities, Shareholders at the time of such future fundraising or acquisition may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares.

The Company may seek debt financing to fund all or part of any future acquisition(s). The incurrence by the Company of substantial indebtedness in connection with an acquisition could result in:

- (i) default and foreclosure on the Company's assets, if its cash flow from operations was insufficient to pay its debt obligations as they become due; or
- (ii) an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

An inability to obtain debt financing may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. If such financing is obtained the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

The occurrence of any or a combination of these, or other, factors could decrease Shareholders' proportional ownership interests in the Company or have a material adverse effect on its financial condition and operational performance.

The companies or businesses in which the Company invests may also have borrowings. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions), all of which are beyond the Company's control, may make it difficult for the Company to obtain new financing on attractive terms or at all, which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

### **The Company will be an investing company whose sole source of cash will initially be the net proceeds of the Subscription, Placing and Open Offer only.**

In addition to the net proceeds of the Subscription, Placing and Open Offer, the Company will be dependent on the income generated by GWSA to meet the Company's expenses, operating cash requirements. The amount of distributions and dividends, if any, which may be paid from GWSA to the Company will depend on many factors, including GWSA's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of

the Company. If GWSA is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and pay dividends on the Ordinary Shares.

#### **Inability to refocus and improve the operating and financial performance of an acquired business**

The success of the Company's acquisitions may depend in part on the Company's ability to implement the necessary technological, strategic, operational and financial change programmes in order to transform the acquired business and improve its financial performance. Implementing change programmes within an acquired business may require significant modifications, including changes to hardware and other business assets, operating and financial processes and technology, software, business systems, management techniques and personnel, including senior management. There is no certainty that the Company will be able to successfully implement such change programmes within a reasonable timescale and cost, and any inability to do so could have a material adverse impact on the Company's performance and prospects.

#### **Reliance on expertise of Directors**

The Company will be highly dependent on the expertise and continued service of the Directors and other senior employees. The experience and commercial relationships of the Directors should help provide the Company with a competitive edge. However, any one of the Directors could give notice to terminate their employment agreements at any time and their loss may have an adverse effect on the Company's business. In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's operations.

#### **The Company could incur costs for transactions that may ultimately be unsuccessful**

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

#### **The Company may make disposals at a loss**

Although the Company intends to hold any acquired companies or businesses, together being a single target business, on a long term basis, the Company may make investments that it cannot realise through trade sale or flotation at an acceptable price. Some investments may be lost through insolvency. Any of these circumstances could have a negative impact on the profitability and value of the Company.

#### **The Company may be exposed to interest rate risk**

Changes in interest rates can affect the Company's profitability by affecting the spread between, among other things, the income on its assets and the expense of any interest-bearing liabilities it has, the value of any interest earning assets and its ability to make an acquisition. In the event of a rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Company's operating results adversely. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Company.

#### **The Company will be subject to restrictions in offering its Ordinary Shares as consideration for an acquisition in certain jurisdictions and may have to provide alternative consideration, which may have an adverse effect on its operations**

The Company may offer its Ordinary Shares or other securities as part of the consideration to fund, or in connection with, an acquisition. However, certain jurisdictions may restrict the Company's use of its Ordinary Shares or other securities for this purpose, which could result in the Company needing to use alternative sources of consideration. Such restrictions may limit the Company's

available acquisition opportunities or make certain acquisitions more costly which may have an adverse effect on its operations.

### **The Company may be exposed to foreign investment and exchange risks**

The Company's functional and presentational currency is pounds sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in pounds sterling. Any business the Company acquires may denominate its financial information, conduct operations or make sales in currencies other than pounds sterling. When consolidating a business that has functional currencies other than pounds sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into pounds sterling. As a result, changes in exchange rates between pounds sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at reasonable cost at all times when the Company wishes to use them or that they will be sufficient to cover the risk and this may have a negative impact on the profitability and value of the Company. Alternatively, the Company may consider changing its reporting currency in the future to a currency other than pounds sterling if the first acquisition or any bolt-on acquisition makes it practical to do so.

### **SPECIFIC RISKS RELATING TO THE INVESTMENT IN THE GWSA GROUP**

#### **Weak economic conditions in the UK and mainland Europe may have a material adverse effect on the GWSA Group.**

As retail, e-commerce and consumer spending has historically been linked to levels of economic activity, the GWSA Group's operating results are affected by macroeconomic conditions, particularly in its principal markets in the UK and mainland Europe. The success of the GWSA Group depends to a significant extent upon factors that affect discretionary consumer spending (including economic conditions and perceptions of such conditions by consumers) within the wider economy as a whole and in regional and local markets where the GWSA Group operates. There can be no certainty over the continued trading and solvency of the GWSA Group's customers operating in these sectors given the risks referred to above and the failures of a number of significant retailers in recent years. Failure of a material customer could have a material adverse impact on the GWSA Group's revenues and profitability.

The current economic environment may lead to pricing pressure from the GWSA Group's customers. Further, a material proportion of the GWSA Group's revenue has been seasonally linked with its customers, with demand peaking in the summer months and the build up to Christmas. January and February have typically been the slowest trading months.

#### **Customers may elect to terminate contracts with members of the GWSA Group or, when such contracts expire, customers may choose not to renew contracts or may seek to renegotiate contracts such that they are less profitable for the GWSA Group.**

Contracts to which members of the GWSA Group are currently a party or to which they may be a party in the future may be terminated (whether pursuant to change of control clauses within those contracts or otherwise), resulting in a loss of revenue and potential liability to pay certain costs associated with the termination of a contract (for example, property dilapidation costs and any unamortised capital costs incurred specifically for the contractual counterparty), which may have a material adverse effect on the GWSA Group and therefore the value of the Company's investment in the GWSA Group.

#### **Increases in the costs of operations may not be able to be passed on to customers under certain contractual arrangements**

GWSA Group's cost of operations could increase without a corresponding increase in revenue. Factors leading to such an increase in the cost of operations could include but are not limited to increases in: the rate of inflation, payroll expenses, interest rates, unforeseen capital expenditure

and insurance premiums. Such increases and/or the failure to effectively manage them could have a material adverse effect on the GWSA Group's results of operations, financial condition and future prospects.

### **Reliance on key customers**

The GWSA Group derives a significant amount of its revenues from a small number of customers. In FY19, the top 20 customers by revenue represented approximately 56% of all revenue, and GWSA Group's largest customer accounted for approximately 18% of revenues generated in the six months ended 31 May 2020.

### **The GWSA Group is reliant on access to road networks and operational sites within the UK and mainland Europe**

A proportion of the GWSA Group's business relies on access to the road network both in the UK and mainland Europe. Prolonged disruption to road transport systems or the availability of vehicle fuel may result in delays to customer deliveries and a reduced standard of service. Extreme weather, such as heavy snow and high winds, could disrupt the GWSA Group's business.

The GWSA Group relies on operational sites in the UK and continental Europe, which are fundamental to its business operations. Disruptions may arise for a number of reasons including political or legal changes, pandemics (including the Covid-19 outbreak), strike action and other industrial relations actions, prolonged power or equipment failures, failures in IT systems, fires, floods, terrorist incidents, extreme weather events and other natural disasters and other unforeseen events that may not be covered or may be in excess of its insurance coverage. Damage resulting from any of these events may take a considerable amount of time to repair.

### **The GWSA Group may face increased environmental costs**

The issue of environmental sustainability is likely to be of continuing importance to governments, regulators and other influential bodies. There may be changes to existing legislation or regulation or the introduction of new legislation, regulation or government policies or practice, which could adversely affect the GWSA Group's operations and conduct of its business, particularly in relation to the use of energy, emission charges, packaging and the transportation of products to customers. If there is a change to environmental legislation there may be a decrease in demand for the GWSA Group's products and services, or an increase in the GWSA Group's costs, which may adversely affect the GWSA Group's financial condition and future prospects.

### **General volatility, economic and market cycles and the global economic downturn could adversely affect the future prospects, financial condition and results of operations of the GWSA Group.**

National and international economic downturns and recessionary conditions in the markets in which the GWSA Group operates have had and could continue to have an adverse effect on the GWSA Group. Factors such as inflation, investor sentiment, the availability and cost of credit and the liquidity of the global financial markets could significantly affect the business. A deterioration of these economic and financial conditions could have a material adverse effect on the financial performance and/or financial condition of the GWSA Group. The business may experience reductions in trading activity, asset impairments and lower profitability. A global recession or deeper recessionary conditions could result in a significant fall in expenditure in the infrastructure and construction industry which could have a material adverse effect on the business, results of operations and overall financial condition of the GWSA Group.

### **Legislative Changes**

Operating in the transport and distribution sector, the GWSA Group is subject to legislation and regulation in areas such as working time, health and safety, road duties, fuel costs and environment, which can have an impact on a number of operational areas. Changes to such legislation may have associated costs for the GWSA Group and negatively impact the GWSA Group's financial condition and future prospects.

## **RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON AIM**

### **Trading on AIM**

The Enlarged Ordinary Shares will be admitted to trading on AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The AIM Rules are less demanding than those which apply to companies traded on the Premium Segment of the Official List. Further, the FCA has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA.

### **Value and liquidity of the Ordinary Shares**

It may be difficult for an investor to realise his, her or its investment. The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies generally. A relatively small movement in the value of an investment or the amount of income derived from it may result in a disproportionately large movement, unfavourable as well as favourable, in the value of the Ordinary Shares or the amount of income received in respect thereof.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in advising on investments of this nature before making an investment decision.

### **Investing Company status**

The Company will be considered to be an Investing Company for the purposes of the AIM Rules. As a result, it may benefit from certain partial carve-outs to the AIM Rules, such as those in relation to the classification of reverse takeovers. Were the Company to lose Investing Company status for any reason, such carve -outs would cease to apply.

### **Reverse takeovers**

As the Company will be an Investing Company it is likely that the Company's financial resources will be invested in just one or a small number of projects or investments. Either route may trigger a reverse takeover under the AIM Rules which will be subject to prior Shareholder approval and re-admission to AIM or another listing venue for the enlarged entity.

Shareholders should note that where a transaction is considered to be a reverse takeover for the purposes of the AIM Rules and the Shareholders approve any such transaction, trading on AIM in the Ordinary Shares will be cancelled and re-admission to AIM or another listing venue will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Ordinary Shares will normally be suspended following the announcement of any such transaction until the Company has published an admission document in respect of the Company.

### **The Company has a significant Shareholder**

Immediately following Admission, the DBAY Funds (along with all other members of the Concert Party) will own up to a maximum of 38.49% of the issued Ordinary Shares of the Company. As a result, the DBAY Funds and other members of the Concert Party may be able to exercise significant influence over the Company. The interests of the DBAY Funds and other members of the Concert Party may not necessarily be aligned with those of the other Shareholders. The concentration of ownership could affect the market price and liquidity of the Ordinary Shares. If the DBAY Funds and other members of the Concert Party seek to influence the Company's business in a manner that may not be in the interests of other Shareholders, the Company's business, results of operations,

financial condition and prospects, and the trading price of the Ordinary Shares could be adversely affected.

### **Future issues of Ordinary Shares may result in dilution of existing Shareholders**

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund investment opportunities. If existing Shareholders do not subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing, Subscription and Open Offer. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Issue Price.

### **Future performance of the Company cannot be guaranteed**

There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any returns referred to in this Document. The financial operations of the Company may be adversely affected by general economic conditions or by the particular financial condition of other parties doing business with the Company.

### **There is no guarantee that the Company will maintain its quotation on AIM**

The Company cannot assure investors that the Company will always retain a quotation on AIM. If the Company fails to do so, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to AIM or as an alternative, this may affect the liquidity of the Ordinary Shares traded on AIM.

### **Conditionality of the Subscription, Placing and Open Offer**

The Subscription, Placing and Open Offer are conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission (and therefore the Subscription, Placing and Open Offer) will not occur.

### **Legislation and Tax Status**

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation or regulation and, in particular, in tax status or tax residence of the Company or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

### **Taxation**

The attention of potential investors is drawn to paragraph 11 – "Taxation" of Part V: "Additional Information About the Company" of this Document. The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this Document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change, possibly with retrospective effect. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

### **Dividends**

The Company's ability to pay dividends (including any special dividends) in the future is affected by a number of factors, principally the generation of distributable profits within the Company and the receipt of sufficient dividends from its portfolio investment companies. Under English law, a

company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. In addition, the Company may not pay dividends if the Directors believe this would cause the Company to be inadequately capitalised or if, for any other reason, the Directors conclude it would not be in the best interests of the Company. Any change in the tax treatment of dividends or interest received by the Company may reduce the amounts available for dividend distribution. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends. In addition, the Company's ability to pay dividends will depend on the level of distributions, if any, received from its operating subsidiaries. The Company's subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions including foreign exchange limitations, and regulatory, fiscal and other restrictions.

## **GENERAL RISKS**

### **Relationship with the EU**

On 31 January 2020, the UK left the EU. There are significant uncertainties in relation to the terms and time frame within which the UK's future trading, regulatory and other relationships with the EU and countries with which the EU has established trading relationships will be affected. There are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including, *inter alia*, the UK's tax system, the conduct of cross-border business and export and import tariffs between the UK and the EU. There is also uncertainty in relation to how these developments will impact on the economy in the UK and the future growth of its various industries and on levels of investor activity and confidence, on market performance and on exchange rates. Although it is not possible to predict the effect of the UK's exit from the EU, any of these risks could have a material adverse effect on the Company's business, underlying portfolio investments, revenue, financial condition, profitability, prospects and results of operations. Leaving the EU may also change the trading terms with other countries that the UK currently trades with under EU agreements which could impact the GWSA Group's business.

