

31 May 2024

**Northern Leaf Plc**  
**(“Northern Leaf” or the “Company”)**  
**Company number 128967**

**£2.5 Million Unsecured Non-Interest Bearing**  
**Convertible Loan Notes**

Northern Leaf Plc, the Jersey based medicinal cannabis producer, is pleased to announce the conditional fundraising of up to £2.5m (the **Principal Amount**), comprising new unsecured, non-interest bearing, three year convertible loan notes (**CLN**) on the terms outlined in the Company’s previous announcement on 16 May 2024.

Existing shareholders and management participation in the CLN amounted to £805,000 of the £1 million available from the Principal Amount for existing shareholders to participate (the **Shareholder CNL Participation**). The two strategic investors (the **Investors**) have underwritten the full CLN up to the Principal Amount however, as a result of the Shareholder CLN Participation, the Investors’ overall contribution of the Principal Amount has been adjusted down to £1,695,000.

As at the date of this announcement, the Company has received the sum of £1,068,985 from the issue of the CLN with the balance of funds due to be paid to the Company in accordance with the terms of the CLN, which is subject to certain conditions including Shareholders’ Approval (as defined below).

With the CLN now signed management and the board will be able to focus their full attention on driving the business to profitability during Q4 2024 with the support of our two new strategic investors who will bring substantial additional industry experience and expertise to Northern Leaf’s leadership team and operations.

**General Meeting and Shareholders’ Approval**

The Board intends to call a General Meeting of shareholders as soon as practicable in order to seek approval from Northern Leaf’s shareholders (the **Shareholders’ Approval**) in respect of:

1. a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code to be put to all shareholders of the Company via a poll (the **Rule 9 Waiver Resolutions**); and
2. the right of the noteholders and any participating shareholders to convert the CLN into certain shares in the capital of the Company.

If Shareholders’ Approval is not obtained, funds received by the Company will be repaid by the Company on the maturity date, being three years from the date of the CLN.

**Rule 9 Waiver**

It is necessary for the Company to seek waivers from Rule 9 of the Takeover Code as the exercise of the warrants and conversion of the CLN would trigger a mandatory requirement for two of the noteholders to make an offer for all of the issued share capital of Northern Leaf unless the Takeover Panel waives such requirement. As is customary, the Takeover Panel will only grant such a waiver if (amongst other things) the Rule 9 Waiver Resolutions have been passed. The General Meeting Notice will provide you with an explanation of the Rule 9 Waiver Resolutions and to give you the information required to be provided under the Takeover Code.

**Voting support**

At the time of writing, the Company has received signed irrevocable voting and support undertakings from shareholders representing in excess of two-thirds of the entire voting rights in the Company undertaking, inter alia, to:

- vote in favour of the conversion of the CLN into ordinary shares in the capital of the Company
- vote in favour of any other resolutions proposed to holders of shares in the capital of the Company at the General Meeting, which will include the Rule 9 Waiver Resolutions; and
- to vote against any proposal or any other action presented to the General Meeting that would reasonably be expected to impede, interfere with or materially delay or postpone the consummation of, or otherwise adversely affect, the Conversion or the Funding.

*"I'm delighted by the successful closing of this £2.5 million fundraising which, after many months of hard work, finally breathes new life into Northern Leaf and provides the financial runway the company needs to enable the business to achieve profitable, self-sustaining cash flow generation during Q4 2024 for the long term benefit of shareholders, creditors and other stakeholders.*

*It has been a truly monumental team effort by the board, management, our new strategic investors, corporate advisors and the Government of Jersey who have all worked tirelessly to achieve this successful outcome and pull Northern Leaf away from the brink of liquidation."*

**- Geoff Eyre, Chief Executive Officer of Northern Leaf Plc.**

For further information contact:

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