

THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

**If you are in any doubt as to the action you should take or the contents of this Circular, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if not, from an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all your Ordinary Shares, please send this Circular, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale and transfer was effected for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this Circular and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

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## **LOGISTICS DEVELOPMENT GROUP PLC**

*(Registered in England and Wales with registered number 08922456)*

### **Proposed Revised Investing Policy**

### **Proposed Capital Reduction by Cancellation of Share Premium Account**

### **Proposed General Authority for On-Market Share Purchases**

### **Approval of Waiver under Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting**

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**This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of Logistics Development Group plc which is set out on page 5 of this Circular and which contains the unanimous recommendation of the Independent Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.**

Notice of a General Meeting of Logistics Development Group plc, to be held at 10.00 a.m. on 31 January 2022 at the offices of DBAY UK Ltd at 5th Floor, 1 Albemarle Street, London W1S 4HA is set out at the end of this Circular. Shareholders have been provided with a Form of Proxy for use in connection with the General Meeting. To be valid, a Form of Proxy, completed in accordance with the instructions printed thereon, must be lodged with the Company's registrars, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 10.00 a.m. on 27 January 2022 (or, in the case of an adjournment, no later than 48 hours before the time fixed for holding the adjourned meeting).

Alternatively, Shareholders may appoint a proxy electronically, by accessing the shareholder portal at [www.signalshares.com](http://www.signalshares.com). A username and password will be required in order to log in and submit your proxy appointment. Shareholders may contact the Company's registrars, Link Group, on 0371 664 0300 with any queries on logging into the shareholder portal. Please note that calls will be charged at standard geographical rate and will vary by provider. Lines are open from 9.00 a.m. to 5.30 p.m. (UK time) on Monday to Friday. If dialling from overseas please call +44 371 664 0300. CREST members may also use the CREST electronic proxy appointment service to appoint a proxy for the General Meeting.

All proxy appointments (including an electronic proxy appointment or an appointment via the CREST electronic proxy appointment service) must be received by no later than 10.00 a.m. on 27 January 2022 (or, in the case of an adjournment, no later than 48 hours before the time fixed for holding the adjourned meeting). The completion and return of a Form of Proxy (including an electronic proxy appointment or an appointment via the CREST electronic proxy appointment service) will not prevent a Shareholder from attending and voting in person at the General Meeting, or any adjournment thereof, should they wish so to do.

## **General Meeting Arrangements and the impact of COVID-19**

At the time of publication of this Circular, the UK Government has lifted restrictions on public gatherings and non-essential travel, and it is therefore anticipated that the General Meeting will be held as a physical meeting. However, due to recent developments relating to the outbreak of the COVID-19 Omicron variant, it is uncertain what regulations or public health guidance may be in place at the time of the General Meeting which may restrict the number of people who may gather in public, and therefore, the number of permitted attendees. **In light of this uncertainty, the Board strongly encourages Shareholders not to attend the General Meeting in person. Shareholders are advised to submit a proxy vote in advance of the General Meeting and to appoint the chair of the General Meeting as their proxy, rather than a named person who, if circumstances change, may not be permitted to attend and vote at the General Meeting.**

If public health guidance remains unchanged at the time of the General Meeting, Shareholders are asked not to attend the General Meeting in person if they are displaying any symptoms of COVID-19 or have recently been in contact with anyone who has tested positive. In order to further reduce the risk of the spread of the virus, all persons attending the General Meeting will be required to provide either: (i) proof of vaccination status; (ii) a positive PCR or antigen test result showing recovery from COVID-19 dated at least 11 days old and no more than six months old; or (iii) a certificate showing a negative PCR or antigen test result dated no more than 48 hours prior to the time of entry in order to be admitted into the General Meeting venue. Failure to provide such evidence will result in the individual being denied entry to the General Meeting.

In order to allow the Company to ensure that appropriate social distancing measures are in place at the venue of the General Meeting, Shareholders who wish to attend the General Meeting in person and can do so safely are asked to please register their intention by emailing [companysecretary@ldgplc.com](mailto:companysecretary@ldgplc.com) by no later than 5.00 p.m. on 27 January 2022, confirming their name and providing a contact email address.

The Company will continue to closely monitor the continued impact of COVID-19 and the related restrictions on public gatherings and the public health guidance issued by the UK Government. Should the situation and Government guidance change such that the arrangements described in this Circular are no longer appropriate, revised arrangements will be announced on the Company's website and by email to Shareholders who have notified the Company of their intention to attend the General Meeting.

This Circular and the information contained therein is restricted and is not for release, publication or distribution, in whole or in part, directly or indirectly, in, into or from the United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction in which such release, publication or distribution would be unlawful.

Capitalised terms used in this Circular are defined in Part V (*Definitions*) of this Circular.

The date of publication of this Circular is 14 January 2022.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times set out below are based on the Company's current expectations and may be subject to change. Any change will be notified via a Regulatory Information Service. References to times in this Circular are to London times, unless otherwise stated.

Publication of this Circular	14 January 2022
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 27 January 2022
General Meeting	10.00 a.m. on 31 January 2022
Expected Court Hearing to confirm the Capital Reduction*	11 February 2022
Expected registration of Court Order and effective date of the Capital Reduction*	22 February 2022
Completion of the Share Buyback	no later than close of business on 1 August 2023

\* The expected date for the Court Hearing and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. The dates are subject to any directions of the Court and the date for the registration of the Court Order is dependent upon, amongst other things, the date on which the Court confirms the proposed Capital Reduction.

## PART I

### LETTER FROM THE CHAIRMAN OF LOGISTICS DEVELOPMENT GROUP PLC

(Registered in England and Wales with registered number 08922456)

#### Directors

Adrian Collins (*Independent Non-Executive Chairman*)  
David Facey (*Independent Non-Executive Director*)  
Stephen Harley (*Independent Non-Executive Director*)  
Peter Nixon (*Non-Executive Director*)

#### Registered Office

3 More London Riverside  
4th Floor  
London SE1 2AQ  
England

14 January 2022

Dear Shareholder

#### Proposed Revised Investing Policy

#### Proposed Capital Reduction by Cancellation of Share Premium Account

#### Proposed General Authority for On-Market Share Purchases

#### Approval of Waiver of Rule 9 of the City Code on Takeovers and Mergers

and

#### Notice of General Meeting

#### 1. Introduction

On 1 July 2021, the Company announced the disposal of its indirect interest in Greenwhitestar Acquisitions Limited (“**GWSA**”), the holding company of Eddie Stobart Limited (“**ESL**”), The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, to Culina Group Limited (the “**Disposal**”). As announced on 8 November 2021, the Company has to date received a total net cash inflow of £127.5 million from the Disposal. As at the Latest Practicable Date, the Company had available cash of approximately £131,783,173.37, held no material investment assets and had no debt.

Following completion of the Disposal, the Company, in conjunction with its investment manager, DBAY Advisors Limited (“**DBAY**”), has reviewed the investment opportunities currently available to the Company and believes that there will be more attractive opportunities to create shareholder value outside the parameters of the Company’s existing investing policy.

In addition, following completion of the Disposal, trading in the Company’s Ordinary Shares has been at a level which represents a significant discount to the amount of available cash per Ordinary Share. Accordingly, the Company is seeking authority to acquire Ordinary Shares in the market (the “**Share Buyback**”), which the Board believes may serve to reduce the observed discount to NAV per Ordinary Share and provide an exit opportunity for Shareholders who do not wish to retain their investment in the Company following the change of the Company’s investing policy. Shareholders should note, however, that there is no guarantee that the Share Buyback will either eliminate or reduce the observed discount to NAV per Ordinary Share.

To undertake the Share Buyback and to provide the Company the flexibility to make future distributions of profits in cash or in specie to Shareholders and/or complete future share buybacks, the Company requires distributable reserves. Accordingly, the Board is also seeking approval, subject to the consent of the Court, for the Company’s share premium account to be cancelled (the “**Capital Reduction**”) and transferred to the Company’s profit and loss account to reduce accumulated losses and create distributable reserves.

DBAY, which represents the Company’s largest shareholder (with certain of its managed funds (the “**DBAY Shareholder Funds**”) holding approximately 26.98 per cent. of the Company’s issued share capital), and certain associates presumed to be acting in concert with DBAY (together with DBAY, the “**Concert Party**”) together hold in aggregate approximately 32.90 per cent. of the Company’s issued share capital. Given the Concert Party holds interests in Ordinary Shares, in aggregate, between 30

and 50 per cent. of the Voting Share Capital, any increase in the Concert Party's aggregate percentage voting rights as a result of the Share Buyback would require the Concert Party to make an offer for the Ordinary Shares not owned by the Concert Party in accordance with Rule 9 of the Takeover Code. Accordingly, the Company's ability to commence the Share Buyback programme will be conditional on Independent Shareholders passing the Whitewash Resolution approving a waiver of the obligation for the Concert Party to make a general offer pursuant to Rule 37 of the Takeover Code.

The purpose of this letter is to provide you with information on the background to and reasons for the proposals set out herein, to explain why the Board considers such proposals to be in the best interests of the Company and the Shareholders as a whole and why the Independent Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

## 2. Proposed Change of Investing Policy

The Company is proposing to amend its investing policy, subject to Shareholder approval, in order to, *inter alia*, broaden the range of sectors in which it can invest and enable it to invest in certain funds managed by DBAY (the "**DBAY Investment Funds**"). The proposed Revised Investing Policy is set out in full in Part IV (*Revised Investing Policy*) of this Circular and is substantially the same as the investing policy of the DBAY Investment Funds in which the Company proposes to invest, other than the addition of the ability of the Company to invest in the DBAY Investment Funds.