### **The Company or its underlying investments may be subject to force majeure risks**

The Company or its underlying investments' operations now or in the future may be adversely affected by risks outside the control of the Company such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics including the Covid-19 outbreak or related government restrictions.

**It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Company is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Company.**

## PART IV:

### FINANCIAL INFORMATION

In accordance with Rules 4 and 28 of the AIM Rules, this Document does not contain historical financial information on the Company, which would otherwise be required under Section 18 of Annex I of the Prospectus Regulation Rules.

The Company's audited consolidated historical financial information for FY18 and FY19, as well as the Company's unconsolidated unaudited interim results for the six months ended 31 May 2020, are available to be viewed or downloaded from the Company's website (<https://eddiestobart.com/investors-2020/>) and therefore have not been reproduced in this Document.

The following information referred to in this Part IV has therefore been incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code.

| <b>No.</b> | <b>Information</b>  | <b>Source of information</b>   |
|------------|---|--|
| 1.         | Audited, consolidated accounts for the last two financial years.  | Annual Report & Accounts for FY 18:<br><a href="https://cdn.eddiestobart.com/assets/media/documents/Eddie-Stobart-ANNUAL-REPORT-AND-ACCOUNTS-2018.pdf">https://cdn.eddiestobart.com/assets/media/documents/Eddie-Stobart-ANNUAL-REPORT-AND-ACCOUNTS-2018.pdf</a><br><br>Annual Report & Accounts for FY 19:<br><a href="https://cdn.eddiestobart.com/assets/media/documents/Eddie-Stobart-Logistics-PLC-Full-Year-Results-2019.pdf">https://cdn.eddiestobart.com/assets/media/documents/Eddie-Stobart-Logistics-PLC-Full-Year-Results-2019.pdf</a> |
| 2.         | Interim statement(s) and / or preliminary announcement(s) made since the date of last published, audited accounts | Unconsolidated unaudited interim results for the six months ended 31 May 2020:<br><a href="https://cdn.eddiestobart.com/assets/media/documents/ESL-plc-Interim-Results-May20-RNS-FINAL-Approved.pdf">https://cdn.eddiestobart.com/assets/media/documents/ESL-plc-Interim-Results-May20-RNS-FINAL-Approved.pdf</a>  |

The above documents are available, free of charge, in "read-only" format and can be printed from the web addresses detailed above.

Shareholders or other recipients of this Document may request a hard copy of the above information incorporated by reference from the Company at its registered office, such copy will be provided to the requester within 7 days of receipt of the request. A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this Document unless requested.

## **PART V:**

### **ADDITIONAL INFORMATION ABOUT THE COMPANY**

#### **1. RESPONSIBILITY**

- a. The Directors, whose names and functions are set out on page 9 of this Document, and the Company, whose registered office is set out on page 9 of this Document, accept responsibility, both collectively and individually, for the information contained in this Document (including any expressions of opinion) and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document, including any expression of opinion, is in accordance with the facts and does not omit anything likely to affect the import of such information.
- b. The directors of DBAY accept responsibility for the information contained in this Document relating to DBAY, the DBAY Funds, and all other members of the Concert Party. To the best of the knowledge and belief of the directors of DBAY, the information contained in this Document for which they are responsible, including any expression of opinion, is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### **2. INCORPORATION AND GENERAL**

- a. The Company was incorporated in England on 4 March 2014 under the name of Greenwhitestar UK plc with registered number 08922456. On 3 April 2017, the Company registered as a public limited company and changed its name to Eddie Stobart Logistics plc. On 11 April 2017 the Company was re-registered as a private limited company with the name Eddie Stobart Logistics Limited. On 11 April 2017 the Company underwent a share capital reduction (as detailed in paragraph 3 – “Share Capital” of this Part V) and subsequently on 11 April 2017 re-registered as a public limited company with the name Eddie Stobart Logistics plc.
- b. The registered office of the Company and its principal place of business is at Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, WA4 4TQ. The telephone number of the Company’s registered office and principal place of business is +44 (0)1925 605400 and its website is [www.eddiestobart.com](http://www.eddiestobart.com). The Company is domiciled in England.
- c. Pursuant to the terms of a share purchase agreement dated 14 November 2019 relating to the issued share capital of GWSA, the Company agreed to sell, and Alpha agreed to purchase, the entire issued share capital of GWSA, which transaction resulted in the DBAY Funds becoming indirect holders of 51% of the issued share capital of GWSA, with the Company indirectly holding the remaining 49%, as further described in paragraph 10 (a) of this Part V.

#### **3. SHARE CAPITAL**

- a. As at the date of this Document, the Company’s issued share capital comprises 379,347,372 existing ordinary shares of £0.01 each all of which are fully paid up.
- b. The Directors were granted authority to allot Ordinary Shares for the period ending at the earlier of the conclusion of the Company’s annual general meeting in 2021 or 2.00 p.m. on 30 May 2021 as follows:
  - i. pursuant to an ordinary resolution of the Company dated 30 May 2020, the Directors are generally and unconditionally authorised pursuant section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (Allotment Rights), but so that the maximum amount of shares that may be allotted or made the subject of Allotment Rights are shares with an aggregate nominal value of £1,251,846.33;

- ii. pursuant to a special resolution of the Company dated 30 May 2020, the Directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006, to allot equity securities (as defined in section 560 of that Act) for cash, or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
  - a) the allotment of equity securities in connection with any rights issue or open offer or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
  - b) the allotment of equity securities (other than as above) with an aggregate nominal value of £189,673.69, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors,
 

save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired;
- iii. pursuant to a special resolution of the Company dated 30 May 2020, the Directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006, to allot equity securities (as defined in section 560 of that Act) for cash, or by way of sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is:
  - a) limited to the allotment of equity securities up to an aggregate nominal value of £189,673.69; and
  - b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this meeting.
- c. The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The provisions of section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be, paid up in cash other than by way of allotment to employees' share scheme as defined in section 1166 of the Act) will following Admission apply to unissued shares in the capital of the Company to the extent not disappplied pursuant to the resolutions described above.
- d. The Ordinary Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares is being marketed or made available in whole or in part to the public in conjunction with the applications for Admission.
- e. The Ordinary Shares to be issued pursuant to the Subscription, Placing and Open Offer are being issued at a price of 5 pence per share, representing a premium of 4 pence over the nominal value of £0.01 each. The expected issue date is 31 December 2020.
- f. The currency of the issue is Sterling.

#### 4. SIGNIFICANT SHAREHOLDERS

Save as disclosed in paragraph 7 – “Directors’ Interests” of this Part V, and as set out below, as at 8 December 2020 being the last practicable date prior to publication of this Document, the Company is not aware of any person who holds a beneficial interest (direct or indirect) in 3% or more of the issued share capital or voting rights of the Company:

| <b>Name</b>                             | <b>Ordinary<br/>Shares held</b> | <b>Percentage of<br/>Existing (%)<br/>Ordinary<br/>Share Capital</b> |
|---|---------------------------------|--|
| DBAY                                    | 102,804,300                     | 27.10  |
| Stobart Group Limited                   | 44,694,812                      | 11.78  |
| International Private Equity Fund II LP | 14,047,720                      | 3.70   |

Following Admission, so far as is known to the Directors having made appropriate enquiries and assuming only the Concert Party takes up its basic entitlements under the Open Offer, it is expected that the following person will hold a beneficial interest (direct or indirect) in 3% or more of the issued share capital or voting rights of the Company:

| <b>Name</b>                                       | <b>Ordinary<br/>Shares held</b> | <b>Percentage of<br/>Existing (%)<br/>Ordinary<br/>Share Capital</b> |
|---|---------------------------------|--|
| DBAY  | 189,441,891                     | 31.37  |
| Stobart Group Limited                             | 44,694,812                      | 7.40   |
| Mulberry Commercial Developments Holdings Limited | 20,000,000                      | 3.31   |

#### 5. ARTICLES OF ASSOCIATION

##### a. Articles

On 11 April 2017, the Company by means of a special resolution, adopted articles of association which contain (amongst others) provisions to the following effect:

##### b. Objects

The memorandum and articles of association of the Company contain no restrictions on the activities of the Company.

##### c. Share Rights

###### i. Voting Rights

Members shall have the right to receive notice of, to attend and to vote at all general meetings of the Company. Subject to the provisions of the Act and the Articles and any restrictions as to voting attached to any class of shares, on a show of hands, each holder of shares present in person or by proxy shall have one vote and upon a poll each such holder who is present in person or by proxy shall have one vote in respect of every share held by him.

A member shall not be entitled to vote at a general meeting personally or by proxy, if any call or other sum payable by such member to the Company in respect of the share held by such member, remains unpaid.

###### ii. Dividends

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution in a general meeting declare dividends, but no dividend shall be payable in excess of the amount recommended by the Directors.

- a) Insofar as it appears to the Board that they are justified by the financial position of the Company, the Directors may pay interim dividends.

- b) All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.
- c) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists.
- d) The Directors may resolve that any dividend unclaimed after a period of six years from the date such dividend became due for payment shall be forfeited in favour of the Company.
- e) The Company may by ordinary resolution in a general meeting, upon recommendation of the Directors, direct that payments of a dividend may be satisfied wholly or in part by the distribution of non-cash assets of equivalent value.
- f) The Company may by ordinary resolution in a general meeting, offer the holders of shares the right to elect to receive new shares credited as fully paid instead of cash in respect of the whole or part of any dividend.

**d. Variation of Rights**

- i. Subject to the provisions of the Act and the Articles, where the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may, subject to the Act, and any other act relating to companies be varied or abrogated in such a manner as those rights may provide for or, where no such provision is made:
  - a) with the consent of the holders of not less than three fourths in the nominal value of the issued shares of that class; or (excluding any shares of that class held as treasury shares);
  - b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- ii. Unless otherwise expressly provided by the rights attached to any class of shares, the rights attached to any shares or class of shares shall not be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* with them, or by the purchase or redemption by the Company of any of its own shares.

**e. Transfer of Shares**

- i. The instrument of transfer of a certificated share may be in any usual or common form or in any other form approved by the Directors and shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.
- ii. The Directors may refuse to register the transfer of a certificated share if:
  - a) the transferee is or may be a prohibited person, or is or may be holding such Ordinary Shares on behalf of a beneficial owner who is or may be a prohibited person;
  - b) the share is not fully paid;
  - c) the transfer is not lodged at the Company's registered office or such other place as the Directors have appointed;
  - d) the transfer is not accompanied by the certificate for the shares to which it relates, such other evidence as the Directors may reasonably require;
  - e) the transfer is in respect of more than one class of shares; or
  - f) the transfer is in favour of more than four transferees.

- iii. The Directors shall have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in Ordinary Shares in the Company in uncertificated form (including in the form of depositary interests or similar interests, instruments or securities).

**f. Alteration of Share Capital**

- i. The Company may by ordinary resolution:
  - a) consolidate or consolidate and then divide all or any of its share capital into shares of larger amounts than its existing shares;
  - b) cancel any shares which at the date of the passing of the resolution to cancel them, have not been taken, or agreed to be taken, by any person and diminish the amounts of its share capital by the amount of shares so cancelled; and
  - c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Articles (subject, nevertheless, to the provision of the Act and every other act, statute, statutory instrument, regulation or order being in force from time to time, concerning companies affecting the Company) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued new shares.
- ii. Subject to statute and any rights attaching to any class of shares, the Company may purchase its own shares (including any redeemable shares).
- iii. Subject to statute and any rights attaching to any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other distributable reserve in any manner.

**g. Change of name**

The Company is permitted to change its name through a resolution of the Board.

**h. General Meetings**

- i. All general meetings other than the annual general meeting shall be called general meetings.
- ii. All general meetings (other than annual general meetings) shall be called by at least 14 clear days' notice and an annual general meeting shall be called by at least 21 clear days' notice, unless a longer period of notice is required in accordance with the law.
- iii. Notwithstanding the notice period specified above, a general meeting (including an annual general meeting) can be held on short notice, if so agreed by a majority of members who hold at least 95% in the nominal value of the issued shares.
- iv. The notice shall specify the place, the date and the time of the meeting, a statement that the member is entitled to appoint one or more proxies to attend, vote and speak at the meeting, the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as a special resolution the text of such resolution.
- v. The accidental failure to give notice to any person entitled to receive notice of a general meeting, or the non-receipt by such person of such notice shall not invalidate the proceedings at that meeting.
- vi. No business other than the appointment of the chairman of the meeting shall be transacted unless a quorum of two persons entitled to vote upon the business transacted on a poll is present.

**i. Directors' Interests in Contracts with the Company**

- i. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at the board meeting at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists or, in any other case, at the first board meeting after he knows that he is or has become so interested.
- ii. A Director shall not vote (or be counted in the quorum at a meeting) in respect of an actual or proposed transaction or arrangement with the Company in which he is interested.
- iii. Subject to statute, the Company may by ordinary resolution suspend or relax the restrictions set out above.
- iv. The restrictions set out above shall not apply and a Director may (in the absence of some other material interest) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
  - a) the giving of any guarantee, security or indemnity in respect of:
  - b) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
  - c) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
  - d) the giving of any indemnity where all other Directors are offered indemnities on substantially the same terms;
  - e) any arrangement relating to the Company funding expenditure incurred by him defending proceedings of the Company or the Company doing something to enable him to avoid incurring such expenditure where all other Directors are offered substantially the same arrangements;
  - f) any contract concerning an offer of shares or debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any securities or as an underwriter or sub-writer;
  - g) any contract in which he has an interest because of his interest in shares or debentures or other securities of the Company or because of any other interest in or through the Company;
  - h) any contract concerning another company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he does not hold an interest in shares representing one (1) % or more of any class of the equity share capital of such company;
  - i) any contract for the benefit of employees of the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates; or
  - j) any contract concerning the purchase or maintenance of insurance either or for the benefit of any Director or for persons who include Directors.

**j. Directors – General**

- i. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum and not be less than two. Each Director shall be entitled to one vote and decisions shall be passed by simple majority, with the Chairman having a casting vote in the event of deadlock.

- ii. The Directors shall not be required to hold any share of the Company by way of qualification.
- iii. The aggregate fees of the Directors shall not exceed £3 million per annum. This limitation only applies to Directors' fees and not other forms of remuneration.
- iv. Any Director who holds any executive office or who performs services which in the opinion of the Directors are beyond the ordinary duties of a Director may be paid such extra remuneration (by way of salary, percentage of profits or otherwise) as the Board may determine.
- v. Each Director will be paid all proper and reasonable expenses incurred in connection with the attendance at board meetings or general meetings or otherwise in connection with the business of the Company or in the performance of his duties as a Director.
- vi. The Directors may give or award pensions, annuities and superannuation or other allowance or benefits to any persons who are or have at any time been employed by or in the service of the Company and to the wives, husbands, civil partners, widows, widowers, children and other relatives and dependants of any such persons.
- vii. At every annual general meeting of the Company each Director shall retire from office save that the board of Directors in office at the date of adoption of the Articles shall retire from office at the second annual general meeting held by the Company.
- viii. Any person who is willing to act as a Director, and is permitted by law, may be appointed to be a Director by ordinary resolution of the Company or by a decision of the Board.

**k. Directors' Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money, to indemnify and guarantee and/or to mortgage or charge all or part of its undertaking, property, assets (present and future) and uncalled capital and, subject to the Act, to issue debentures, loan stock or any other securities whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or any third party.

**l. Disclosure of Interests in Shares**

- i. If the holder of, or any other person appearing to be interested in, any share has been given notice under section 793 of the Act and has failed in relation to that share (a "Default Share") to give the Company notice within the prescribed notice, the prescribed period being no less than 14 days from the date of service of the notice, the restrictions referred to in the paragraph below shall apply (save that the Directors may waive those restrictions in whole or in part at any time).
- ii. The restrictions referred to above are as follows:
  - a) the holder of the Default Shares shall not be entitled in respect of those shares to attend or vote, either personally or by proxy at any general meeting of the Company;
  - b) in addition, where the Default Shares in which one person is interested or appears to the Company to be interested, represent 0.25% or more of the relevant class (excluding any shares of that class held as treasury shares) the member holding the Default Shares shall not be entitled, in respect of those shares to receive any dividends or other distributions or transfer or agree to transfer any of those shares or any rights in them.

**m. Capitalisation of Profits and Reserves**

The Directors may, with the authority of an ordinary resolution of the Company:

- i. decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- ii. appropriate any sums which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of a dividend and in the same proportions.

**n. Winding Up**

If the Company is being wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by law:

- i. divide amongst the members in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how such division shall be carried out as between the members or different classes of members; and/or
- ii. vest the whole or any part of the assets in trustees, upon such trusts for the benefit of members as the liquidator, shall think fit, but so that no member shall be compelled to accept any assets in respect of which there is any liability.

**o. Summary**

The above is a summary of certain provisions of the Articles, the full provisions of which are available on the Company's website.

**6. EMPLOYEE SHARE PLANS**

**Share Incentive Plan**

Free shares in the Company were awarded under its Share Incentive Plan in 2017. The SIP Shares were held by the SIP Trustee (originally Capita IRG Trustees Limited – now Link Asset Services) in accordance with the SIP Trust Deed.

As a result of the DBAY Transaction in 2019, the allocated SIP Shares ceased to be subject to the SIP because the participants were no longer eligible employees for the purposes of the SIP due to a change of control. As a result the SIP will be terminated.

**Long Term Incentive Plan**

The DBAY Transaction resulted in the partial lapsing of LTIP Options awarded to employees of the former subsidiaries of the Company but did not impact the LTIP Options awarded to employees of the Company.

All outstanding LTIP Options are subject to the LTIP performance conditions having been met at the time of exercise and the LTIP Options not otherwise having lapsed. The outstanding LTIP Options remain subject to the other relevant provisions of the LTIP rules including the applicable provisions relating to malus and clawback.

## 7. DIRECTORS' INTERESTS

The names of the Directors of the Company are set out at the "Directors, Secretary and Advisers" section of this Document.

The business address of the Directors is Stretton Green Distribution Park, Langford Way, Appleton, Warrington, Cheshire, WA4 4TQ, England.

- a. The beneficial interests of the Directors, all of which are beneficial (except as noted below), in the share capital of the Company are as follows:

| Director       | Immediately prior to Admission |                                    | Immediately following Admission <sup>8</sup> |                                    |
|----------------|--------------------------------|------------------------------------|--|------------------------------------|
|                | Number of shares               | Percentage of issued share capital | Number of shares                             | Percentage of issued share capital |
| Saki Riffner*  | 1,118,496                      | 0.29                               | 4,532,340                                    | 0.75                               |
| Adrian Collins | –                              | –                                  | 1,000,000                                    | 0.17                               |
| Stephen Harley | 30,000                         | 0.01                               | 1,030,000                                    | 0.17                               |

\*Given his role as Chief Investment Officer of DBAY, Mr Riffner is also deemed to hold a beneficial interest in the total of 102,804,300 shares held by funds under the discretionary management of DBAY as at the date of this Document, representing approximately 27.1% of the Company's existing issued share capital.

- b. Save as set out above, no Director has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.
- c. In addition to their directorships of the Company, the Directors also hold the following directorships and partnerships as at the date of this Document:

| Director                     | Company/LLP  |
|------------------------------|--|
| Saki Benjamin Riffner        | Agility Interactive (IOM) Limited<br>Barwood Limited<br>DBAY Advisors Limited<br>Eddie Stobart Logistics plc<br>Fenix Healthcare AB<br>Financiere CM SA<br>Greenwhitestar Acquisitions Limited<br>Marcelos Limited<br>RedWhiteBlue Champion Ltd<br>Unlimited Marketing Finco Ltd |
| Adrian John Reginald Collins | Bahamas Petroleum Company plc<br>CIP Merchant Capital Ltd<br>Fidelis Underwriting Ltd<br>Fincorp International Ltd<br>Hargreaves Lansdown Plc<br>The Sri Lanka Fund Ltd  |
| Stephen John Harley          | Bison Holdings Limited<br>Bison Manufacturing Limited<br>European Logistics Users Providers Group (ELUPEG) B.V.<br>Glenich Holdings Limited<br>Glenich Investments Ltd<br>Greenwhitestar Acquisitions Limited  |

<sup>8</sup> Assuming that only the Concert Party takes up its basic entitlements under the Open Offer

The Directors have also previously held the following directorships and/or been a partner in the following partnerships in the last five years:

| <b>Name</b>                  | <b>Company/LLP</b>  |
|------------------------------|---|
| Saki Benjamin Riffner        | DouglasBay Media Holdings Limited<br>ESLL Group Limited<br>Greenwhitestar Holding Company 1 Ltd<br>Greenwhitestar Holding Company 2 Ltd<br>Greenwhitestar UK plc<br>Redwhiteblue UK HoldCo Ltd<br>The Laxey Investment Trust Limited<br>Unlimited Marketing Group Ltd<br>Redwhiteblue Digital Marketing Services Holdings Ltd |
| Adrian John Reginald Collins | City Natural Resources High Yield Trust plc<br>CQS Management Limited<br>Heritage Collins Ltd<br>Liontrust Asset Management plc<br>LTC Holdings plc<br>New City High Yield Fund Ltd (8)<br>Tri-Star Resources plc   |
| Stephen John Harley          | Explore Manufacturing Limited<br>Crown House Technologies Limited<br>Glass Reinforced Concrete UK Limited<br>Laing O'Rourke Manufacturing Limited<br>Laing O'Rourke Manufacturing Holdings Limited<br>Select Plant Hire Company Limited   |

d. Save as disclosed below, no Director:

- i. has any unspent convictions in relation to any fraudulent offences; or
- ii. has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
- iii. has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- iv. has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- v. has had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- vi. has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

e. Saki Riffner:

- i. was appointed as a director of AJS Technology Limited on 1 December 2008, and subsequently resigned on 29 September 2012. AJS Technology Limited entered creditors' voluntary liquidation on 1 May 2013 and was dissolved on 6 March 2017;
- ii. was appointed as a director of Fleche du Nord S.A. on 11 February 2009, and subsequently resigned on 24 March 2011. Fleche du Nord S.A. commenced insolvency proceedings on 9 September 2009, which completed on 4 June 2012; and

- iii. is a non-independent non-executive member of the Board appointed by DBAY, the proposed manager of the Company under the Investment Management Agreement and a manager of the DBAY Funds holding 27.1% of the shares in the Company. In matters relating to the performance of DBAY as the Company's investment manager or other matters brought before the board relating solely to DBAY rather than shareholders as a whole, Saki Riffner (or such other appointee of DBAY from time to time) will recuse himself from discussions and voting. Other conflicts of interest of DBAY as investment manager of the Company are addressed and managed through the Investment Management Agreement and the Relationship Agreement.
- f. Adrian Collins:
- i. became a director of Geared Income Investment Trust Plc on 17 February 1997. Administrative receivers of the company were appointed on 8 April 2003 and the company was dissolved on 29 May 2018;
  - ii. was appointed to the board of Sporting Classics Publications Limited upon incorporation, with the company subsequently put into creditors' voluntary liquidation on 3 March 1999;
  - iii. was appointed to the board of Colorvision plc following a financial re-construction in May 1996. Following the withdrawal of support from the company's principal bankers, joint administrative receivers were appointed on 31 July 1996;
  - iv. was appointed to the board as a non-executive director of Murray Meat Markets Ltd in April 1991. Administrative receivers were appointed by Barclays Bank plc on 21 April 1992, and the official receiver appointed a liquidator on 25 November 1992; and
  - v. was appointed executive director of Marillion plc in December 1990 and resigned as a director on 11 December 1991. Administrative receivers were appointed by the company on 1 July 1992.
- g. So far as the Directors are aware:
- i. no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company; and
  - ii. there are no arrangements in place which could, at a later date, result in a change of control of the Company.
- h. None of the Company's major holders of shares listed in paragraph 4 – "Significant Shareholders" of this Part V has voting rights which are different from other holders of Ordinary Shares.
- i. There are no loans made or guarantees granted or provided by any member of the Company to or for the benefit of any Director.
- j. No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.
- k. In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have, save as disclosed in relation to Saki Riffner (which conflict is managed by the Relationship Agreement). To the extent that any of the Directors are conflicted by virtue of their directorship on the board of GWSA an information and conflicts protocol exists between the Company and GWSA.

## 8. DIRECTORS' LETTERS OF APPOINTMENT

- a. The services of Stephen Harley as Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Stephen Harley which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £60,000 per annum.
- b. The services of Adrian Collins as Independent Non-Executive Director and Chairman are provided under the terms of a provision of services letter between the Company and Fincorp International Limited acting by Adrian Collins, entered into on 10 September 2020 for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £80,000 per annum.
- c. The services of Saki Riffner as Non-Executive Director are provided under the terms of a letter of appointment between the Company and Saki Riffner dated 23 November 2020, under which Saki Riffner agreed to serve as a non-executive Director for an initial period of three years from 27 February 2020. No fee is payable to Saki Riffner.
- d. Save as disclosed in this Document, there are no service agreements in existence between any of the Directors and the Company or the Group.

## 9. RELATED PARTY TRANSACTIONS

The following related party transactions have occurred (each as defined below in paragraph 10 – "Material Contracts" of this Part V):

- a. 2019 SPA;
- b. 2020 TSA;
- c. SHA;
- d. Payment Letter;
- e. Investment Management Agreement;
- f. Call Option;
- g. Placing Agreement; and
- h. Relationship Agreement.