The key features of the proposed Revised Investing Policy include:

- **Characteristics:** investment primarily in undervalued companies, with a focus on companies that generate or have the potential to generate significant cash flows, where there is a high degree of revenue visibility and have a strong and distinctive market position;
- **Investment type:** investment in equity and equity related products, in both quoted and unquoted companies, and in the DBAY Investment Funds;
- **Sectors:** a broader range of sectors, including logistics, distribution, technology services, security and manufacturing;
- **Geography:** no geographical restriction but expected to primarily be within the United Kingdom or the European Union;
- **Ownership:** to range from a minority position to 100 per cent. non-operating ownership; and
- **Restrictions:** a maximum of 50 per cent. of the Company's NAV at the time the relevant investment is made, using the latest available management accounts of the Company, can be invested in the DBAY Investment Funds. Investments made outside of the DBAY Investment Funds will be limited to 10 per cent. of NAV per investment (on the same basis), unless approved by the Board.

In addition, DBAY has agreed that, subject to the implementation of the Revised Investing Policy, it will fund the Company's reasonable corporate costs going forward.

### (a) **Amendments to the Existing Investment Management Agreement**

The adoption of the existing investment management agreement between the Company and DBAY (the "**Existing Investment Management Agreement**") was approved by Shareholders on 29 December 2020. In order to effect the Revised Investment Policy, several changes are required to the Existing Investment Management Agreement, including:

- a provision ensuring that DBAY will not receive management or performance fees twice in respect of funds committed to the DBAY Investment Funds by the Company. It is noted that the fees currently payable by the Company, being two per cent. in respect of any amounts invested by the Company in any portfolio companies and a 20 per cent. performance fee with an eight per cent. hurdle, will become an annual fee no greater than two per cent. on any amounts committed by the Company to the DBAY Investment Funds and a 20 per cent. performance fee with an eight per cent. hurdle;

- a commitment from DBAY to ensure that any DBAY Investment Funds in which the Company invests will retain investment policies that are substantially the same as the Revised Investing Policy; and
- a commitment from DBAY that it will provide the Company with an amount which is equal to the Company's reasonable corporate expenses in the given year, provided that such amount shall not exceed the lower of: (i) £800,000; or (ii) the management fees in respect of investments made and/or amounts committed by the Company which are received by the Manager in the relevant year. DBAY will also ensure that there is at all times a contingency amount of at least £2 million on the Company's balance sheet to cover any exceptional expenses that may arise.

The Board believes that the proposed Revised Investing Policy and the associated amendment to the Existing Investment Management Agreement are in the best interests of the Company and Shareholders as a whole and would enable the Company to continue to meet its investment objectives of providing Shareholders with attractive total returns achieved through capital appreciation and, when prudent, shareholder distributions and dividends in-line with the Company's dividend policy.

(b) **Related Party Transaction**

Given DBAY's current interest via its managed funds is more than 10 per cent. of the Voting Share Capital, it is a substantial shareholder, and therefore a related party (as defined in the AIM Rules for Companies). Consequently, the proposed changes to the Existing Investment Management Agreement are deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. For the purposes of the AIM Rules for Companies, the Independent Directors (being all Directors save for Peter Nixon), having consulted with the Company's nominated adviser, Strand Hanson, consider the terms of the proposed changes to the Existing Investment Management Agreement to be fair and reasonable so far as its Shareholders are concerned.

**3. Share Buyback**

Following completion of the Disposal, the Company has significant cash balances and no debt or material investment assets. Recent trading in the Company's Ordinary Shares has been at a level which represents a significant discount to the amount of cash per Ordinary Share, with the volume-weighted average price per Ordinary Share from 1 July 2021 to the Latest Practicable Date being 13.38 pence and the cash figure on the balance sheet as at the Latest Practicable Date of approximately £131,783,173.37, representing approximately 18.77 pence per Ordinary Share.

Accordingly, the Company is seeking authority to acquire up to 140,441,180 Ordinary Shares in the market, which the Board believes may serve to reduce the observed discount to NAV per Ordinary Share and provide an exit opportunity for Shareholders who do not wish to retain their investment in the Company following the proposed change to the Company's investing policy. Shareholders should note, however, that there is no guarantee that the Share Buyback will either eliminate or reduce the observed discount to NAV per Ordinary Share.

In light of the foregoing, the Board wishes to seek Shareholder approval for the Share Buyback, such approval being in respect of up to 20 per cent. of the Voting Share Capital (the "**Share Buyback Authority**"). Accordingly, Shareholders are being asked to approve the Share Buyback Resolution.

Upon completion of the Share Buyback, the Company intends to cancel the Ordinary Shares bought back by the Company pursuant to the Share Buyback Authority. The Company will be under no obligation to buy back the maximum number of Ordinary Shares that the Share Buyback Authority allows and will consider the best course of action for the Company in light of the prevailing share price and investment opportunities at the relevant time. However, if the maximum number of Ordinary Shares are bought back by the Company pursuant to the Share Buyback Authority, the issued share capital of the Company would comprise 561,764,720 Ordinary Shares.

The Board reserves the right to decide how much of the Voting Share Capital the Company will buy back under Share Buyback Authority, and may decide to discontinue the Share Buyback entirely in the event that the Board decides that it would not be in the best interests of the Company and its

Shareholders as a whole for the Company to undertake or continue the Share Buyback, at the relevant time.

(a) **Summary information on the Share Buyback Authority**

Shareholders are being asked to approve the Share Buyback Resolution to enable the Company to make market purchases of up to 140,441,180 Ordinary Shares, representing a maximum of 20 per cent. of the Voting Share Capital as at the Latest Practicable Date.

The Share Buyback Resolution is subject to and conditional upon the passing of both the Whitewash Resolution to approve the Panel Waiver (see paragraph 4 of this Part I, headed “The Takeover Code” for further details) and the Capital Reduction Resolution to authorise the Capital Reduction to finance the Share Buyback (see paragraph 5 of this Part I, headed “Capital Reduction” for further details).

The maximum price (exclusive of expenses) to be paid in relation to any share purchase shall be five per cent. above the average middle market quotations for an Ordinary Share (as derived from the London Stock Exchange’s Daily Official List) for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased. The minimum price (exclusive of expenses) to be paid in relation to any share purchase shall be its nominal value.

Further details regarding the Share Buyback Resolution are set out below in the paragraph 6 below headed “General Meeting”.

**4. The Takeover Code**

As set out in paragraph 1 of this Part I, the Share Buyback gives rise to certain considerations under the Takeover Code. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom, the Channel Islands or the Isle of Man (and to certain categories of private limited companies). The Company is a public company resident in the United Kingdom and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

(a) **Information on the Concert Party**

Each of the entities listed in the table below are together considered to be acting in concert for the purposes of the Takeover Code (together the “**Concert Party**”). As at the Latest Practicable Date, members of the Concert Party have an interest in the Ordinary Shares equating to an aggregate of 32.90 per cent. of the issued share capital of the Company.

<b>Name of ultimate beneficial owner</b>	<b>Number of Ordinary Shares held</b>	<b>Percentage of the issued share capital of the Company (%)</b>
DBAY Fund II	27,025,969	3.85
DBAY Fund II Cayman	8,419,779	1.20
DBAY Fund III	153,996,143	21.93
Colin Kingsnorth	11,838,807	1.69
Alex Paiusco	9,722,790	1.38
David Morrison	5,000,000	0.71
Saki Riffner	4,532,339	0.65
William Stobart	3,889,844	0.55
Mike Branigan	2,745,072	0.39
Andrew Pegge	1,838,807	0.26
Mike Haxby	1,290,347	0.18
Peter Nixon	706,467	0.10
<b>Total</b>	<b>231,006,364</b>	<b>32.90</b>

Further information on the Concert Party is set out in Part II (*Additional Information*) of this Circular.

(b) ***Application of the Takeover Code***

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which when taken together with shares already held by him/her or held or acquired by persons acting in concert with him/her, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code or is interested in 30 per cent. or more but does not hold more than 50 per cent. of the shares carrying voting rights of such a company and acquires an interest in any additional shares carrying voting rights of that company, is normally required to make a general cash offer to all the remaining shareholders of the company to acquire their equity shares and transferable securities carrying voting rights in the company. An offer under Rule 9 of the Takeover Code must be in cash at the highest price paid by the person or the group of persons acting in concert in the preceding 12 months.

Accordingly, pursuant to Rule 9 of the Takeover Code, if the Board were to effect the Share Buyback, resulting in an increase to the percentage of the voting rights which the Concert Party controls, the Concert Party may be required to make a general cash offer to all other Shareholders of the Company to acquire their Ordinary Shares, unless such obligation has been waived by the Takeover Panel.

Rule 37 of the Takeover Code specifically refers to situations where a company purchases its own voting shares, noting that any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code, but that the Panel will normally waive any such resulting obligation to make a general offer if there is a vote of the independent shareholders.