## 10. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and the Group during the two years preceding the date of this Document and are or may be material or have been entered into by the Company and contain any provision under which the Company has any obligation or entitlement which is material to the Company at the date of this Document:

### General

- a. **2019 SPA:** A share purchase agreement dated 14 November 2019 ("**2019 SPA**") relating to the issued share capital of GWSA, pursuant to which the Company agreed to sell, and Alpha agreed to purchase, the shares in GWSA (the "**Sale Shares**") in consideration for the issue to the Company (as Seller) of a loan note with a principal amount of £49 (the "**Loan Note**"). Marcelos (which was at the time wholly owned by DBAY Funds, and in turn owns the entire issued share capital of Alpha) agreed to subsequently purchase the Loan Note from the Company in consideration for the issue of the consideration shares (being 49% of the entire enlarged issued share capital of Marcelos) such that DBAY Funds became indirect holders of 51% of the issued share capital of GWSA, with the Company indirectly holding the remaining 49% (the "**DBAY Transaction**").
- b. **2020 TSA:** A transitional services agreement dated 25 February 2020 ("**2020 TSA**") between the Eddie Stobart Logistics Limited ("**ESL**"), as provider of the services, and the Company as recipient, pursuant to which ESL has agreed to provide certain services to the Company on a transitional basis. The services provided by ESL include accounting

and treasury, company secretarial and administrative, office space, non-specific AGM services, annual reporting and interim review, website and IT. In consideration for ESL providing the services to the Company, the Company has agreed to pay a service charge of £165,000 in year one (9 December 2019 – 8 December 2020) and £111,000 for year two (9 December 2020 – 8 December 2021). The service charge for subsequent years will be as agreed between the parties. The service charges are payable annually in arrears. Any disputes over the invoicing of the service charge are to be negotiated in good faith between the Company and ESL, however the agreement provides for a multi-tiered dispute resolution procedure in the event that negotiations do not resolve the dispute.

c. **SHA:** A shareholders' agreement dated 9 December 2020 ("**SHA**") between the Company, DBAY and Marcelos entered into in connection with the DBAY Transaction. This agreement documents the respective rights and obligations of the parties in relation to Marcelos and with one another.

i. Under the SHA:

a) DBAY undertakes to use reasonable endeavours to assist the Company in becoming an investment company and in raising at least £6,000,000 in equity capital, it being understood and agreed that DBAY and the DBAY Funds shall be under no obligation to underwrite or subscribe for such equity capital;

i) any issue of new securities or shares in Marcelos shall be first offered to the Company and DBAY in proportion to its existing shareholding immediately prior to such issue;

b) the Company's written consent is required prior to Marcelos:

i) entering into any transaction or agreement with DBAY (other than in respect of portfolio companies of DBAY, or of a fund which is an affiliate of DBAY, in the ordinary and usual course of business on arm's length terms or debt financing in the event that a group company requires (in DBAY's reasonable opinion) funding to be provided in order to (i) meet short-term liquidity requirements, or (ii) avoid, cure or remedy an event of default, covenant breach or prevent an acceleration of, or event of default or covenant breach under, any financing facility or agreement entered into by the GWSA Group;

ii) issuing new shares or other securities other than on a pre-emptive basis;

iii) making a material change to the nature of the Business (as defined therein);

iv) undertaking a solvent liquidation or winding up;

v) declaring, making or paying any dividend, bonus or other distribution of capital or income other than *pro rata* to all shareholders; or

vi) amending its articles;

c) disputes between DBAY and Marcelos shall be passed to the Company's board of directors for determination;

d) Marcelos makes several undertakings to the Company in respect of information and reporting requirements; and

e) Marcelos (or a member of its Group) shall provide funding to the Company so as to allow ESL to meet its General and Administrative Costs (as defined therein);

ii. The SHA was amended in June 2020 to extend the timeframe for delivery of the Investment Management Agreement from five months from the date of the shareholders' agreement to 10 months from such date.

iii. The SHA is terminable:

a) by written agreement of parties;

- b) in the event that either of DBAY or the Company suspends or threatens to suspend payment of its debts, is unable to pay them, deemed unable to pay its debts (within meaning of the Insolvency Act) or admits inability to pay its debts; and/or
  - c) automatically in the event that only one shareholder remains.
- d. **Payment Letter:** A payment letter dated 9 December 2020 and entered into between the Company, DBAY and Marcelos ("**Payment Letter**") which sets out the terms on which the Company instructs Marcelos to make a payment of certain amounts to DBAY in consideration for structuring and advisory services provided by DBAY to the Company, such payments to be made on the occurrence of (i) the date on which the aggregate amount of Proceeds received by the Company exceeds £55,000,000; and (ii) the date on which the aggregate amount of Proceeds received by the Company exceeds £75,000,000, where in each case "Proceeds" means any value which is actually received by the Company in respect of consideration for the disposal of any shares in the capital of Marcelos (the "**Marcelos Shares**") for cash (including any deferred and/or contingent consideration when such deferred or contingent consideration is received by the Company, any distribution on, or paid in respect of, the Marcelos Shares, and payments of, or in respect of, interest (including amounts in respect of interest which has been capitalised) on funding advanced to Marcelos by the Company pursuant to the SHA. Following payment under (ii) above, the Company shall have no further obligation to make a payment under the Payment Letter. The payment obligations set out in the Payment Letter shall continue until the earlier of (x) the written agreement of the Company, Marcelos and DBAY, or (y) the Company (or any of its affiliates) ceasing to hold any Marcelos Shares (provided that payment has been received for such disposal).
- e. **Relationship Agreement:** An agreement entered into in connection with the Placing between the Company and DBAY (the "**Significant Shareholder**") (who following Admission will hold an interest in excess of 30% of the Company's issued share capital) and Cenkos (the "**Relationship Agreement**"), contingent on Admission, to manage the relationship between the parties thereto in order to ensure that (i) the Company will at all times be capable of carrying on the business of the Company independently of the Significant Shareholder and its associates and (ii) all transactions and arrangements between the Company and the Significant Shareholder and/or its associates will be at arm's length and on normal commercial terms. The agreement will come into force on the date of Admission and will continue for so long as (x) the Company's shares are admitted to trading on AIM, or (y) the Significant Shareholder (individually or together with its associates) is interested in voting rights representing 25% or more of the rights to vote at a general meeting of the Company attaching to the Ordinary Shares.
- f. **Call Option Letter:** A call option documented in a letter dated 9 December 2019 (the "**Call Option Letter**") and entered into between the Company and Alpha Persei Limited, pursuant to which the Company is granted an option to purchase an economic interest of up to 49% of the Loan Notes from Alpha Persei Limited at the price defined in and on the terms set out in the Call Option Letter (the "**Call Option**"). The Call Option is conditional upon the Company converting to an Investment Company and having appointed DBAY as the Company's investment manager pursuant to the terms of the Investment Management Agreement. The expiry of the Call Option under the Call Option Letter was extended by letter of amendment entered into in June 2020 to December 2020 (being the date falling 12 months after 9 December 2019), provided that DBAY has, within 10 months of 9 December 2019 delivered a draft Investment Management Agreement. On 8 December 2020, this was further extended by way of a letter of amendment to 7 December 2021 (being the date falling 12 months after 9 December 2020). The Call Option Letter (as amended) and any non-contractual or other obligations arising out of or in connection with it are governed by English law and the courts of England have exclusive jurisdiction to settle any dispute arising from or connected with it.

**g. Director Letters of Appointment**

- i. Terms of the letters of appointment and services agreements are replicated for each of the three non-executive directors, summarised as follows:
  - a) either of the Company or the director may terminate the appointment upon three months' written notice to the other party;
  - b) the director is required to retire and seek re-election by the shareholders at each AGM. The director's continued appointment is contingent on satisfactory performance and re-election by the shareholders as required by the Articles. If the shareholders do not re-elect the director as a director of the Company in accordance with the Articles, his appointment shall terminate automatically and with immediate effect;
  - c) the Company has the right to terminate the appointment in certain standard events, including *inter alia* the director being disqualified from acting as a director, non-compliance with the Company's anti-corruption or bribery policy or the Bribery Act 2010 or any serious or repeated breach or non-observance of obligations to the Company (including obligations not to breach statutory, fiduciary or common-law duties);
  - d) the director's duties as a non-executive director include *inter alia*:
    - i) provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
    - ii) set the Company's strategic aims, ensure that the necessary financial and human resources are in place or available for the Company to meet its objectives, and review performance;
    - iii) set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met; and
    - iv) together with the other non-executive directors, acting through the Remuneration Committee of the Company, be responsible for determining appropriate levels of remuneration of executive directors (if any).
- ii. Stephen Harley ("**SH**"), Non-executive Director
  - a) SH was appointed as a non-executive director on 4 April 2020 and in connection therewith SH and the Company entered into a letter of appointment on 4 July 2020.
  - b) SH agreed to serve as director of the Company for an initial three-year term from 4 April 2020;
  - c) SH shall be paid a fee of £61,200 a year.
- iii. Letter of appointment for Saki Riffner ("**SR**"), Non-executive Director
  - a) SR was appointed as a non-executive director on 27 February 2020 and in connection therewith SR and the Company entered into a letter of appointment on 23 November 2020.
  - b) SR agreed to serve as director of the Company for an initial three-year term from 27 February 2020.
  - c) No fee is payable to SR.
- iv. Letter of appointment for Adrian Collins ("**AC**"), Non-executive Director
  - a) AC was appointed on 3 April 2020 and in connection therewith Fincorp International Limited ("**Fincorp**") and the Company entered into an agreement for the provision of services by AC (as "**consultant**") to ESL plc on 10 September 2020 pursuant to which:
  - b) Fincorp (for the services of AC as consultant) shall be paid a fee of £80,000 plus VAT a year;

- c) AC agreed to serve as director of the Company for an initial three-year term from 3 April 2020.

### The Placing and Admission

- h. **Placing Agreement:** A placing agreement dated 9 December 2020 and made between the Company, Cenkos and Investec (the “**Placing Agreement**”) pursuant to which the Joint Brokers have agreed, subject to certain conditions, to act as agents for the Company and to use their respective reasonable endeavours to procure placees to subscribe for the Placing Shares at the Issue Price. The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 31 December 2020 (or such later date as the Company and the Joint Brokers may agree, being not later than 8.00 a.m. on 31 January 2021). The Placing Agreement contains warranties from the Company in favour of the Joint Brokers in relation to, *inter alia*, the accuracy of the information in this Document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify the Joint Brokers in respect of certain liabilities they may incur in respect of the Placing. The Joint Brokers have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event.

### GWSA Group Material Contracts

- i. **PIK Loan Facility:** This agreement between Alpha Persei Limited, a vehicle wholly owned by DBAY Funds, (as Lender) and Alpha (the “**Borrower**”), which owns the entire issued share capital of GWSA, the holding Company of the GWSA Group and is in turn wholly owned by Marcelos, provided the GWSA Group with £55,000,000 of liquidity, the proceeds being (i) on-lent by the Borrower to GWSA pursuant to a loan that was subordinated to the GWSA Group’s senior secured financing arrangements, and which has subsequently been capitalised for ordinary shares in GWSA, and/or (ii) used to settle transaction costs. The PIK Loan Facility permits voluntary pre-payments and has an interest rate of 18.00% compounding (at the option of the Borrower) quarterly or bi-annually. There is a bullet repayment on the date falling six years after funding.
- j. **Master deed of novation and assignment:** The conditions to completion of the DBAY Transaction included the pre-completion reorganisation of the Company, pursuant to which it was required that the Company novated and assigned certain agreements to GWSA such that GWSA assumed the benefit and burden of such agreements, including:
- i. employment contracts of Sébastien Desreumaux and Anoop Kang (both no longer employees);
  - ii. various advisor engagement letters; and
  - iii. deeds of indemnity (“**Director Deeds of Indemnity**”) entered into by the Company in favour of each of Alexander Laffey, Christopher Casey, Philip Swatman, Stephen Harley, Anoop Kang and Sébastien Desreumaux.

The master deed of novation and assignment (the “**Master Deed**”) in respect of the above is dated 9 December 2019. Separate deeds of novation were entered into between the Company, GWSA and each relevant third party detailed in (iii) above and in the Master Deed. Under the Master Deed, the liability of GWSA and Marcelos is capped at £1,000,000. The obligation on GWSA to pay the Company pursuant to the indemnity expires on 9 December 2020. Neither of Sébastien Desreumaux nor Anoop Kang are employees of the Company or a member of the Group.

- k. **Director Deeds of Indemnity:** Of the indemnified directors, only Stephen Harley remains a director of the Company or a member of the Group. The Director Deeds of Indemnity extend only to cover actions of the director for the time in which the individual remains a director / employee of the Company or a member of the Group and indemnify the named director or employee in respect of liabilities arising out of or in connection with any proceeding brought or threatened against the named individual for negligence, default, breach of duty, breach of trust or otherwise or in connection with the individuals acts or omissions while in the course of acting or purporting to act on behalf of the Company or any of its subsidiaries.

## 11. TAXATION

The comments in this section are intended as a general guide for UK resident Shareholders as to their tax position under United Kingdom law and HMRC practice as at the date of this Document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time, possibly with retrospective effect. The comments apply to Shareholders who are resident and, where an individual, domiciled for tax purposes in the UK, who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them.

Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

The position of Shareholders who are officers or employees of the Company is not considered in this Section. Such Shareholders may be subject to an alternative tax regime and should therefore seek tax advice specific to their individual circumstances. The position of UK resident but non-domiciled individuals claiming the remittance basis of taxation is also not considered in this section.

The tax position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies, tax-exempt organisations, trusts and collective investment schemes is not considered in this section.

**Any shareholder who is in doubt as to their tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult their own professional adviser.**

### a. Taxation of Chargeable Gains

For the purposes of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purposes of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will generally constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains.

#### i. UK Tax Resident Individuals

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£12,300 for 2020/21) and after taking account of any reliefs such as capital losses available to the individual.

For individuals, capital gains tax will be charged at 10% where the individual's taxable income (i.e. after any personal allowances) and gains are less than the upper limit of the income tax basic rate band (£37,500 for 2020/21). To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20%.

#### ii. UK Tax Resident Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company (up to 19% for the financial year 1 April 2020 to 31 March 2021).

### b. Taxation of Dividends

Under current United Kingdom legislation, no tax is required to be withheld from dividend payments by the Company.

i. UK Tax Resident Individuals

Individual Shareholders currently have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0%.

If an individual receives dividends in excess of this allowance, the excess will currently be taxed at the dividend ordinary rate of 7.5% for basic rate taxpayers, at the dividend higher rate of 32.5% for higher rate taxpayers, and at the dividend additional rate of 38.1% for additional rate taxpayers.

ii. UK Tax Resident Companies

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. Dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class.

c. **Stamp Duty and Stamp Duty Reserve Tax or SDRT**

No stamp duty or SDRT will generally be payable on the issue of the Placing Shares.

Transfers of the Ordinary Shares should be exempt from stamp duty and SDRT as long as the Ordinary Shares continue to be admitted to trading on AIM and are not listed on a Recognised Stock Exchange and AIM continues to be accepted as a “recognised growth market”

The above comments are a general guide only and may not apply to certain categories of person (e.g. market intermediaries) or types of arrangement (e.g. depositary arrangements and clearance services) to which special rules apply.

d. **Inheritance Tax**

Ordinary shares are assets situated in the UK for the purposes of UK inheritance tax.

Investors who are concerned about the potential UK inheritance tax implications of their Ordinary Shares should consult their own tax adviser.

## 12. INVESTING POLICY

The Company will seek to achieve its investment objective by making investments within the following parameters:

- **Sectors:** Logistics, Transport, Warehousing, e-Fulfilment assets.
- **Size:** Small to transformational.
- **Type:** Stand-alone, or add-on for existing assets.
- **Geography:** UK-focused but also continental Europe.
- **Characteristics:** Scope for substantial operational improvements or value creation; high growth markets; and offering synergies with the existing portfolio.
- **Ownership:** Controlling stakes, or minority stakes with the ability to effect change through active management.
- **Hold period:** 2-5 years targeted.
- **Concentration:** relatively concentrated portfolio expected, with in excess of 50% of the portfolio exposed to one asset initially.
- **Market:** Private or public.
- **Leverage:** Private equity style funding structures with anticipated net financial debt levels of 3-5x EBITDA.

- **Restrictions:** No assets or businesses which do not sufficiently meet the criteria detailed above, or where equity returns are primarily driven by high levels of financial leverage or fundamental strategic change.

The Company would need to raise additional funds in order to make further acquisitions in the form of equity and/or debt. Subject to the composition of the Company's share register, it is possible that any equity fundraising for those purposes will, subject to the requisite Shareholder approvals, be carried out on a non-pre-emptive basis.

Given the Company's existing investments, the Investing Policy is deemed to have been substantially implemented. Any material changes to the Investing Policy would be subject to Shareholder approval.

### 13. ENVIRONMENTAL ISSUES

To the best of the Company's knowledge, the Company is unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

### 14. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company (taking into account the net proceeds of the Placing and the Subscription) is sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

### 15. LITIGATION

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings during the 12 months preceding the date of this Document and the Company is not aware of any such proceedings pending or threatened by or against the Company and/or the Group which may have or have had in the recent past a significant effect on the financial position or profitability of the Company and or the Group.

### 16. OTHER REGULATORY MATTERS

#### a. Disclosure of Interests in Shares

- A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. In addition, AIM Rule 17 requires notification without delay of any changes to the holding of a significant shareholder (as defined in the AIM Rules, which may include a Director) above 3% which increase or decrease such holding through any single percentage point. Schedule 5 to the AIM Rules specifies what information must be disclosed.
- Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

#### b. Takeovers

- The Takeover Code applies to the Company. The Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM.
- Pursuant to sections 979 to 982 of the Act, where the offeror has by way of a takeover offer as defined in section 974 of the Act acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which an offer

relates and where the shares to which the offer relates represent not less than 90% of the voting rights in the company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

- iii. Pursuant to sections 983 to 985 of the Act, where an offeror makes a takeover offer as defined by section 974 of the Act and, by virtue of acceptances of the offer and any other acquisitions holds or has agreed to acquire not less than 90% of the shares in the target (or if the offer relates to a class of 148 shares 90% of the shares in that class) and which carry not less than 90% of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer.

## 17. GENERAL

- a. Save as disclosed in this Document, there has been no significant change in the financial position or financial performance of the Company since 31 May 2020, being the date to which the Company's unaudited interim results were prepared.
- b. Cenkos, which is regulated by the Financial Conduct Authority, in its capacity as Nominated Adviser and joint broker to the Company has given and has not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it appears. Cenkos has no material interest in the Company.
- c. Investec, which in the United Kingdom is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in its capacity as joint broker to the Company has given and has not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it appears. Investec has no material interest in the Company.
- d. The net proceeds of the Subscription, Placing and Open Offer are expected to be approximately £14.7 million net of expenses which are estimated to amount to approximately £1.3 million (including VAT) (of which £125,000 shall be satisfied by the subscription for Ordinary Shares by Cenkos) and are payable by the Company.
- e. There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.
- f. There are no arrangements under which future dividends are waived or agreed to be waived.
- g. The financial information set out in this Document does not constitute statutory accounts within the meaning of section 434 of the Act. Statutory accounts have been delivered to the registrar of companies for the periods ended 30 November 2018 and 30 November 2019. Auditors' reports in respect of each statutory accounts have been made under section 235 of the 1985 Act and/or section 495 of the Act and each such report was an unqualified report and did not contain any statement under section 237(2) or (3) of the 1985 Act or section 498(2) or (3) of the Act.
- h. The Ordinary Shares will only be traded on AIM.
- i. The Company's registrar and paying agent for the payment of dividends is Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
- j. Save as disclosed in this Document, and except for fees payable to the professional advisers and/or payments to trade suppliers, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

- k. Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- l. Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- m. Save as disclosed in this Document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.

**18. AVAILABILITY OF THIS DOCUMENT**

Copies of this Document shall be available free of charge from the Company's website at <https://eddiestobart.com/investors-2020/>.

**19. DOCUMENTS AVAILABLE FOR INSPECTION ON WEBSITE**

Copies of the following documents will be available for inspection on the Company's website, <https://eddiestobart.com/investors-2020/> up to and including the General Meeting to be held at 11:00 a.m. on 29 December 2020:

- a. the Memorandum and Articles of Association of the Company;
- b. consolidated audited historical financial information for the two years ended 30 November 2019; and unconsolidated unaudited interim results for the six months ended 31 May 2020;
- c. the consent letter from Cenkos, who has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name and its advice to the Independent Directors in the form and context in which they appear;
- d. the Investment Management Agreement; and
- e. this Document.

Dated: 9 December 2020

## PART VI:

### ADDITIONAL INFORMATION ON WHITEWASH / WAIVER OF RULE 9

For the purpose of this PART VI:

“**acting in concert**” has the meaning attributed to it in the Takeover Code;

“**arrangement**” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

“**connected person**” has the meaning attributed to it in section 252 of the Companies Act 2006;

“**control**” means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;

“**dealing**” or “**dealt**” includes the following:

- (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

“**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure date**” means 8 December 2020, being the latest practicable date prior to the posting of this Document;

“**disclosure period**” means the period commencing on 9 December 2019 being the date 12 months prior to the date of the posting of this Document and ending on the disclosure date;

being “**interested**” in relevant securities includes where a person:

- (a) owns relevant securities;
- (b) has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

“**relevant securities**” includes:

- (a) shares and any other securities carrying voting rights;

- (b) equity share capital (or derivatives referenced thereto);
- (c) securities carrying conversion or subscription rights (including traded options); and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

**NOTE:**

Under the Takeover Code, a **concert party** arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. **Control** means holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

**1. INTRODUCTION**

All members of the Concert Party other than the DBAY Funds, are deemed to be acting in concert with the DBAY Funds by virtue of their relationship with the DBAY Funds, in the case of William Stobart, as an advisor to the DBAY Funds in relation to the DBAY Transaction, and in the case of others, as employees of or partners in DBAY Funds. As at the date of this Document, the DBAY Funds along with the other members of the Concert Party have an interest in Ordinary Shares equating to an aggregate of 29.90% of the issued share capital of the Company as detailed in the table below:

| Name of ultimate beneficial owner | Number of Ordinary Shares held | Percentage of the issued share capital of the Company (%) |
|-----------------------------------|--------------------------------|---|
| The DBAY Funds                    | 102,804,300                    | 27.10   |
| William Stobart                   | 2,489,844                      | 0.66  |
| Alex Pausco                       | 2,863,350                      | 0.75  |
| Colin Kingsnorth                  | 1,342,195                      | 0.35  |
| Andrew Pegge                      | 1,342,195                      | 0.35  |
| Saki Riffner                      | 1,118,496                      | 0.29  |
| Mike Branigan                     | 894,797                        | 0.24  |
| Mike Haxby                        | 357,918                        | 0.09  |
| Peter Nixon                       | 223,699                        | 0.06  |
| David Morrison                    | —                              | —   |
| <b>Total</b>                      | <b>113,436,794</b>             | <b>29.90</b>  |

It is expected that, following completion of the Placing and Subscription and assuming all members of the Concert Party take up their basic entitlements in full (but no excess entitlements) under the Open Offer, but that no other New Ordinary Shares are subscribed for under the Open Offer, the DBAY Funds, along with all other members of the Concert Party will have an interest in a maximum of 232,408,408 Ordinary Shares, representing a maximum of 38.49% of the voting rights of the Company, as detailed in the table below. The Independent Directors have undertaken to use their discretionary powers under the terms of the Open Offer to scale back any applications by members of the Concert Party in excess of their Open Offer Entitlements. No member of the Concert Party will therefore be allotted shares under the Excess Application Facility.

| <b>Name of ultimate beneficial owner</b> | <b>Number of ordinary shares held at Admission</b> | <b>Percentage of the issued share capital of the Company at Admission (%)</b> |
|--|--|---|
| The DBAY Funds                           | 189,441,891  | 31.37   |
| William Stobart                          | 4,811,086  | 0.80  |
| Alex Pausco                              | 9,722,790  | 1.61  |
| Colin Kingsnorth                         | 11,838,807   | 1.96  |
| Andrew Pegge                             | 1,838,807  | 0.30  |
| Saki Riffner                             | 4,532,340  | 0.75  |
| Mike Branigan                            | 3,225,872  | 0.53  |
| Mike Haxby                               | 1,290,348  | 0.21  |
| Peter Nixon                              | 706,468  | 0.12  |
| David Morrison                           | 5,000,000  | 0.83  |
| <b>Total</b>                             | <b>232,408,408</b>                                 | <b>38.49</b>  |

If all members of the Concert Party and all other Shareholders take up their entitlements under the Open Offer, the Concert Party will hold 33.10% of the issued share capital of the Company.

The Company applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Concert Party to hold up to 232,408,408 Ordinary Shares as a result of the Placing, Subscription and Open Offer, equivalent to up to 38.49% of the Enlarged Share Capital.

## **2. Interests and dealings in relevant securities**

The DBAY Funds have not made any dealings in the Company's shares 12 months preceding the date of this Document.

The Panel will not normally waive an obligation under Rule 9 of the Takeover Code if any member of the Concert Party, or any person acting in concert with it, has acquired any interest in Ordinary shares in the Company in the 12 months preceding the date of this Document but subsequent to negotiations, discussions or the reaching of understandings and/or agreements with the Directors in relation to the proposed issue of new Ordinary Shares. In addition, the Rule 9 Waiver will be invalidated if any acquisition of any interest in Ordinary Shares in the Company are made in the period between the date of this Document and the General Meeting.

Save as disclosed in this Document, as at the disclosure date, none of the DBAY Funds, any related trust, any connected persons, or any other members of the Concert Party, had any interest in or a right to subscribe for, or had any short position in relation to, any relevant securities in the Company, nor had any such person dealt in any relevant Company securities during the disclosure period.

Save as disclosed in this Document, as at the disclosure date, none of the DBAY Funds, any related trust, any connected persons, or any other members of the Concert Party, had borrowed or lent any relevant Company securities (save for any borrowed shares which have either been on-lent or sold) or dealt in relevant securities during the disclosure period nor owns or is interested in any relevant securities (whether by interests, rights to subscribe or short positions).