(c) ***Panel Waiver***

In order to enable the Company to effect the Share Buyback without triggering a mandatory offer obligation for the Concert Party, the Company has consulted with the Takeover Panel and the Takeover Panel has agreed to waive the requirement for the Concert Party to make a general offer to all Shareholders under Rule 9 of the Takeover Code in circumstances where, following the Share Buyback, the aggregate percentage holding of the Concert Party increases (the "**Panel Waiver**"). This Panel Waiver is subject to the approval by a vote of Independent Shareholders of the Company on a poll at the General Meeting. The Whitewash Resolution seeks this approval. The duration of the Panel Waiver is the same as the duration of the Share Buyback Authority and will therefore expire at the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023. Accordingly, should Independent Shareholders approve the Whitewash Resolution, they will be waiving the requirement for the Concert Party to make a mandatory general offer under Rule 9 of the Takeover Code as a result of the exercise of the Share Buyback Authority.

If the maximum number of Ordinary Shares are bought back by the Company pursuant to the Share Buyback Authority and assuming the Concert Party does not participate in the Share Buyback and no further Ordinary Shares are issued by the Company, then the Concert Party would, in aggregate, hold interests in Ordinary Shares carrying a maximum of 41.12 per cent. of the Voting Share Capital, as set out in the table below.

Name of ultimate beneficial owner	Number of Ordinary Shares held	Maximum Percentage of the Voting Share Capital of the Company* (%)
DBAY Fund II	27,025,969	4.81
DBAY Fund II Cayman	8,419,779	1.50
DBAY Fund III	153,996,143	27.41
Colin Kingsnorth	11,838,807	2.11
Alex Paiusco	9,722,790	1.73
David Morrison	5,000,000	0.89
Saki Riffner	4,532,339	0.81
William Stobart	3,889,844	0.69
Mike Branigan	2,745,072	0.49
Andrew Pegge	1,838,807	0.33
Mike Haxby	1,290,347	0.23
Peter Nixon	706,467	0.13
<b>Total</b>	<b>231,006,384</b>	<b>41.12</b>

\* Assuming 140,441,180 Ordinary Shares are acquired pursuant to the Share Buyback Authority and the Concert Party does not participate in the Share Buyback and no further Ordinary Shares are issued by the Company.

**Following exercise of the Share Buyback Authority in full, the Concert Party would hold Ordinary Shares carrying over 30 per cent. of the Voting Share Capital but would not hold Ordinary Shares carrying more than 50 per cent. of the Voting Share Capital and, as long as members of the Concert Party continue to be treated as acting in concert, any further increase in the Concert Party's aggregate interest in Ordinary Shares will be subject to Rule 9 of the Takeover Code.**

**The Concert Party has no intention of making an offer for the Company but, if it chooses to, it will not be restricted from making an offer.**

Accordingly, whilst the obligations under Rule 9 of the Takeover Code would be waived in relation to any exercise of the Share Buyback Authority, any other future share buybacks or purchases of any interest in shares in the Company by the Concert Party after the expiry of the Panel Waiver would remain subject to Rule 9 and the other provisions of the Takeover Code.

The individual members of the Concert Party have each confirmed to the Company that they are not proposing, following any increase in their percentage interests in the Voting Share Capital as result of the Share Buyback, and save for the Company's proposed amendment of its investing policy, to seek any change in the general nature of the Company's business. The Concert Party has further confirmed that it has no intention to change the Company's plans with respect to: (i) the composition of the Board, nor the Company's plans with respect to the continued employment of employees and management of the Company and its subsidiaries (including any material change in conditions of employment) or any material change to the balance of skills and functions of the employees and management; (ii) the Company's future business and its strategic, research and development plans; (iii) the location of the Company's headquarters or headquarter functions or the location of the Company's place of business; (iv) employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; (v) redeployment of the Company's fixed assets; or (vi) the continuation of the Ordinary Shares being admitted to trading on AIM.

Your attention is drawn to Part II (*Additional Information*) of this Circular which sets out certain further information and financial information respectively that is required to be disclosed in this Circular pursuant to the rules contained in the Takeover Code.

Under Rule 25.2 of the Takeover 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 and hereby recommend that Independent Shareholders vote in favour of the Whitewash Resolution. Strand Hanson, as the Company's independent financial adviser, has provided formal advice to the Independent Directors that it considers the terms of these proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing this advice, Strand Hanson has taken into account the Independent Directors' commercial assessments. In accordance with the requirements of the Takeover Code, members of the Concert Party are not permitted to vote on the Whitewash Resolution in respect of their aggregate holding of 231,006,364 Ordinary Shares.

## 5. Capital Reduction

The Capital Reduction is being sought to create distributable reserves that would enable the Company to finance the Share Buyback described in paragraph 3 of this Part I and also give the Company the flexibility to make future distributions of profits in cash or in specie to Shareholders and/or make future purchases of its own Ordinary Shares.

The Company currently has a balance on its share premium account of £157,477,000 (rounded to the nearest £'000) which has arisen as a result of various prior issues of shares by the Company at prices in excess of their nominal value. Under the Companies Act 2006, the share premium account constitutes a non-distributable reserve and the sums credited to this reserve are therefore not distributable to Shareholders, either by way of dividends or share buybacks. Consequently, the Board is recommending that the entire amount standing to the credit of the share premium account of the Company be cancelled (the "**Capital Reduction**") and transferred to the Company's profit and loss account to create distributable reserves.

It is anticipated that the Capital Reduction would, after taking into consideration the Company's current accumulated losses of approximately £29,670,000, create distributable reserves to the value of approximately £127,807,000 (assuming that there is no change to the level of accumulated losses before the Capital Reduction becomes effective).

The Capital Reduction is conditional upon the Company obtaining the approval of Shareholders by special resolution at the General Meeting and confirmation of the Capital Reduction by the Court.

### (a) **Shareholder approval**

Shareholders' approval is being sought to carry out the Capital Reduction pursuant to the Capital Reduction Resolution set out as resolution 4 in the Notice of General Meeting. The Capital Reduction Resolution will be proposed as a special resolution requiring a majority of at least 75 per cent. of Shareholders attending and voting in person or by proxy at the General Meeting in order to be passed.

### (b) **Court approval**

In addition to the approval of Shareholders, the proposed Capital Reduction requires the confirmation of the Court. Accordingly, following approval of the Capital Reduction by Shareholders, an application will be made to the Court to confirm and approve the Capital Reduction. In anticipation of this, a provisional date of 22 February 2022 has been obtained for the Court Hearing. This date is subject to change depending on the Court's timetable.

Before it confirms the Capital Reduction, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the proposed Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the proposed Capital Reduction and/or the Company giving an undertaking to the Court to create a special non-distributable reserve, with any such reserve to remain until the relevant creditors of

the Company (who are not protected at that date by any other means) have been otherwise protected or the relevant liability discharged.

The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the date on which the proposed Capital Reduction becomes effective, the Company's creditors will be sufficiently protected.

It is anticipated that the Court Hearing to confirm the proposed Capital Reduction will take place on 22 February 2022, and that the proposed Capital Reduction would become effective on the following day or shortly thereafter, following the necessary registration of, amongst other things, the Court Order at Companies House. The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the proposed Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole.

Following the implementation of the Capital Reduction, there will be no change to the rights attaching to the Ordinary Shares.

## **6. General Meeting**

You will find at the end of this Circular a notice convening a general meeting of the Company, to be held at 10.00 a.m. on 31 January 2022 at the offices of DBAY UK Ltd at 5th Floor, 1 Albemarle Street, London W1S 4HA to consider and, if thought appropriate, pass the Resolutions summarised below.

### **(a) Resolution 1 (the Investing Policy Resolution)**

The Investing Policy Resolution proposes to approve the proposed amendments to the Investing Policy. The Investing Policy Resolution will be proposed as an ordinary resolution and all Shareholders will be entitled to vote on this resolution. Full details of the Company's Existing Investing Policy and the proposed Revised Investing Policy are set out in Part III (*Existing Investing Policy*) and Part IV (*Revised Investing Policy*), respectively, of this Circular.

### **(b) Resolution 2 (the Share Buyback Resolution)**

The Share Buyback Resolution is conditional upon the passing of the Whitewash Resolution and the Capital Reduction Resolution and seeks to confer authority for the market purchase by the Company of up to 140,441,180 Ordinary Shares. This number represents 20 per cent. of the Voting Share Capital as of the Latest Practicable Date.

The Share Buyback Resolution will be proposed as an ordinary resolution and all Shareholders will be entitled to vote on this resolution.

The Share Buyback Authority will expire at the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023, unless such authority is otherwise revoked or varied by the Company prior to the date of such expiry and save that the Company may (prior to such expiry) enter into a contract to acquire Ordinary Shares which will or may be completed or executed wholly or partially after such expiry and may make an acquisition of Ordinary Shares pursuant to such contract in reliance on the Share Buyback and the Panel Waiver.

Although the Share Buyback Authority will last until the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023, the Company may ask Shareholders to approve a new share buyback authority at the Company's next annual general meeting or at some other later date. However, since the Panel Waiver only relates to the Share Buyback Authority, and also expires at the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023, the Company would be required to seek a new waiver from the Takeover Panel in relation to any obligation which would otherwise be imposed on any member of the Concert Party to make a general offer to all Shareholders under Rule 9 of the Takeover Code as a result of the exercise of any share buyback authority subsequently obtained by the Company at a shareholder meeting (such waiver again being conditional upon the approval of Independent Shareholders voting on a poll).