Save as disclosed in this Document, at the disclosure date:

- a. none of the DBAY Directors (including any members of their respective immediate families, related trusts or connected persons) had any interest in or a right to subscribe for, or has any short positions in relation to any relevant securities of the Company, nor had any such person dealt in any relevant Company securities during the disclosure period;
- b. no member of the Concert Party had any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of the Company, nor had any such person dealt in any relevant Company securities during the disclosure period; and
- c. none of the DBAY Directors (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company nor the Company had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

### **3. Additional disclosures required by the Takeover Code**

- a. Save as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since the publication of the annual audited accounts of the Company for the twelve months ended 30 November 2019 (being the date to which the Company's most recent annual report has been prepared).
- b. Save as disclosed in this Document, none of the DBAY directors have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.
- c. Other than the Investment Management Agreement, no arrangement or understanding (including any compensation arrangement) exists between the DBAY Funds or any other member of the Concert Party and any of the Directors, recent directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the Ordinary Shares, having any connection with or dependence upon the Subscription, Placing and Open Offer. There are no arrangements for the transfer of any securities acquired by the DBAY Funds or any other member of the Concert Party under the Placing, Subscription or Open Offer.
- d. In the period of 12 months immediately preceding the date of this Document:
  - i. the Company has undertaken no dealings in its own Ordinary Shares.
  - ii. save as otherwise disclosed in this Document, there have been no dealings in relevant securities by the Company or the Directors, or any person acting in concert with the Company or the Directors, or by the Concert Party.
  - iii. no relevant securities have been borrowed or lent by the Company or the Directors, or any person acting in concert with the Company or the Directors, or by the Concert Party.
- e. Save as disclosed, as at the close of business on the disclosure date and during the disclosure period:
  - i. none of the Concert Party, its members or its connected persons had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such party dealt in any relevant Company securities;
  - ii. the Concert Party had not borrowed or lent any relevant Company securities;
  - iii. neither the Company, nor any of the Directors nor any member of their immediate families or related trusts or connected persons, nor any person acting in concert with the Company had an interest in or a right to subscribe for, or had any short position in any relevant Company securities or has dealt in any relevant Company securities in the disclosure period;
  - iv. neither the Company nor any person acting in concert with the Company had borrowed or lent any relevant Company securities; and

- v. the Company has not redeemed or purchased any relevant Company securities.
- f. As at the close of business on the disclosure date and during the disclosure period:
  - i. no incentivisation arrangements have been entered into and there are no proposals as to any incentivisation arrangements between the Concert Party (on the one hand) and the Directors (on the other hand) requiring to be disclosed under Rule 16.2 of the Takeover Code;
  - ii. the Concert Party has not entered into any agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent directors of the Company, Shareholders, recent shareholders or any other person interested or recently interested in existing Ordinary Shares which are connected with or dependent upon the outcome of the proposals set out in this Document;
  - iii. the Concert Party has not entered into any agreement, arrangement or understanding to transfer to any other person any interest acquired in the Company pursuant to the Placing, the Subscription or the Open Offer;
  - iv. none of the Concert Party, its members or its connected persons is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code.
  - v. none of the Company, its Directors or any person acting in concert with Directors is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code.
- g. The Directors confirm that no potentially disqualifying transactions, as described in Note 5 to Rule 37.1 of the Takeover Code, have been undertaken by the Concert Party during the disclosure period.
- h. Save as disclosed in relation to Saki Riffner, neither the Company nor any of the Directors is interested in relevant securities of DBAY.

#### **4. Directors' service agreements, non-executive letters of appointment and consultancy agreements**

There are no other service contracts between the Directors and the Company, and no service contracts have been entered into nor have existing service contracts been replaced or amended during the period of six months prior to the date of this Document.

#### **5. DBAY Transaction**

On 9 December 2019, under the DBAY Transaction, DouglasBay Capital III Fund LP, a fund managed by DBAY completed the acquisition of an indirect 51% equity stake in GWSA, the holding company of the Eddie Stobart trading entities (including Eddie Stobart Limited, iForce Group Limited and The Pallet Network). Accordingly, as a result of the DBAY Transaction, the Company's equity interest in the Eddie Stobart trading entities was reduced from 100% to 49%. On completion of the DBAY Transaction, GWSA issued Loan Notes to Alpha, an entity controlled DBAY.

#### **6. About DBAY**

DBAY is an Isle of Man-based asset management firm with offices in London and Douglas, Isle of Man. Founded in 2011, DBAY is owned by its partners and is regulated and licensed by the Isle of Man Financial Services Authority. The firm follows a value investing approach and invests in listed equities across Europe, as well as in private equity style control investments. Capital is managed on behalf of institutional investors, trusts, foundations, family offices and pension funds.

DBAY's holding in the Company is (and will continue to be) held as an investment by the relevant funds. Its participation in the Placing and Open Offer will not have any impact on DBAY's business strategy, business, locations (including head office or head office functions) or the continuity or conditions of employment of its personnel and management of DBAY.

DBAY's investment in the Company in the Placing and Open Offer will be by way of existing cash resources.

## **7. Profiles of the Concert Party**

William Stobart – is Executive Chairman of GWSA.

Alex Paiusco – is co-founder and partner of DBAY and his role is Chief Executive Officer.

Colin Kingsnorth – is a non-executive director of DBAY .

Andrew Pegge – is a former non-executive director of DBAY.

Saki Riffner – is partner and co-founder of DBAY and a non-executive director of the Company.

Mike Branigan – is operating partner of DBAY and leads the operating professionals.

Mike Haxby – is co-founder and partner of DBAY and his role is Chief Financial Officer and Chief Operating Officer.

Peter Nixon – is operating partner of DBAY with a focus on financial and accounting matters.

David Morrison – is a director of DBAY and senior member of the investment team.

## **8. DBAY Directors**

Mike Haxby, Colin Kingsnorth, Jim Mara, Clive Parrish, Alex Paiusco, Alexandra Ammann-Pfennig, David Morrison and Saki Riffner

## **9. Website containing audited financial accounts for last two years**

The accounts at the website referred to on page 74 have been incorporated into this Document by reference to that website.

## **10. Material Contracts**

Other than the contracts entered into in the ordinary course of business, or as disclosed under Paragraph 10 “Material Contracts” of Part V: “Additional Information About the Company” of this Document, there are no material contracts entered into by the Concert Party in connection with their investment in the Company within the two years immediately preceding the date of this Document.

## **11. Responsibility**

The directors of DBAY accept responsibility for the information contained in this Document (including any expressions of opinion) relating to the DBAY Funds and all other members of the Concert Party. To the best of the knowledge and belief of the directors of DBAY the information contained in this Document for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **12. Middle market quotations**

Set out below are the closing middle-market quotations for the Ordinary Shares for the first dealing day of each of the six months immediately preceding the date of this Document and for 8 December 2020 (being disclosure date).

| <b>Date</b>      | <b>Closing middle-market quotation</b> |
|------------------|--|
| 8 December 2020  | 8.000p                                 |
| 2 November 2020  | 7.500p                                 |
| 1 October 2020   | 6.950p                                 |
| 1 September 2020 | 7.680p                                 |
| 3 August 2020    | 8.150p                                 |
| 1 July 2020      | 7.000p                                 |
| 1 June 2020      | 7.800p                                 |

## PART VII:

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

As explained in Part I: “Letter from the Chairman” of this Document, the Company proposes to issue up to 140,358,528 Open Offer Shares at the Issue Price in order to raise approximately £7.0 million (before fees and expenses) through the issue of the Open Offer Shares to Qualifying Shareholders at the Issue Price (assuming that the Open Offer is subscribed in full and subject to the Maximum Limit).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

The Open Offer has not been underwritten. There may be no more than 140,358,528 Open Offer Shares issued under the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 9 December 2020, when the Existing Ordinary Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied (subject to the terms and conditions set out in this Document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This Document and, for Qualifying Non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 – “Procedure for Application and Payment” of this Part VII which gives details of the procedure for application and payment for the Open Offer Shares. The attention of any overseas shareholders (including Excluded Overseas Shareholders) is drawn to paragraph 6 – “Overseas Shareholders” of this Part VII.

#### 2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price (payable in full on application and free of all expenses) and will have a Basic Entitlement of:

##### **37 Open Offer Shares for every 100 Existing Ordinary Shares**

registered in the name of each Qualifying Shareholder on the Record Date. Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application

Facility. Qualifying Shareholders with fewer than 100 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9% Aggregate Limit.

Please refer to paragraphs 4(a)(iii) and 4(b)(iii) of this Part VII for further details of the Excess Application Facility.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 4(b)(i) to 4(b)(xii) of this Part VII and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 7 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9% Aggregate Limit. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 3, 4 and 5 on the Application Form. Excess Applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

The maximum aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 140,358,528 Open Offer Shares.

Following the close of the subscription period under the Open Offer, any Open Offer Shares not subscribed for by Qualifying Shareholders may be placed by the Company with institutional investors to satisfy any further demand at such time.

**Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.**

**Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 9 December 2020 is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible.**

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 10 December 2020.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **3. Conditions and further terms of the Open Offer**

The Open Offer is conditional, *inter alia*, upon the following:

- (a) the passing, without amendment, of the Resolutions at the General Meeting and the Resolutions becoming unconditional;
- (b) the Placing Agreement and Subscription Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms
- (c) the London Stock Exchange agreeing to admit (subject only to allotment where relevant) the Enlarged Ordinary Share Capital to trading on AIM; and
- (d) Admission becoming effective by not later than 8.00 a.m. on 31 December 2020 (or such later time and/or date as may be agreed between the Company and the Joint Brokers being no later than 8.00 a.m. on 31 January 2021).

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 31 December 2020 (or such later time and/or date as may be agreed between the Company and the Joint Brokers, being no later than 8.00 a.m. on 31 January 2021), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 10 Business Days of Admission. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 31 December 2020.

Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. Admission is expected to occur on 31 December 2020, when dealings in the Enlarged Ordinary Share Capital are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Document, the Company will make an appropriate announcement to a RIS giving details of the revised dates.

### **4. Procedure for Application and Payment**

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Basic Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4(b)(vii) of this Part VII.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, strongly encouraged to vote at the General Meeting by completing and returning the Form of Proxy enclosed with this Document.

(a) *If you have an Application Form in respect of your entitlement under the Open Offer*  
(i) *General*

Subject as provided in paragraph 6 – “Overseas Shareholders” of this Part VII in relation to Excluded Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the number of Open Offer Shares which represents their Basic Entitlement under the Open Offer, as shown by the total number of Basic Entitlements allocated to them set out in Box 7. Box 8 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 2, 4 and 5.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders’ Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 100 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 100 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Facility (see paragraph 4(a)(iii) of this Part VII). Qualifying Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 2, 4 and 5 of the Application Form.

Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder’s Basic Entitlement, subject always to the 29.9% Aggregate Limit, by completing Boxes 2, 3, 4 and 5 of the Application Form (see paragraph 4(a)(iii) of this Part VII). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4(a)(ii) of this Part VII).

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

(ii) *Bona fide* market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 22 December 2020. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser.

Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4(b)(ii) of this Part VII.

(iii) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted along with a cheque or banker’s draft written in black ink drawn in the appropriate form using the accompanying reply-paid envelope (if posted from the UK only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 December 2020, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) with the prior consent of Cenkos and Investec to accept either:

- (A) application Forms received after 11.00 a.m. on 24 December 2020; or
- (B) applications in respect of which remittances are received before 11.00 a.m. on 24 December 2020 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant’s own risk.

If Open Offer Shares have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder’s cheque or banker’s draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder’s

application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, the Joint Brokers or the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

*(iv) Payments*

All payments must be in pounds sterling.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added either the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post dated cheques will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

*(v) Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Registrars reserves the right:

- (A) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (C) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

*(vi) Excess Application Facility*

Subject to availability and to the below, and assuming that Qualifying Non-CREST Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9% Aggregate Limit, may do so by completing Boxes 2, 3, 4 and 5 of the Application Form.

The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Shareholder's 29.9% Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

*(vii) Effect of application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:

- (A) represents and warrants to the Company and the Joint Brokers that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; agrees with the Company and the Joint Brokers that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (B) confirms to the Company and the Joint Brokers that in making the application he is not relying on any information or representation in relation to the Company or its underlying investments other than those contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this Document, he will be deemed to have had notice of all information in relation to the Company and its underlying investments contained in this Document;
- (C) confirms to the Company and the Joint Brokers that in making the application he is not relying and has not relied on the Joint Brokers or any other person affiliated with either of the Joint Brokers in connection with any investigation of the accuracy of any information contained in this Document or his investment decision;
- (D) confirms to the Company and the Joint Brokers that no person has been authorised to give any information or to make any representation concerning the Company or the Open Offer Shares (other than as contained in this

Document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company and the Joint Brokers;

- (E) represents and warrants to the Company and the Joint Brokers that he is the Qualifying Shareholder originally entitled to the Basic Entitlements or that he received such Basic Entitlements by virtue of a *bona fide* market claim;
- (F) represents and warrants to the Company and the Joint Brokers that if he has received some or all of his Basic Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a *bona fide* market claim;
- (G) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and the Application Form, subject to the Articles;
- (H) represents and warrants to the Company and the Joint Brokers that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (I) confirms that the Open Offer Shares have not been offered to the applicant by the Company, the Joint Brokers or any of their respective affiliates, by means of any: (a) "directed selling efforts" as defined in Regulation S under the U.S. Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the U.S. Securities Act;
- (J) by becoming registered as a holder of Open Offer Shares, he acknowledges and agrees that the processing by the Company and/or the Registrars and/or the Joint Brokers of any personal data relating to him in the manner described above is undertaken for the purposes of: (a) performance of the contractual arrangements between them; and (b) to comply with applicable legal obligations. In providing the Company and/or the Registrars and/or the Joint Brokers with information, he hereby represents and warrants to each of them that he has notified any data subject of the processing of their personal data (including the details set out above) by the Company, the Registrars and/or the Joint Brokers and their respective affiliates and group companies, in relation to the holding of and using, their personal data for the Purposes. Any individual whose personal information is held or processed by a data controller: (a) has the right to ask for a copy of their personal information held; (b) to ask for any inaccuracies to be corrected or for their personal information to be erased; (c) object to the ways in which their information is used, and ask for their information to stop being used or otherwise restricted; and (d) ask for their personal information to be sent to them or to a third party (as permitted by law). A data subject seeking to enforce these rights should contact the relevant data controller. Individuals also have the right to complain to the UK Information Commissioner's Office about how their personal information has been handled; and

- (K) represents and warrants to the Company and the Joint Brokers that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.
- (b) *If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

*(i) General*

Subject as provided in paragraph 6 – “Overseas Shareholders” of this Part VII in relation to certain Excluded Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Basic Entitlement together with a credit Excess CREST Open Offer Entitlements equal to 10 times their Record Date holding of Ordinary Shares. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlement they have been credited then they should contact the Shareholder helpline on 0371 664 0321 or by email to: [operationalsupportteam@linkgroup.co.uk](mailto:operationalsupportteam@linkgroup.co.uk) to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlement to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline, subject always to the 29.9% Aggregate Limit) (see paragraph 4(b)(iii) of this Part VII for further details). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders’ Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 100 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 100 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4(b)(iii) of this Part VII).