(c) **Resolution 3 (the Whitewash Resolution)**

The Whitewash Resolution proposes to approve the waiver conditionally granted by the Takeover Panel for the disapplication of Rule 9 of the Takeover Code following the exercise by the Company of the Share Buyback (whether exercised in whole or in part). The Takeover Panel has confirmed that, subject to the Whitewash Resolution being passed by the requisite majority of the Independent Shareholders on a poll, no mandatory bid obligation on the Concert Party under Rule 9 of the Takeover Code would be triggered by virtue of the Share Buyback. The Whitewash Resolution seeks the approval of the Panel Waiver by Shareholders.

The Whitewash Resolution will be proposed as an ordinary resolution. In accordance with the requirements of the Takeover Code, members of the Concert Party are not permitted to vote on the Whitewash Resolution in respect of their aggregate holding of 231,006,364 Ordinary Shares, but may vote on the remainder of the Resolutions.

(d) **Resolution 4 (the Capital Reduction Resolution)**

The Capital Reduction Resolution proposes to approve, subject to the consent of the Court, the cancellation of the entire amount standing to the credit of the share premium account of the Company. The Capital Reduction Resolution will be proposed as a special resolution requiring a majority of at least 75 per cent. of those Shareholders attending and voting in person or by proxy at the General Meeting in order to be passed. All Shareholders will be entitled to vote on the Capital Reduction Resolution.

## 7. Action to be taken

You have been provided with a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible but, in any event, so as to arrive no later than 10.00 a.m. on 27 January 2022.

The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

## 8. Recommendation

(a) **The Whitewash Resolution**

The Independent Directors, being Adrian Collins, David Facey and Stephen Harley, who have been so advised by Strand Hanson, 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 as Resolution 3 at the General Meeting.

Adrian Collins and Stephen Harley, the Independent Directors who hold Ordinary Shares, intend to vote in favour of the Whitewash Resolution in respect of the 2,020,000 Ordinary Shares held by them, representing approximately 0.29 per cent. of Voting Share Capital as at the Latest Practicable Date.

(b) **Other Resolutions**

The Directors consider the amendment to the Company's investing policy, the Capital Reduction and the Share Buyback 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, Adrian Collins and Peter Nixon, the Directors who hold Ordinary Shares, intend to vote in favour of Resolutions 1, 2, and 4, in respect of the in aggregate 2,726,467 Ordinary Shares held by them, representing approximately 0.39 per cent. of Voting Share Capital as at the Latest Practicable Date.

The Company has received irrevocable commitments from Saki Riffner, Alex Pausco and DBAY Fund III to vote or procure votes in favour of the Investing Policy Resolution, Share Buyback Resolution and the Capital Reduction Resolution at the General Meeting, in each case, in respect of their entire holding of Ordinary Shares. These irrevocable commitments are in respect of, in aggregate, 168,251,272 Ordinary Shares, representing approximately 23.96 per cent. of the Voting Share Capital as at the Latest Practicable Date.

In conclusion, I am more than aware that your Company has gone through a number of significant changes over the last two years. Should the Proposals be adopted, the Company's investment manager, DBAY, can concentrate on making your Company prosper over the years to come.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Collins', with a long, sweeping horizontal stroke extending to the right.

**Adrian Collins**  
*Independent Non-Executive Chairman*  
**Logistics Development Group plc**

## PART II

### ADDITIONAL INFORMATION

For the purpose of this Part II:

“**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 per cent. 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;

“**DBAY Funds Securities**” means the relevant securities of the DBAY Shareholder Funds;

“**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;

“**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;

“**Latest Practicable Date**” means 12 January 2022, being the latest practicable date prior to the publication of this Circular;

“**relevant securities**” includes: (a) shares and any other securities carrying voting rights; (b) equity share capital (or derivatives referenced thereto); and (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 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

## 1. Responsibility

The Directors accept responsibility for the information (including any expressions of opinion) contained in this Circular, other than information relating to DBAY, the DBAY Shareholder Funds, the Concert Party and the Independent Directors' recommendation in relation to the Whitewash Resolution to be proposed at the General Meeting. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Directors accept responsibility for their recommendation (including any expressions of opinion) in relation to the Whitewash Resolution to be proposed at the General Meeting. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular for which they accept responsibility 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 (including any expressions of opinion) contained in this Circular relating to DBAY and the DBAY Shareholder Funds. To the best of the knowledge and belief of the directors of DBAY (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each member of the Concert Party (other than the DBAY Shareholder Funds) accepts responsibility for the information (including any expressions of opinion) contained in this Circular relating to them. To the best of the knowledge and belief of each such member of the Concert Party (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which he accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

## 2. Incorporation and general information

The Company was incorporated in England on 4 March 2014 as a public limited company with the name Greenwhitestar UK plc with registered number 08922456. On 3 April 2017, the Company 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 and subsequently, on 11 April 2017, re-registered as a public limited company with the name Eddie Stobart Logistics plc. On 9 February 2021, the Company changed its name to Logistics Development Group plc.

The registered office of the Company and its principal place of business is at 3 More London Riverside, 4th Floor, London SE1 2AQ, England. The telephone number of the Company's registered office and principal place of business is +44 (0)20 7397 5450 and its website is [www.ldgplc.com](http://www.ldgplc.com). The Company is domiciled in England.

## 3. Directors

The Directors of the Company and their functions are set out in the table below.

The business address of the Directors is 3 More London Riverside, 4th Floor, London SE1 2AQ, England.

<b>Director</b>	<b>Function</b>
Adrian Collins	Independent Non-Executive Chairman
David Facey	Independent Non-executive Director
Stephen Harley	Independent Non-executive Director
Peter Nixon	Non-executive Director

Peter Nixon cannot be treated as an independent director of the Company in relation to the Whitewash Resolution as he was nominated as a director of the Company by DBAY and was formerly an operating partner of DBAY. Accordingly, Peter Nixon has taken no part in the recommendation of the Board in connection with the Whitewash Resolution. The Independent Directors comprise Adrian Collins, David Facey and Stephen Harley.

#### 4. DBAY Directors

The current directors of DBAY are Alexandra Ammann-Pfennig, Mike Haxby, Jim Mara, David Morrison, Alex Paiusco, Clive Parrish, and Saki Riffner.

#### 5. Details of members of the Concert Party

The members of the Concert Party and details of the reason for their membership of the Concert Party are set out below. Their holdings are set out in paragraph 6 below.

- (a) DBAY Fund II is a fund managed by DBAY.
- (b) DBAY Fund II Cayman is a fund managed by DBAY.
- (c) DBAY Fund III is a fund managed by DBAY.
- (d) Colin Kingsnorth was formerly a director of DBAY and is a limited partner in the DBAY Funds.
- (e) Alex Paiusco is a co-founder and partner of DBAY, and his role is Chief Executive Officer.
- (f) David Morrison is a director of DBAY and senior member of the investment team.
- (g) Saki Riffner is a co-founder and partner of DBAY and former Non-Executive Director of the Company.
- (h) William Stobart was Executive Chairman of GWSA, the DBAY controlled vehicle which owned ESL.
- (i) Mike Branigan is operating partner of DBAY and leads the operating professionals.
- (j) Andrew Pegge was formerly a director of DBAY and is a limited partner in the DBAY Funds.
- (k) Mike Haxby is a co-founder and partner of DBAY, and his role is Chief Financial Officer and Chief Operating Officer.
- (l) Peter Nixon was formerly an operating partner of DBAY with a focus on financial and accounting matters and a Non-Executive Director of the Company.

#### 6. Interests and dealings in relevant securities

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 Circular but subsequent to negotiations, discussions or the reaching of understandings and/or agreements with the Directors in relation to the proposed Share Buyback. In addition, the Panel 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 Circular and the General Meeting.

##### (a) *Interests of the Directors in the Ordinary Shares*

As at the Latest Practicable Date, the interests of the Directors and their immediate families, related trusts and connected persons (all of which are beneficial unless otherwise stated) in the Ordinary Shares of the Company were as follows:

Director	Number of Ordinary Shares	% of Issued Share Capital
Stephen Harley	1,020,000	0.15
Peter Nixon	706,467	0.10
Adrian Collins	1,000,000	0.14

The following dealings in Ordinary Shares by Directors have taken place during the 12 months prior to the Latest Practicable Date:

<b>Date of transaction</b>	<b>Transaction</b>	<b>Number of Ordinary Shares</b>	<b>Price</b>
29 December 2020	Peter Nixon, placing and subscription of Ordinary Shares*	482,768	5 pence per Ordinary Share

\* This transaction took place as part of the subscription, placing and open offer undertaken by the Company in connection with the admission of the Company's issued share capital to trading on AIM (which occurred on 31 December 2020). A waiver of Rule 9 of the Takeover Code was obtained from the Takeover Panel in relation to the Concert Party (including Peter Nixon) and shareholders approved this waiver by ordinary resolution at a general meeting of the Company which was held on 29 December 2020.

(b) ***Interests of the Directors in the DBAY Shareholder Funds***

Peter Nixon was formerly an operating partner of DBAY, and a non-independent non-executive member of the Board appointed by DBAY. 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, Peter Nixon recuses himself from discussions and voting. Peter Nixon does not hold any interests in any DBAY Funds Securities.

(c) ***Interests of the Concert Party in the Ordinary Shares***

As at the Latest Practicable Date, the interests of members of the Concert Party in the Ordinary Shares of the Company as well as their maximum potential percentage holdings of Ordinary Shares based on the full exercise of the Share Buyback Authority were as follows:

<b>Name of ultimate beneficial owner</b>	<b>Number of Ordinary Shares held</b>	<b>Current shareholdings Percentage of the issued share capital of the Company (%)</b>	<b>Potential maximum shareholding Percentage of the issued share capital of the Company (%)</b>
DBAY Fund II	27,025,969	3.85	4.81
DBAY Fund II Cayman	8,419,779	1.20	1.50
DBAY Fund III	153,996,143	21.93	27.41
Colin Kingsnorth	11,838,807	1.69	2.11
Alex Paiusco	9,722,790	1.38	1.73
David Morrison	5,000,000	0.71	0.89
Saki Riffner	4,532,339	0.65	0.81
William Stobart	3,889,844	0.55	0.69
Mike Branigan	2,745,072	0.39	0.49
Andrew Pegge	1,838,807	0.26	0.33
Mike Haxby	1,290,347	0.18	0.23
Peter Nixon	706,467	0.10	0.13
<b>Total</b>	<b>231,006,364</b>	<b>32.90</b>	<b>41.12</b>

The following dealings in Ordinary Shares by members of the Concert Party have taken place during the 12 months prior to the Latest Practicable Date:

<b>Date of transaction</b>	<b>Transaction</b>	<b>Number of Ordinary Shares</b>	<b>Price</b>
7 September 2021	Mike Branigan sale of Ordinary Shares	480,799	13.50 pence per Ordinary Share
29 December 2020	DBAY Fund II, placing and subscription of Ordinary Shares*	12,359,802	5 pence per Ordinary Share
29 December 2020	DBAY Fund II Cayman, placing and subscription of Ordinary Shares*	3,850,619	5 pence per Ordinary Share
29 December 2020	DBAY Fund III, placing and subscription of Ordinary Shares*	70,427,170	5 pence per Ordinary Share
29 December 2020	Colin Kingsnorth, placing and subscription of Ordinary Shares*	10,496,612	5 pence per Ordinary Share
29 December 2020	Alex Paiusco, placing and subscription of Ordinary Shares*	6,859,440	5 pence per Ordinary Share
29 December 2020	David Morrison, placing and subscription of Ordinary Shares*	5,000,000	5 pence per Ordinary Share
29 December 2020	Saki Riffner, placing and subscription of Ordinary Shares*	3,413,843	5 pence per Ordinary Share
29 December 2020	Mike Branigan, placing and subscription of Ordinary Shares*	2,331,074	5 pence per Ordinary Share
29 December 2020	Andrew Pegge, placing and subscription of Ordinary Shares*	496,612	5 pence per Ordinary Share
29 December 2020	Mike Haxby, placing and subscription of Ordinary Shares*	932,429	5 pence per Ordinary Share
29 December 2020	Peter Nixon, placing and subscription of Ordinary Shares*	482,768	5 pence per Ordinary Share
29 December 2020	William Stobart, placing and subscription of Ordinary Shares*	1,400,000	5 pence per Ordinary Share

\* These transactions took place as part of the subscription, placing and open offer undertaken by the Company in connection with the admission of the Company's issued share capital to trading on AIM (which occurred on 31 December 2020). A waiver of Rule 9 of the Takeover Code was obtained from the Takeover Panel in relation to the Concert Party and Shareholders approved this waiver by ordinary resolution at a general meeting of the Company which was held on 29 December 2020.

(d) **General**

Save as disclosed in this Circular, as at the Latest Practicable Date and during the 12 months prior to the Latest Practicable Date:

- (i) none of the DBAY Shareholder 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 of the Company, nor had any such person dealt in any relevant securities of the Company;
- (ii) none of the DBAY Shareholder Funds, any related trust, any connected persons, or any other members of the Concert Party, had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold);
- (iii) 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 had any short positions in relation to any relevant securities of the Company, nor had any such person dealt in any relevant securities of the Company; and
- (iv) none of the DBAY Directors (including any members of their respective immediate families, related trusts or connected persons) had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold).

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

Save as disclosed in this Circular, 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.

No arrangement or understanding (including any compensation arrangement) exists between the DBAY Shareholder 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 Panel Waiver or the proposals set out in this Circular or which is conditional on the outcome of the consideration of the Panel Waiver or the proposals set out in this Circular.

Save as disclosed in this Circular, as at the Latest Practicable Date and during the 12 months prior to the Latest Practicable Date:

- (a) the Company had undertaken no dealings in its own relevant securities;
- (b) the Company had not redeemed or purchased any of its own relevant securities;
- (c) 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 or the Directors had an interest in or a right to subscribe for, or had any short position in any relevant securities of the Company or has dealt in any relevant securities of the Company;
- (d) neither the Company or the Directors nor any person acting in concert with the Company or the Directors had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold); and
- (e) 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 or the Directors had an interest in or a right to subscribe for, or had any short position in any DBAY Funds Securities or has dealt in any DBAY Funds Securities.

The Concert Party confirms 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 12 months prior to the Latest Practicable Date.

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

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, entered into on 4 July 2020 for an initial period of three years commencing from the date of his appointment, unless terminated earlier upon at least three months' notice, at an initial fee of £61,200 per annum.

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 4 July 2020 for an initial period of three years commencing from 3 April 2020, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £80,000 per annum.

The services of Peter Nixon as Non-Executive Director are provided under the terms of a letter of appointment between the Company and Peter Nixon dated 9 December 2021, under which Peter Nixon agreed to serve as a non-executive director for an initial period of three years commencing from 9 December 2021, at an initial fee of £60,000 per annum.

The services of David Facey as Non-Executive Director are provided under the terms of a letter of appointment between the Company and David Facey dated 31 March 2021, under which David Facey agreed to serve as a non-executive director for an initial period of three years commencing from 1 April 2021, unless terminated earlier upon at least three months' notice, at an initial fee of £60,000 per annum.

Save as disclosed in this Circular, there are no service agreements in existence between any of 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 Circular.

There will be no change to any of the above letters of appointment as a result of the passing of the Share Buyback Resolution or the Whitewash Resolution or the exercise by the Company of the Share Buyback Authority.

## **9. About DBAY and the DBAY Shareholder Funds**

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 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. 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 12 investment and operating professionals. 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 £0.81 billion and employ more than 7,000 staff. The DBAY team previously worked at Laxey Partners, a hedge fund, where they managed an investment portfolio, and at DouglasBay Capital plc, an AIM listed investment company. In 2008, under the DBAY team's management, DouglasBay Capital plc took private and successfully restructured TDG, the logistics company. During this period (2006 - 2011), the DBAY team generated returns including a gross money multiple ("MM") of 2.7x and a gross internal rate of return ("IRR") of 37 per cent. In 2015, DBAY raised DBAY Fund II, which is currently performing with a gross MM of 1.9x and 14 per cent. gross IRR on a stand-alone basis as at 30 September 2021 (and an estimated gross MM of 3.2x and 43 per cent. gross IRR if the cash returns to co-investors are included). In 2019, DBAY raised DBAY Fund III, which is currently valued at a gross MM of 2.0x and 48 per cent. gross IRR on a standalone basis as of 30 September 2021.

On 6 December 2019, the shareholders of the Company approved the disposal of 51 per cent. of the issued share capital of GWSA to the DBAY Shareholder Funds in consideration for an investment by DBAY of a £55 million payment-in-kind note (the "**PIK Notes**") into the Eddie Stobart business (of which GWSA was an intermediate holding company) and the associated re-negotiation of the Company's arrangements with its lending banks. Following completion of the December 2020 Proposals, the Company acquired an indirect economic interest in £6 million of the PIK Notes. DBAY and the Company subsequently disposed of their respective interest in GWSA as part of the sale by Alpha C, Marcelos' wholly owned subsidiary, of the entire issued share capital of GWSA to Culina Group Limited.

DBAY's holding in the Company is (and will continue to be) held as an investment by DBAY Fund II, DBAY Fund II Cayman and DBAY Fund III. The Share Buyback will not have any impact on DBAY's business strategy, business, earnings, assets or liabilities, locations (including head office or head office functions) or the continuity or conditions of employment of its personnel and management of DBAY.

DBAY has its registered office at 3rd Floor, Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD. None of DBAY or the DBAY Shareholder Funds are required to publish financial information and there is no financial information relating to DBAY or the DBAY Shareholder Funds that is publicly available. There are no current ratings or outlooks publicly accorded to DBAY or the DBAY Shareholder Funds by ratings agencies.

## **10. Financial information**

The Company's audited consolidated historical financial information for FY19 and FY20, as well as the Company's unconsolidated unaudited interim results for the six months ended 31 May 2021, are available to be viewed or downloaded from the Company's website (<https://www.ldgplc.com/annual-reports/>) and therefore have not been reproduced in this Circular.

The following information has therefore been incorporated into this Circular by reference in accordance with Rule 24.15 of the Takeover Code:

**Information****Source of information****Audited consolidated accounts of the Company for the financial years ended 30 November 2019 and 30 November 2020**

Consolidated statement of comprehensive income for the year ended 30 November 2019	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf</a> , page 29.
Consolidated statement of comprehensive income for the year ended 30 November 2020	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf</a> , page 29.
Company statement of financial position for the year ended 30 November 2019	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf</a> , page 72.
Company statement of financial position for the year ended 30 November 2020	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf</a> , page 30.
Company statement of changes in equity for the year ended 30 November 2019	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf</a> , page 73.
Company statement of changes in equity for the year ended 30 November 2020	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf</a> , page 31.
Consolidated cash flow statement for the year ended 30 November 2019	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf</a> , page 32.
Company cash flow statement for the year ended 30 November 2020	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf</a> , page 32.
Notes to the Company financial statements for the year ended 30 November 2019	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/01.%2017.08.2020%20ESL-ANNUAL-REPORT-2019.pdf</a> , page 74–79.
Notes to the Company financial statements for the year ended 30 November 2020	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/PRINT%20LDG%20AR%202020%20FINAL.pdf</a> , page 33–42.