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 3.00 p.m. on 21 December 2020, or such later time and/or date as may be agreed between the Company, Cenkos and Investec, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Group on 0371 664 0321. 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. The helpline is open between 9.00 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

*(ii) Bona fide market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic

Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlements and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant CREST Open Offer Entitlements and Euroclear's Claims Processing Unit will not generate market claims for Excess CREST Open Offer Entitlements and any Qualifying Shareholder who requires Excess CREST Open Offer Entitlement to be credited to their CREST Account should contact Link Group on 0371 664 0321 . Lines are open from 9.00 a.m. – 5.30 p.m. (London Time) Monday to Friday excluding public holidays in England and Wales will thereafter be transferred accordingly.

*(iii) Excess Application Facility*

Subject to availability and to the below, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying CREST Shareholder's Basic Entitlement, subject always to the 29.9% Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 – "Overseas Shareholders" of this Part VII in relation to Excluded Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4(b)(vi) below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlement and the Excess CREST Open Offer Entitlements will thereafter be transferred accordingly. Euroclear's Claims Processing Unit will not generate market claims for the Excess CREST Open Offer Entitlements.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility, subject always to the 29.9% Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's sole risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

*(iv) Unmatched Stock Event (USE instructions)*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (A) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (B) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4(b)(iv)(A) above.

*(v) Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (A) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Basic Entitlement. This is GB00BMCWGY34;
- (C) the CREST participant ID of the accepting CREST member;
- (D) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (E) the participant ID of Link Group in its capacity as Receiving Agent. This is 7RA33;
- (F) the member account ID of Link Group in its capacity as Receiving Agent. This is 20996ESL;
- (G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4(b)(v)(A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 24 December 2020; and
- (I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 24 December 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 24 December 2020 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 31 December 2020 (or such later time and/or date as may be agreed between the Company, Cenkos and Investec, being no later than 8.00 a.m. on 31 January 2021), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

*(vi) Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (A) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BMCWGZ41;
- (C) the CREST participant ID of the accepting CREST member;
- (D) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (E) the participant ID of Link Group in its capacity as Receiving Agent. This is 7RA33;
- (F) the member account ID of Link Group in its capacity as Receiving Agent. This is 20996ESL;
- (G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4(b)(vi)(A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 24 December 2020; and
- (I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 24 December 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 24 December 2020 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 31 December 2020 (or such later time and/or date as may be agreed between the Company and the Joint Brokers, being no later than 8.00 a.m. on 31 January 2021), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer

Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

*(vii) Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer can be applied for through an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 December 2020. After depositing their Basic Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 22 December 2020 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements from CREST is 4:30 p.m. on 18 December 2020, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility as the case may be prior to 11.00 a.m. on 24 December 2020.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

*(viii) Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 24 December 2020 will constitute a valid application under the Open Offer.

*(ix) CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 24 December 2020. In this connection CREST members and (where applicable) their CREST sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*(x) Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (A) to reject the application in full and refund the payment to the CREST member in question, without payment of interest;
- (B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and
- (C) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

*(xi) Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (A) represents and warrants to the Company and the Joint Brokers that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (C) agrees with the Company and the Joint Brokers that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
- (D) confirms to the Company and the Joint Brokers that in making the application he is not relying on any information or representation in relation to the Company other than those contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this Document, he will be deemed to have had notice of all the information in relation to the Company contained in this Document;

- (E) confirms to the Company and the Joint Brokers that in making the application he is not relying and has not relied on the Joint Brokers or any other person affiliated with either of them in connection with any investigation of the accuracy of any information contained in this Document or his investment decision;
- (F) confirms to the Company and the Joint Brokers that no person has been authorised to give any information or to make any representation concerning the Company or the Open Offer Shares (other than as contained in this Document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company and the Joint Brokers;
- (G) represents and warrants to the Company and the Joint Brokers that he is the Qualifying Shareholder originally entitled to the Basic Entitlements and Excess CREST Open Offer Entitlements or that he has received such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (H) represents and warrants to the Company and the Joint Brokers that if he has received some or all of his Basic Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (I) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the Articles (as amended by the Resolutions);
- (J) represents and warrants to the Company and the Joint Brokers that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (K) confirms that the Open Offer Shares have not been offered to the applicant by the Company and the Joint Brokers or any of their respective affiliates, by means of any: (a) “directed selling efforts” as defined in Regulation S under the U.S. Securities Act; or (b) “general solicitation” or “general advertising” as defined in Regulation D under the U.S. Securities Act;
- (L) acknowledges and agrees that, pursuant to the General Data Protection Regulation as implemented in the United Kingdom by the Data Protection Act 2018 (“GDPR”) the Company and/or the Registrars and/or the Joint Brokers may hold personal data (as defined in the GDPR) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Company, the Registrars and/or Cenkos and/or Investec will only process such information for the purposes set out below (collectively, the “Purposes”), being to: (a) process his personal data to the extent and in such manner as is necessary for the performance of their obligations under the contractual arrangements between

them, including as required by or in connection with his holding of Ordinary Shares in CREST, including processing personal data in connection with credit and money laundering checks on him; (b) communicate with him as necessary in connection with his affairs and generally in connection with his holding of Ordinary Shares in CREST; (c) provide personal data to such third parties as the Company, the Registrars and/or the Joint Brokers may consider necessary in connection with his affairs and generally in connection with his holding of Ordinary Shares or as the GDPR may require, including to third parties outside the United Kingdom and/or the European Economic Area;

- (M) without limitation, provide such personal data to their respective affiliates for processing, notwithstanding that any such party may be outside the United Kingdom and/or the European Economic Area; and
- (N) process his personal data for the Company's, the Registrars' and/or Cenkos' and/or Investec's internal administration;
- (O) by becoming registered as a holder of Open Offer Shares, he acknowledges and agrees that the processing by the Company and/or the Registrars and/or Cenkos and/or Investec of any personal data relating to him in the manner described above is undertaken for the purposes of: (a) performance of the contractual arrangements between them; and
- (P) to comply with applicable legal obligations. In providing the Company and/or the Registrars and/or the Joint Brokers with information, he hereby represents and warrants to each of them that he has notified any data subject of the processing of their personal data (including the details set out above) by the Company, the Registrars and/or Joint Brokers and their respective affiliates and group companies, in relation to the holding of, and using, their personal data for the Purposes. Any individual whose personal information is held or processed by a data controller: (a) has the right to ask for a copy of their personal information held; (b) to ask for any inaccuracies to be corrected or for their personal information to be erased; (c) object to the ways in which their information is used, and ask for their information to stop being used or otherwise restricted; and (d) ask for their personal information to be sent to them or to a third party (as permitted by law). A data subject seeking to enforce these rights should contact the relevant data controller. Individuals also have the right to complain to the UK Information Commissioner's Office about how their personal information has been handled; and represents and warrants to the Company and the Joint Brokers that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

*(xii) Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion but with the prior consent of the Joint Brokers:

- (A) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part VII;
- (B) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (C) treat a properly authenticated dematerialised instruction (in this subparagraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST

Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (D) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

## 5. Money Laundering Regulations

### (a) *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the “**relevant Open Offer Shares**”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent, the Company and the Joint Brokers from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

- (i) The verification of identity requirements will not usually apply:

- (A) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC)); or
  - (B) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
  - (C) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
  - (D) if the aggregate subscription price for the Open Offer Shares is less than €10,000 (approximately £9,100 as at the disclosure date).
- (ii) In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:
- (A) if payment is made by cheque or banker's draft in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, should be written in black ink and made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C " in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/ bankers' draft to such effect. The account name should be the same as that shown on the Application Form; or
  - (B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5(a)(i)(A) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the U.S. and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
  - (C) To confirm the acceptability of any written assurance referred to in paragraph 5(a)(ii)(B) above, or in any other case, the acceptor please contact Link Group on 0371 664 0321 . 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. The helpline is open between 9.00 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
  - (D) If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 24 December 2020, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

(b) *Basic Entitlements and Excess CREST Open Offer Entitlements in CREST*

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

## 6. Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any overseas shareholders who are in any doubt as to their position should consult their professional advisers without delay.

(a) *General*

**The distribution of this Document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.**

No action has been or will be taken by the Company or the Joint Brokers or any other person to permit a public offering or distribution of this Document (or any other offering or publicity materials or application forms) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this Document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and neither Basic Entitlements nor Excess CREST Open Offer Entitlements will be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this Document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor the Joint Brokers (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company and the Joint Brokers determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Document and/or an Application Form and/or transfers Basic Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part VII and specifically the contents of this paragraph 6.

Subject to paragraphs 6(b) to 6(h) below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6(b) to 6(h) below.

Notwithstanding any other provision of this Document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into any Restricted Jurisdiction. Receipt of this Document and/or an Application Form and/or a credit of a Basic Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

*(b) United States*

Subject to certain exceptions, this Document and the Application Form is intended for use only in connection with offers of Open Offer Shares outside the United States and neither this Document nor any Application Form is to be sent or given to any person within the United States. The Open Offer Shares offered hereby are not being registered under the U.S. Securities Act, for the purposes of sales outside of the United States.

This Document and the Application Form may not be transmitted in or into the United States and may not be used to make offers or sales to U.S. holders of Existing Ordinary Shares.

Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the U.S. Securities Act and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

- (A) it is acquiring the Open Offer Shares from the Company in an "offshore transaction" as defined in Regulation S under the U.S. Securities Act; and
- (B) the Open Offer Shares have not been offered to it by the Company or the Joint Brokers or any of their affiliates by means of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act.

Each subscriber acknowledges that the Company and the Joint Brokers will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer Shares are no longer accurate, it shall promptly notify the

Company and the Joint Brokers. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the U.S. Securities Act.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company and the Joint Brokers reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the U.S. Securities Act.

*(c) Canada*

This Document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares are not being offered for subscription by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. No Application Form will be sent to and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a stock account in CREST of any Shareholder in the Company whose registered address is in Canada. If any Application Form is received by any Shareholder in the Company whose registered address is elsewhere but who is, in fact, a Canadian Person or the agent of a Canadian Person so resident, he should not apply under the Open Offer.

For the purposes of this paragraph 6, "Canadian Person" means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

*(d) Australia*

Neither this Document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (i) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the Open Offer Shares; or (ii) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia). Accordingly, no Application Form will be issued to, and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a CREST stock account of, Shareholders in the Company with registered addresses in, or to residents of, Australia. For the avoidance of doubt, the Investor, (which is an entity incorporated in, and with a significant presence in, Australia), will not be participating in the Open Offer.

(e) *Other Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements. The Open Offer shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Document or the Application Form into any Restricted Jurisdiction.

(f) *Other Overseas Territories*

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

(g) *Representations and warranties relating to Overseas Shareholders*

(i) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, the Joint Brokers and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (A) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction;
- (B) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it;
- (C) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (D) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:
  - (i) appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or

- (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the representation and warranty required by this subparagraph 6(g)(i).

(ii) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part VII represents and warrants to the Company and the Joint Brokers that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (a) neither it nor its client is within any Restricted Jurisdiction; (b) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (c) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (b) above at the time the instruction to accept was given; and (d) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

(h) *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion with the prior consent of the Joint Brokers. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## **7. No Withdrawal Rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

## **8. Admission, Settlement and Dealings**

The result of the Open Offer is expected to be announced on 29 December 2020. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that, subject to the Placing, the Subscription and the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 31 December 2020.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 24 December 2020 (disclosure date). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 31 December 2020). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched within 10 Business Days of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4(a) of this Part VII, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a RIS as soon as reasonably practicable after the results are known.

#### **9. Times and Dates**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Document and in such circumstances shall make an announcement on a RIS.

#### **10. Taxation**

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in paragraph 11 – “Taxation” of Part V: “Additional Information About the Company” of this Document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

#### **11. Governing Law and Jurisdiction**

The terms and conditions of the Open Offer as set out in this Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

#### **12. Further Information**

Your attention is drawn to the further information set out in this Document and also to the terms, conditions and other information printed on any Application Form.

## PART VIII:

### Q&A ON THE PLACING, THE SUBSCRIPTION AND OPEN OFFER

The questions and answers set out in this Part VIII are intended to be in general terms only and, as such, you should read the whole of this Document. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is duly authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part VIII deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part VII of this Document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Basic Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part VII of this Document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Link Shareholder helpline on 0371 664 0321 between 9.00 a.m. and 5.30 p.m. (London Time) Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this Document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, financial, tax or investment advice.