**Unconsolidated unaudited interim results for the six months ended 31 May 2021**

Statement of comprehensive income for the six months ended 31 May 2021	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf</a> , page 4.
Statement of financial position as at 31 May 2021	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf</a> , page 5.
Statement of changes in equity for the six months ended 31 May 2021	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf</a> , page 5.
Cash flow statement for the six months ended 31 May 2021	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf</a> , page 6.
Notes to the financial statements for the six months ended 31 May 2021	<a href="https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf">https://www.ldgplc.com/wpcontent/uploads/pdfs/AnnualReports/LDG%20PLC%20Interim%20Results%20for%20Six%20months%20ended%2031%20May%202021.pdf</a> , page 6–11.

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 Circular 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 seven 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 Circular unless requested.

### ***Current Trading and Ratings***

The Company's most recent interim results for the six months ended 31 May 2021 were announced on 20 August 2021. The Company continues to trade in-line with the Board's expectations.

There are no current public ratings or outlooks accorded to the Company by ratings agencies.

### **11. Material contracts**

No contracts have been entered into by the DBAY Shareholder Funds during the two years preceding the date of this Circular which: (i) are not in the ordinary course of business; and (ii) are or may be material or contain any provision under which the DBAY Shareholder Funds have any obligation or entitlement which is material to the DBAY Shareholder Funds at the date of this Circular.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company during the two years preceding the date of this Circular 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 Circular:

#### **(a) *New Investment Management Agreement***

The Company has entered into a new investment management agreement with DBAY dated 14 January 2022 pursuant to which the Company has appointed DBAY to act as manager of the Company with respect to the assets of the Company (the "**New Investment Management Agreement**"), conditional on Shareholders passing the Investing Policy Resolution approving the Revised Investing Policy at the General Meeting. On effectiveness of the New Investment Management Agreement, the Existing Investment Management Agreement shall be terminated and shall be replaced in its entirety by the New Investment Management Agreement.

The terms on which the Company has appointed DBAY to act as its investment manager (the "**Manager**") pursuant to the New Investment Management Agreement are substantially the same as the terms under the Existing Investment Management Agreement, save for:

- any investments made by the Manager on behalf of the Company are to be in accordance with the Revised Investing Policy;
- the Manager is to ensure that the DBAY Investment Funds (and any other funds managed by DBAY in which DBAY invests on behalf of the Company) retain investing policies that are substantially the same as the Revised Investing Policy;
- the Manager is to provide the Company with an amount which is equal to the Company's reasonable corporate expenses in the given year, provided that such amount shall not exceed the lower of: (i) £800,000; or (ii) the management fees in respect of investments made and/or amounts committed by the Company which are received by the Manager in the relevant year. The Manager is to also ensure that there is at all times a contingency amount of at least £2 million on the Company's balance sheet to cover any exceptional expenses that may arise; and
- the annual fee payable by the Company to DBAY shall be no greater than two per cent. of any amounts committed by the Company to the DBAY Investment Funds.

#### **(b) *Existing Investment Management Agreement***

The Existing Investment Management Agreement details the terms on which the Company has appointed DBAY to act as Manager with respect to the assets of the Company. In consideration for the provision of management services, the Company has agreed to pay an annual fee, described as the monitoring fee, to the Manager. The fee shall be equal to two per cent. of the amount invested by the Company in the portfolio company that is the subject of the 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 per cent. 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 per cent. 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 for Companies 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 coordinating 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) Shareholders holding more than 75 per cent. of the voting shares in the Company vote to terminate the agreement at a duly convened and quorate meeting of the Shareholders, provided that at least 50 per cent. 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 per cent. 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 per cent. 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.

(c) **Payment Letter**

A payment letter entered into between the Company, Marcelos Limited ("**Marcelos**") and DBAY ("**Payment Letter**") dated 9 December 2019 in which, as consideration for certain structuring and advisory services provided by DBAY to the Company, the Company has instructed Marcelos to pay to DBAY: (i) on the date on which the aggregate amount of Proceeds received by the Company exceeds £55 million, an amount comprising five per cent. of any amounts actually received by the Company as distribution on, or paid in respect of, its holding of shares in the capital of Marcelos (the "**Marcelos Shares**"); and (ii) on the date on which the aggregate amount of Proceeds received by the Company exceeds £75 million, an amount comprising 10 per cent. of any amounts actually received by the Company as distribution on, or paid in respect of, its holding in Marcelos Shares (the "**Second Payment**").

Following the Second Payment 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: (i) the written agreement of the Company, Marcelos and DBAY; or (b) the Company (or any of its affiliates) ceasing to hold any Marcelos Shares (provided that payment has been received for such disposal).

(d) **2020 TSA**

A transitional services agreement dated 25 February 2020 ("**2020 TSA**") between 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 to 8 December 2020) and £111,000 for year two (9 December 2020 to 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 multitiered dispute resolution procedure in the event that negotiations do not resolve the dispute.

(e) **Relationship Agreement**

An agreement entered into between the Company and DBAY and Cenkos Securities plc (which was the Company's nominated financial adviser at the time) dated 9 December 2020 (the "**Relationship Agreement**"), 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 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. The agreement shall continue for so long as: (i) the Company's shares are admitted to trading on AIM; or (b) DBAY (individually or together with its associates) is interested in voting rights representing 25 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Ordinary Shares.

(f) **Nominated Adviser Agreement**

An agreement entered into between the Company and Strand Hanson dated 16 June 2021 pursuant to which the Company has appointed Strand Hanson as its nominated adviser and financial adviser for an initial period of 24 months, continuing thereafter subject to termination upon at least three months' written notice. The Company has agreed to pay Strand Hanson an annual nominated adviser fee (plus VAT, if applicable).

(g) **Broker Engagement Letter**

An engagement letter entered into between the Company and Investec Bank plc ("**Investec**") dated 8 December 2020 pursuant to which the Company has appointed Investec to act as retained joint corporate broker to the Company. Investec's appointment continues until terminated by either party giving the other at least one month's written notice. The Company has agreed to pay Investec an annual fee of £30,000 (plus VAT, if applicable, and disbursements) for the provision of corporate broking services.

## 12. Significant change

Save for the Disposal, details of which are set out below, there has been no significant change in the financial or trading position of the Company since 31 May 2021 (being the date of the end of the last financial period for which interim financial information has been published).

On 1 July 2021, the Company announced the disposal of its indirect interest in GWSA, the holding company for ESL, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, which was held through the Company's 49 per cent. stake in Marcelos and Marcelos' wholly owned subsidiary Alpha Cassiopeiae Limited ("**Alpha C**"). Alpha C completed the sale of its wholly owned subsidiary, GWSA, to Culina Group Limited for an undisclosed consideration. The Company consented to the Disposal pursuant to a shareholders' agreement dated 9 December 2019 (as amended on 18 May 2020) between the Company, DBAY and Marcelos. Prior to the Disposal, the Company also held a 10.9 per cent. equity interest in Alpha Persei Limited, the holder of an 18 per cent. payment in kind ("**PIK**") loan note issued by Alpha C, which it acquired in early May 2021.

As announced on 8 November 2021, the Company has to date received total net cash proceeds of £127.5 million in respect of the Disposal, including repayment of the £6 million investment in the related PIK loan note.

## 13. 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 Circular and for 13 January 2022.

<b>Date</b>	<b>Closing middle market quotation</b>
2 August 2021	13.40
1 September 2021	13.55
1 October 2021	13.25
1 November 2021	12.20
1 December 2021	13.10
4 January 2022	13.00
13 January 2022	13.05

#### **14. Independent advice**

Strand Hanson, of 26 Mount Row, London, W1K 3SQ, has provided competent and 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 Panel Waiver. Strand Hanson has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the references to its name in the form and context in which it appears. Strand Hanson confirms that it is independent of the Concert Party and has no commercial relationship with any of its members.

#### **15. Documents available for inspection on the Company's website**

Copies of the following documents will be available for inspection on the Company's website, [www.ldgplc.com](http://www.ldgplc.com), up to and including the day of the General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Company's consolidated audited annual financial reports for the financial years ended 30 November 2019 and 30 November 2020;
- (c) the Company's unconsolidated unaudited interim results for the six months ended 31 May 2021;
- (d) the New Investment Management Agreement;
- (e) the Directors' letters of appointments referred to in paragraph 8 of this Part II;
- (f) the irrevocable commitments referred to in paragraph 8(b) of Part I of this Circular (*Letter from the Chairman of Logistics Development Group PLC*);
- (g) the consent letter referred to in paragraph 14 of this Part II; and
- (h) this Circular.

## PART III

### EXISTING INVESTING POLICY

The Company will invest in opportunities within the transportation and logistics sector, or any other sector as the board of directors of the Company may from time to time approve. Whilst there is no geographical restriction on the scope of any such investments, it is anticipated that most such investments will be made in respect of business which operate within the United Kingdom or European Union. The Company will focus on investments with the potential to provide returns of up to 2-3x MM over a 3-4 year period. The Company will invest in equity and equity related products in both quoted and unquoted companies. The Company may also invest in debt and/or acquire specific assets from companies within the transportation and logistics sector. Derivatives will only be acquired for efficient portfolio management.