The contents of this Document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his/her or its own appropriate professional advisers for advice.

#### 1 *What is an Open Offer?*

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this particular instance, shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlements in full.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 140,358,528 Open Offer Shares at a price of 5 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 37 Open Offer Shares for every 100 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements, subject always to the 29.9% Aggregate Limit. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may (in consultation with Cenkos) determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Basic Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing or the Subscription.

2 *I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?*

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 9 December 2020 (the time when the Existing Ordinary Shares are expected to be marked “ex- entitlement” by the London Stock Exchange).

3 *I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?*

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- (i) how many Existing Ordinary Shares you held at the close of business on the Record Date;
- (ii) how many Open Offer Shares are comprised in your Basic Entitlement; and
- (iii) how much you need to pay if you want to take up your right to buy all your entitlement to Open Offer Shares

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this Document. Completed Application Forms should be returned, along with a cheque or banker’s draft written in black ink drawn in the appropriate form, by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 December 2020, after which time Application Forms will no longer be valid.

4 *I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?*

4.1 *If you do not want to participate in the Open Offer*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Basic Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 24 December 2020, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility. If you do not take up your Basic Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their economic interest would be proportionately diluted by the issue of New Ordinary Shares pursuant to the Placing and Subscription.

4.2 *If you want to take up some but not all of your Basic Entitlement*

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2, 4 and 5 of your Application Form. For example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write ‘25’ in Box 2 and ‘25’ in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, ‘25’) by 5 pence, which is the price of each Open Offer Share (giving you an amount of £1.25 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker’s draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable), together with a cheque or banker’s draft for

that amount, by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 December 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

Completed Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk within 10 Business Days of Admission.

#### 4.3 *If you want to take up all of your Basic Entitlement*

If you want to take up all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and 4 of your Application Form. For example, if you are entitled to take up 50 shares and want to take up all 50 shares, then you should write '50' in Box 2 and '50' in Box 4. The amount you need to pay for the Open Offer Shares is set out in Box 8. You should write this amount in Box 5 and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C" and crossed "A/C Payee Only", by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 December 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C". Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by completing the account name on the back of the cheque or draft and adding the branch stamp) may not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk within 10 Business Days of Admission.

#### 4.4 *If you want to apply for more than your Basic Entitlement*

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4. For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 2, '25' in Box 3 and '75' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by 5 pence, which is the price of each Open Offer Share (giving you an amount of £3.75 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence. You should then return your Application Form (ensuring that all joint holders sign (if applicable) by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 December 2020. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and be drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk within 10 Business Days of Admission.

#### 5 *I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?*

CREST members should follow the instructions set out in Part VII of this Document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlements under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

#### 6 *I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?*

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- (a) Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 7 December 2020 and who have converted them to certificated form;

- (b) Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 7 December 2020 but were not registered as the holders of those shares at 7 December 2020; and
- (c) Certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agent.

7 *Can I trade my Basic Entitlement?*

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Basic Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Basic Entitlement will have no rights under the Open Offer or receive any proceeds from it.

8 *What if I change my mind?*

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9 *What if the number of Open Offer Shares to which I am entitled is not a whole number; am I entitled to fractions of Open Offer Shares?*

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10 *I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Share?*

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 9 December 2020, you should contact the buyer or the person company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 9 December 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11 *I hold my Existing Ordinary Shares in certificated form. How do I pay?*

Completed Application Forms should be returned with a cheque or banker's draft written in black ink and drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "LMS re: Eddie Stobart Logistics plc – 2020 OO A/C". Cheques drawn on a non-UK bank will be rejected. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp. The name of the account holder should be the same as that shown on the Application Form. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will not be accepted.

- 12 *Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?*  
If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.
- 13 *I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?*  
You should send your completed Application Form by post together with the monies in the appropriate form, to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU . If you post your Application Form by first class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.
- 14 *I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?*  
The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 24 December 2020, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.
- 15 *How do I transfer my entitlements into the CREST system?*  
If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.
- 16 *I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?*  
It is expected that the Receiving Agent will post all new share certificates within 10 Business Days of Admission.
- 17 *If I buy Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?*  
If you bought your Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.
- 18 *What should I do if I live outside the United Kingdom?*  
Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Basic Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part VII of this Document.
- 19 *What should I do if I need further assistance?*  
Should you require further assistance please call the Receiving Agent on 0371 664 0321.

## APPENDIX:

### NOTICE OF GENERAL MEETING

## EDDIE STOBART LOGISTICS plc

*(Incorporated and registered in England and Wales with registered no. 08922456)*

Notice is hereby given that a General Meeting of EDDIE STOBART LOGISTICS plc (the “Company”) will be held at 11.00 a.m. on 29 December 2020 at the offices of King & Spalding, 125 Old Broad Street, London EC2N 1AR for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1, 3 and 4 will be proposed as ordinary resolutions and Resolution 2 will be proposed as a special resolution. All voting will be taken on a poll vote.

As a result of the ongoing COVID-19 pandemic and the measures that the UK Government has put in place restricting public gatherings and non-essential travel and for the health and safety of our shareholders, employees, advisers and the general public, the General Meeting will be a closed meeting and shareholders will not be able to attend in person. Given these restrictions in place, voting on the Resolutions will be conducted by way of a poll rather than a show of hands and all shareholders are strongly encouraged to vote by proxy, appointing the Chairman as a proxy to ensure that their vote can be cast.

#### 1. RESOLUTION 1 – Authority to allot New Ordinary Shares

That, conditional upon the passing of resolutions 2, 3 and 4, the directors of the Company (the “Directors”) be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “Act”), in addition to all existing authorities to the extent unused, to exercise all powers of the Company to allot ordinary shares of £0.01 each in the capital Company (“Ordinary Shares”) and to grant rights to subscribe for or convert any security into shares in the Company (such shares, and rights to subscribe for or convert any security into shares of the Company being “relevant securities”) provided that this authority shall be limited to:

- (a) the allotment of up to 108,800,000 new Ordinary Shares in connection with the Subscription (as such term is defined in the admission document published by the Company on 9 December 2020 (the “Admission Document”));
- (b) the allotment of up to 71,200,000 new Ordinary Shares in connection with the Placing (as such term is defined in the Admission Document);
- (c) the allotment of up to 140,358,528 new Ordinary Shares in connection with the Open Offer (as such term is defined in the Admission Document); and
- (d) the allotment (otherwise pursuant to sub-paragraphs (a) and b above) of relevant securities up to an aggregate nominal amount of £2,317,270,

and unless previously renewed, extended, varied or revoked by the Company in a general meeting, this resolution shall expire at the conclusion of the annual general meeting of the Company to be held in 2021, save that the Company may at any time before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired.

#### 2. RESOLUTION 2 – Disapplication of pre-emption rights

That, conditional upon the passing of resolutions 1, 3 and 4, the Directors be and they are hereby empowered pursuant to section 570(1) of the Act, in addition to all existing authorities to the extent unused, to allot equity securities (as defined in section 560(1) of the Act) of the Company for cash pursuant to the authority of the Directors under section 551 of the Act conferred by resolution 1 above as if section 561(1) of the Act did not apply to any such allotment provided the power conferred by this resolution shall be limited to:

- (a) the allotment of 108,800,000 new Ordinary Shares in connection with the Subscription (as such terms is defined in the Admission Document);

- (b) the allotment of 71,200,000 new Ordinary Shares in connection with the Placing (as such terms is defined in the Admission Document);
- (c) the allotment of up to 140,358,528 new Ordinary Shares in connection with the Open Offer (as such term is defined in the Admission Document);
- (d) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company (excluding any shares held by the Company as treasury shares (as defined in section 724(5) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and
- (e) the allotment (otherwise than pursuant to sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal value equal to £702,906,

and unless renewed, extended, varied or revoked by the Company in general meeting, this resolution shall expire at the conclusion of the annual general meeting of the Company to be held in 2021, save that the Company may at any time before such expiry, make offers or agreements which would or might require equity securities to be allotted in the Company after such expiry and the directors may allot such securities in pursuance of any such offer or agreement as is this authority had not expired.

### **3. RESOLUTION 3 – Whitewash Resolution**

That the waiver granted by the Panel on Takeovers and Mergers, described in the chairman’s letter contained in the Admission Document accompanying the notice convening this meeting, of the obligation that would otherwise arise under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the Admission Document) to make a general offer for the Company to shareholders as a result of the issue to the Concert Party of up to 118,971,614 Ordinary Shares pursuant to the Subscription, Placing, and Open Offer (each as defined in the Admission Document) be and is hereby approved.

### **4. RESOLUTION 4 – Conversion to an Investing Company and entry into Investment Management Agreement incorporating the Investing Policy**

That, conditional upon the passing of resolutions 1, 2 and 3, the Company converts to an “Investing Company” for the purposes of the AIM Rules and enters into the Investment Management Agreement (as defined in the Admission Document), pursuant to the terms of the proposed investing policy more particularly set out in paragraph 7 – “Investing Policy” of Part I: “Letter from the Chairman” of the Admission Document.

**By Order of the Board**

**RUPERT NICHOLS**

*Company Secretary*

**9 DECEMBER 2020**

*Registered Office*

Stretton Green Distribution Park Langford Way,  
Appleton,  
Warrington,  
Cheshire WA4 4TQ

#### **NOTES TO THE NOTICE OF GENERAL MEETING:**

The following notes remain subject to Government restrictions that may be in place at the time of the meeting arising from the COVID-19 situation.

1. As a result of the ongoing COVID-19 pandemic and the measures that the UK Government has put in place restricting public gatherings and non-essential travel and for the health and safety of our shareholders, employees, advisers and the general public, the General Meeting will be a closed meeting and shareholders will not be able to attend in person. Given these restrictions in place, voting on the Resolutions will be conducted by way of a poll rather than a show of hands and all shareholders are strongly encouraged to vote by proxy, appointing the Chairman as a proxy to ensure that their vote can be cast.
2. Resolution 3 set out in this notice will be subject to an independent vote, taken on a poll, in accordance with the requirements of The Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers. Only Independent Shareholders will be entitled to vote on resolution 3. A member entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies of their own choice to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A member can only appoint a proxy using the procedures set out in these notes and the notes to the accompanying form of proxy.
3. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. The proxy need not be a member of the Company, but must attend the General Meeting to represent the member. In light of the COVID-19 situation and pursuant to explanatory note 1, Members are strongly urged to appoint the chairman of the meeting as their proxy. If a member appoints someone other than the chairman of the meeting as their proxy, that person may not be able physically to attend the Annual General Meeting or cast that shareholder's votes. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies.
4. In the absence of instructions, the person appointed as proxy may vote or abstain from voting as he/she thinks fit on the specified Resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the Resolutions) which may properly come before the General Meeting.
5. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names of the holders stand in the Company's register of members in respect of the joint holding.
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that each representative is appointed to exercise the rights attached to a different share or shares held by the member.
7. Pursuant to regulation 41 of the CREST Regulations, the Company specifies that only those members registered on the Register of Members at 6.30 p.m. on 23 December 2020 (the "**Specified Time**") (or if the General Meeting is adjourned to a time more than 48 hours after the Specified Time, taking no account of any part of a day that is not a working day, by close of business on the day which is two working days prior to the time of the adjourned General Meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the General Meeting is adjourned to a time not more than 48 hours after the Specified Time (taking no account of any part of a day that is not a working day), that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned General Meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining rights to attend and vote.

#### **Appointment of proxy using hard copy proxy form**

8. Members may appoint a proxy or proxies by completing and returning a form of proxy by post to the offices of the Company's registrars, Link Group, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or an attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power of authority) must be included with the proxy form. Any such power of attorney or other authority cannot be submitted electronically.
9. To be effective, the appointment of a proxy, or the amendment to the instructions given for a previously appointed proxy, must be received by the Company's registrars by the method outlined in note 8 above no later than 11.00 a.m. on 23 December 2020. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Appointment of proxy using CREST electronic proxy appointment service**

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST 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.
11. 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 must be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in this 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. A member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at: [www.signalshares.com](http://www.signalshares.com). To be a valid proxy appointment the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by 11.00 a.m. on 23 December 2020.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the CREST Regulations.

**Termination of proxy appointments**

14. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the General Meeting.
15. In order to terminate the authority of a proxy, or a corporate representative of a corporation, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke such appointment to the Company's registrars. To be effective, the notice of termination must be received by the Company's registrars by the method outlined in note 8 above no later than 11.00 a.m. on 23 December 2020.

**Voting Rights**

16. As at **the disclosure date**, the Company's issued capital consisted of **379,347,372** Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at **9 December 2020** are **379,347,372**.
17. Resolutions 1, 3 and 4 are proposed as Ordinary Resolutions. This means that for these Resolutions to be passed more than half of the votes cast on such Resolutions must be in favour of such Resolutions. Resolution 2 is proposed as a Special Resolution. This means that for such Resolution to be passed, at least three-quarters of the votes cast on such Resolutions must be in favour of such Resolution.

**Communications**

18. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the General Meeting as at **the disclosure date**, will be available on the Company's website at [www.eddiestobart.com/investors-2020](http://www.eddiestobart.com/investors-2020).