Investments will be made in accordance with DBAY Advisors Limited's ESG Policy in effect from time to time (which can be found at <https://www.dbayadvisors.com/responsibility/>), provided, however, that any material changes to such ESG Policy which reduce the standard of protection provided thereby shall only apply to investments to be made by the Company to the extent approved by the board of directors of the Company.

The Company's interest in an investment may range from a minority position to 100 per cent. ownership. The Company intends to be an active investor, through its investment manager, DBAY Advisors Limited, and as much will usually seek management or board representation in the companies in which it invests. As such, consideration will be given to identifying investments which are underperforming, undeveloped and/or undervalued, and where DBAY Advisors Limited's expertise and experience can be deployed to facilitate growth and unlock inherent value.

The Company is permitted, directly or indirectly, to borrow for working capital, investment and any other purpose. Debt financing is expected to be an important component of the structuring and execution of the Company's investments, to improve returns for shareholders. Borrowings may be undertaken by the Company itself or by any of its subsidiaries, but it is anticipated that it will most commonly be structured by way of special purpose acquisition finance vehicles.

The Company intends to deliver Shareholder returns through capital growth and possibly also through the distribution of operating income by way of dividends.

The Directors consider that as investments are made, and new investment opportunities arise, further funding of the Company will be required. Acquisitions may also be executed by way of an issuance of shares in the Company in consideration for the assets acquired.

Any material variation to the Investing Policy will require the approval of Shareholders at a general meeting of the Company in accordance with the AIM Rules for Companies.

## PART IV

### REVISED INVESTING POLICY

The Company will invest in cash flow generative businesses with high degree of revenue visibility in sectors, such as business services (including amongst others logistics, distribution, technology services, security) and manufacturing (consumer staples and discretionary), or in funds managed by DBAY Advisors Limited (“**DBAY**”) which invest in the aforementioned sectors (the “**DBAY Investment Funds**”).

Whilst there is no geographical restriction on the scope of any such investments, it is anticipated that most such investments will be made in respect of businesses which operate within the United Kingdom or European Union. The Company will focus on investments with the potential to provide returns of up to 2-3x capital invested over a 3-4 year period. The Company will invest in equity and equity related products in both quoted and unquoted companies and in funds managed by its investment manager, DBAY. The Company may also invest in debt and/or acquire specific assets from companies. Derivatives will only be acquired for efficient portfolio management.

A maximum of 50 per cent. of the Company’s net assets (the “**NAV**”) can be invested in the DBAY Investment Funds and individual investments made outside of the DBAY Investment Funds will be limited to 10 per cent. of the NAV, unless the board of directors of the Company (the “**Board**”) approves the increase of the relevant limit in respect of a specific investment. The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in the respective valuations of its assets post their acquisition.

Investments will be made in accordance with DBAY’s ESG Policy in effect from time to time (which can be found at <https://www.dbayadvisors.com/responsibility/>), provided, however, that any material changes to such ESG Policy which reduce the standard of protection provided thereby will only apply to investments to be made by the Company to the extent approved by the Board.

The Company’s interest in an investment may range from a minority position to 100 per cent. non-operating ownership. The Company intends to be an active investor, through its investment manager, DBAY, and as such will usually seek management or board representation, through DBAY, in the companies in which it invests. As such, consideration will be given to identifying investments which are underperforming, undeveloped and/or undervalued, and where DBAY’s expertise and experience can be deployed to facilitate growth and unlock inherent value.

The Company is permitted, directly or indirectly, to borrow for working capital, investment and any other purpose. Debt financing is expected to be an important component of the structuring and execution of the Company’s investments, to improve returns for shareholders. Borrowings may be undertaken by the Company itself or by any of its subsidiaries, but it is anticipated that it will most commonly be structured by way of special purpose acquisition finance vehicles.

The Company intends to deliver shareholder returns through capital growth and possibly also through the distribution of operating income by way of dividends.

The Board considers that as investments are made, and new investment opportunities arise, further funding of the Company will be required. Acquisitions may also be executed by way of an issuance of shares in the Company in consideration for the assets acquired.

Any material variation to the Investing Policy will require the approval of shareholders at a general meeting of the Company in accordance with the AIM Rules for Companies.

## PART V

### DEFINITIONS

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

<b>“£”</b>	pounds sterling, the lawful currency of the UK;
<b>“2020 TSA”</b>	a transitional services agreement dated 25 February 2020 between the Company and ESL;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“Alpha C”</b>	Alpha Cassiopeiae Limited, company incorporated in the isle of Man (company number FC037540) whose registered office is at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF;
<b>“Board”</b>	the board of Directors of the Company from time to time, or a duly constituted committee thereof;
<b>“Business Day”</b>	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London;
<b>“Capital Reduction Resolution”</b>	the resolution numbered 4 set out in the Notice of General Meeting to approve the Capital Reduction;
<b>“Capital Reduction”</b>	the proposed cancellation of the Company’s share premium account as described in this Circular;
<b>“Companies House”</b>	the registrar of companies in England and Wales;
<b>“Company”</b>	Logistics Development Group plc, a public limited company incorporated in England & Wales with registered number 08922456;
<b>“Concert Party”</b>	the DBAY Shareholder Funds and those acting, or deemed to be acting, in concert with it, as more fully described in Part II ( <i>Additional Information</i> ) of this Circular;
<b>“Court Hearing”</b>	the final hearing by the Court to confirm the proposed Capital Reduction;
<b>“Court Order”</b>	the order of the Court confirming the proposed Capital Reduction;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“CREST member”</b>	a person who has been admitted to CREST as a system member (as defined in the CREST Regulations);
<b>“CREST Proxy Instruction”</b>	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear’s specifications;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time);
<b>“CREST”</b>	the computer-based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear in accordance with the CREST Regulations;

<b>“DBAY”</b>	DBAY Advisors Limited, a company incorporated in the Isle of Man (company number 126150C) whose registered office is at 3rd Floor, Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD;
<b>“DBAY Directors”</b>	the directors of DBAY as at the date of this Circular, whose names are set out in paragraph 4 of Part II ( <i>Additional Information</i> ) of this Circular;
<b>“DBAY Fund II Cayman”</b>	DouglasBay Capital II Cayman Fund LP;
<b>“DBAY Fund II”</b>	DouglasBay Capital II Fund LP;
<b>“DBAY Fund III”</b>	DouglasBay Capital III Fund LP;
<b>“DBAY Funds”</b>	certain funds advised by DBAY (including DBAY Fund II, DBAY Fund II Cayman and DBAY Fund III);
<b>“DBAY Investment Funds”</b>	certain funds managed by DBAY into which it is proposed that the Company would invest pursuant to the Revised Investing Policy;
<b>“DBAY Shareholder Funds”</b>	DBAY Fund II, DBAY Fund II Cayman and DBAY Fund III;
<b>“December 2020 Proposals”</b>	(i) the Company’s conversion to an investing company; (ii) the capital raise by the Company of up to £16 million by way of a placing, subscription and open offer; (iii) DBAY’s appointment as the Company’s investment manager; and (iv) the admission of the Ordinary Shares to trading on AIM, in each case on 31 December 2020;
<b>“Directors”</b>	the directors of the Company as at the date of this Circular, whose names are set out in paragraph 3 of Part II ( <i>Additional Information</i> ) of this Circular;
<b>“Disposal”</b>	the disposal of the Company’s indirect interest in GWSA, the holding company for ESL, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, to Culina Group Limited;
<b>“ESL”</b>	Eddie Stobart Limited;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738, whose registered office is at 33 Cannon Street, London EC4M 5SB, the operator of CREST;
<b>“Existing Investing Policy”</b>	the existing Investing Policy approved by Shareholders at the extraordinary general meeting of the Company held on 29 December 2020, as set out in Part III ( <i>Existing Investing Policy</i> ) of this Circular;
<b>“Existing Investment Management Agreement”</b>	the existing investment management agreement between the Company and DBAY which was approved by Shareholders at the extraordinary general meeting of the Company held on 29 December 2020;
<b>“Form of Proxy”</b>	the form of proxy accompanying this Circular for use by Shareholders in relation to the General Meeting;
<b>“FY19”</b>	the financial year ended 30 November 2019;
<b>“FY20”</b>	the financial year ended 30 November 2020;

<b>“General Meeting”</b>	the general meeting of the Company, convened for 31 January 2022 or any adjournment, therefore, notice of which is set out in Part VI ( <i>Notice of General Meeting</i> ) of this Circular;
<b>“Group”</b>	the Company, its subsidiaries and its subsidiary undertakings;
<b>“GWSA”</b>	Greenwhitestar Acquisitions Limited, a limited company incorporated in England and Wales under company number 08922540;
<b>“Independent Directors”</b>	those directors of the Company other than Peter Nixon or such other director being an appointee or associate of DBAY;
<b>“Independent Shareholders”</b>	Shareholders excluding members of the Concert Party;
<b>“Investec”</b>	Investec Bank plc of 30 Gresham Street, London EC2V 7QP;
<b>“Investing Policy Resolution”</b>	the resolution numbered 1 set out in the Notice of General Meeting to approve the Revised Investing Policy;
<b>“IRR”</b>	internal rate of return;
<b>“Latest Practicable Date”</b>	the latest practicable date prior to the publication of this Circular, being 12 January 2022;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Manager”</b>	DBAY, acting as manager of the Company;
<b>“Marcelos”</b>	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;
<b>“Marcelos Shares”</b>	shares in the capital of Marcelos;
<b>“Memorandum and Articles of Association”</b>	the memorandum of association of the Company dated 4 March 2014 and the articles of association of the Company dated 11 April 2017, as amended from time to time;
<b>“MM”</b>	money multiple;
<b>“New Investment Management Agreement”</b>	the new investment management agreement between the Company and DBAY dated 14 January 2022;
<b>“NAV”</b>	net asset value;
<b>“Notice of General Meeting”</b>	the notice of the General Meeting set out in Part VI ( <i>Notice of General Meeting</i> ) of this Circular;
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>“Panel Waiver”</b>	the waiver granted by the Takeover Panel, conditional on the approval by Independent Shareholders of the Panel Waiver Resolution, of any obligation which would otherwise be imposed on members of the Concert Party, either individually or collectively, to make a general offer to all Shareholders under Rule 9 of the Takeover Code, as a result of market purchases made pursuant to the exercise of the Share Buyback Authority;
<b>“Payment Letter”</b>	a payment letter dated 9 December 2019 and entered into between the Company, DBAY and Marcelos;
<b>“PIK Notes”</b>	a £50 million payment-in-kind note invested by DBAY into the Eddie Stobart business;

<b>“Proceeds”</b>	any value which is actually received by the Company in respect of consideration for the disposal of any 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 a shareholders’ agreement dated 9 December 2019 (as amended on 18 May 2020) between the Company, DBAY and Marcelos;
<b>“Relationship Agreement”</b>	a relationship agreement entered between the Company, DBAY and Cenkos Securities plc dated 9 December 2020;
<b>“Resolutions”</b>	the resolutions 1 to 4 set out in the Notice of General Meeting;
<b>“Revised Investing Policy”</b>	the Investing Policy proposed to be adopted by the Company, as set out in Part IV ( <i>Revised Investing Policy</i> ) of this Circular;
<b>“Second Payment”</b>	payment of an amount comprising 10 per cent. of any amounts actually received by the Company as distribution on, or paid in respect of, its holding in Marcelos Shares;
<b>“Share Buyback Authority”</b>	the general authority for the Company to make on-market purchases of up to 20 per cent. of its Voting Share Capital implemented by way of share buyback;
<b>“Share Buyback Resolution”</b>	the resolution numbered 2 set out in the Notice of General Meeting to approve the Share Buyback Authority;
<b>“Shareholder(s)”</b>	holder(s) of Ordinary Shares;
<b>“Strand Hanson”</b>	Strand Hanson Limited of 26 Mount Row, London, W1K 3SQ;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers published by the Takeover Panel (as amended from time to time);
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“Voting Share Capital” or “Voting Shares”</b>	702,205,900 Ordinary Shares, comprising the entire issued share capital of the Company; and
<b>“Whitewash Resolution”</b>	the resolution numbered 3 set out in the Notice of General Meeting to approve the Panel Waiver.

## PART VI

### NOTICE OF GENERAL MEETING

#### LOGISTICS DEVELOPMENT GROUP PLC

(Registered in England and Wales with registered no. 08922456)

**NOTICE IS HEREBY GIVEN** that a General Meeting of Logistics Development Group plc (the “**Company**”) will be held at 10.00 a.m. on 31 January 2022 at the offices of DBAY UK Ltd at 5th Floor, 1 Albemarle Street, London W1S 4HA for the purpose of considering and, if thought fit, passing the following resolutions:

#### Resolutions

##### 1. As an ordinary resolution

“**That** the Company shall forthwith adopt the revised investing policy, as set in the circular to shareholders of the Company dated 14 January 2022 (the “**Circular**”) of which this notice forms part.”

##### 2. As an ordinary resolution

“**That**, subject to and conditional on the passing of resolution 3 and resolution 4 below, and without prejudice to all existing authorities given to the directors of the Company for the purposes of section 701 of the Companies Act 2006, the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006, to make one or more market acquisitions of ordinary shares of £0.01 each in its capital (“**Ordinary Shares**”) provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be acquired is 140,441,180;
- (b) the maximum price (exclusive of expenses) which shall be paid for an Ordinary Share pursuant to this authority shall be five per cent. above the average middle market quotations for an Ordinary Share (as derived from the London Stock Exchange’s Daily Official List) for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased;
- (c) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share pursuant to this authority shall be its nominal value; and
- (d) the authority hereby conferred shall expire at the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023, unless such authority is otherwise revoked or varied prior to the date of such expiry, save that the Company may (prior to such expiry) enter into a contract to acquire Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and make an acquisition of such Ordinary Shares pursuant to any such contract.”

##### 3. As an ordinary resolution

“**That** the waiver granted by the Panel on Takeovers and Mergers of any obligation which may otherwise arise pursuant to Rule 9 of the City Code on Takeovers and Mergers (“**Takeover Code**”) for the members of the Concert Party (as defined in the Circular) to make a general offer for the entire issued share capital of the Company following any increase in the percentage of Ordinary Shares in which the Concert Party is interested to a maximum of approximately 41.12 per cent. of the Ordinary Shares in issue as a result of the exercise by the Company of the authority to purchase up to 140,441,180 of its own Ordinary Shares pursuant to resolution 2 above be and is hereby approved, provided that such approval shall expire at the earlier of the conclusion of the annual general meeting of the Company in 2023 or close of business on 1 August 2023.

*In order to comply with the Takeover Code, resolution 3 will be taken on a poll and each of the members of the Concert Party will not be eligible to vote on the resolution.*

**4. As a special resolution**

“**That** the share premium account of the Company be cancelled.”

By order of the board

**Sarah Wakeford**  
*Company Secretary*

14 January 2022

*Registered Office:*  
3 More London Riverside  
4th Floor  
London, SE1 2AQ

## Notes to the Notice of General Meeting

1. Notice is hereby given that all resolutions at the General Meeting are to be decided by way of poll. On a poll vote, every shareholder present in person or by proxy has one vote for every ordinary share of which he/she is the holder.
2. Resolution 3 set out in this notice will be subject to an independent vote 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. Members of the Concert Party will not be entitled to vote on the resolution.
3. A shareholder is entitled to appoint a proxy to attend, speak and vote at the General Meeting in that shareholder's place. A proxy need not be a shareholder but must attend the General Meeting to represent the shareholder. A shareholder 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 shareholder. Shareholders are strongly encouraged to appoint the chair of the General Meeting as their proxy rather than a named person who may not be permitted to attend and vote at the General Meeting in the event that new restrictions on physical gatherings and non-essential travel are imposed by the UK Government in response to the COVID-19 pandemic.
4. In order to allow the Company to ensure that appropriate social distancing measures are in place at the venue of the General Meeting, shareholders who wish to attend the General Meeting in person and can do so safely are asked to please register their intention by emailing [companysecretary@ldgplc.com](mailto:companysecretary@ldgplc.com) by no later than 5.00 p.m. on 27 January 2022, confirming their name and providing a contact email address.
5. In order to further reduce the risk of the spread of the COVID-19 virus, all persons attending the General Meeting will be required to provide either: (i) proof of vaccination status; (ii) a positive PCR or antigen test result showing recovery from COVID-19 dated at least 11 days old and no more than six months old; or (iii) a certificate showing a negative PCR or antigen test result dated no more than 48 hours prior to the time of entry in order to be admitted into the General Meeting venue. Failure to provide such evidence will result in the individual being denied entry to the General Meeting.
6. 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.
7. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
8. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder, provided that each representative is appointed to exercise the rights attached to a different share or shares held by such corporation.
9. The right of a shareholder of the Company to vote at the General Meeting will be determined by reference to the Company's register of members. A shareholder must be registered on the register of members as the holder of ordinary shares by the close of business on 27 January 2022 (or, in the case of an adjournment, no later than two days before the date of the adjourned meeting) in order to be entitled to attend and vote at the General Meeting as a shareholder in respect of those shares.
10. To be valid, Forms of Proxy, completed in accordance with the instructions printed thereon, must be lodged with the Company's registrars, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 10.00 a.m. on 27 January 2022 (or, in the case of an adjournment, no later than 48 hours before the time fixed for holding the adjourned meeting). Alternatively, a shareholder 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 shareholder's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by no later than 10.00 a.m. on 27 January 2022 (or, in the case of an adjournment, no later than 48 hours before the time fixed for holding the adjourned meeting). In the case of a shareholder which is a corporation, the Form of Proxy 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 Form of Proxy is signed (or a duly certified copy of such power of authority) must be included with the Form of Proxy. Any such power of attorney or other authority cannot be submitted electronically.
11. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (Euroclear), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Link Group (ID RA10), as the Company's "issuer's agent", by 10.00 a.m. on 27 January 2022. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of receipt of the message will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions.

13. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
14. Appointing a proxy will not prevent a shareholder from attending and voting in person at the General Meeting should he/she so wish.
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, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 10.00 a.m. on 27 January 2022 (or, in the case of an adjournment, no later than 48 hours before the time fixed for holding the adjourned meeting).
16. As at 12 January 2022 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 702,205,900 ordinary shares, carrying one vote per share, and there are no shares held by the Company in treasury. Therefore, the total voting rights in the Company as at 12 January 2022 were 702,205,900.
17. Resolutions 1, 2 and 3 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 4 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.
18. This notice, together with information about the total numbers of shares in the Company in respect of which shareholders 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.lgdplc.com](http://www.lgdplc.com).





