



Northern Leaf Plc  
13 Castle Street  
St. Helier  
Jersey, Channel Islands  
JE1 1ES

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**Grant Thornton UK LLP**  
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London  
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4 July 2024

For the attention of the Board of Directors

We refer to the Rule 9 Waiver Circular dated 4 July 2024 to be issued by the Company, a copy of which is attached hereto and initialled by us for the purpose of identification.

We hereby confirm that we, in our capacity as the Company's Independent Adviser, have given our consent to the inclusion in the Rule 9 Waiver Circular of our name, and the statements attributed to us, in the form and context in which they are included.

Yours faithfully

A handwritten signature in grey ink that reads "Grant Thornton UK LLP".

Grant Thornton UK LLP



**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or what action you should take, you should immediately consult 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 another appropriately authorised independent financial adviser.**

S 4(j)  
R 24.3(d)(i)

If you sell or have sold or otherwise transferred all your shares in the Company, you should forward this document, together with the accompanying documents including the form of proxy, immediately to the purchaser, transferee or other agent through whom the sale was effected, for onward transmission to the purchaser or transferee, except that this document should not be forwarded or transmitted into the United States, Canada, Japan, Australia or the Republic of South Africa or any other jurisdiction where it would be unlawful to do so. If you have sold or otherwise transferred only part of your holding of shares in the Company, please consult the agent or other party through whom the sale or transfer was effected as to the action you should take.

**The whole of this document should be read. In particular your attention is drawn to the letter from the Chairman of the Company, which is set out in Part II of this document, which contains the unanimous recommendation from the Directors in respect of the Resolutions, that you vote in favour of the Resolutions.**

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# NORTHERN LEAF PLC

*(Incorporated and registered in Jersey under number 128967)*

## **Approval of waiver of obligations under Rule 9 of the United Kingdom's City Code on Takeovers and Mergers,**

## **Approval of conversion of convertible loan notes and issue of warrant shares**

**and**

## **Notice of General Meeting**

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A notice convening a General Meeting of the Company to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m. is set out at the end of this document.

The enclosed Form of Proxy for use at the General Meeting of the Company should be completed and returned to the Company's proxy tabulator, Ogier (Jersey) LLP at 3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG, marked for the attention of Alexander Curry, as soon as possible and to be valid must arrive no later than 1.30 p.m. on 25 July 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This document does not constitute a prospectus for the purposes of the Companies (Jersey) Law 1991 or the prospectus rules of the United Kingdom's Financial Conduct Authority. Accordingly, this document has not been approved by or filed with the Jersey Financial Services Commission or the United Kingdom's Financial Conduct Authority. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for Shares in any jurisdiction. Subject to the exceptions below, this document must not be distributed to a US Person (as such term is defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")) or within or into the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia. Shares have not been and will not be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national resident or citizen of Canada, Japan, South Africa, the Republic of Ireland or Australia or any corporation, partnership or other entity created or organised under the laws thereof. Any failure to comply with this restriction may constitute a violation of the United States or other national securities laws. None of the information contained herein has been filed or will be filed with the US Securities and Exchange Commission, any regulator under any state securities laws or any other governmental or self-regulatory authority.

The past performance of the Company and its securities is not, and should not be relied on as, a guide to the future performance of the Company and its securities. Neither the content of websites referred to in this document, nor any hyperlinks on such websites, is incorporated in, or forms part of, this document.

This document is published on 4 July 2024. Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 29 July 2024 from the Company's registered office. Copies will also be available to download from the Company's website at <https://northern-leaf.com>.

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## **FORWARD LOOKING STATEMENTS**

This document contains forward looking statements. These statements relate the Group's future prospects, developments and business strategies. Forward looking statements are identified by their use of phrases such as "potential", "estimate", "expect", "may", "will", or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that this information will prove to be correct and such forward-looking statements should not be relied upon. These forward-looking statements speak only as at the date of this document. No statement in this document is intended to constitute a profit forecast or profit estimate for any period. The Directors are under no obligation to update forward looking statements or risk factors, whether as the result of new information, future events or otherwise.

**EXPECTED TIMETABLE OF EVENTS**

Publication of this Circular	4 July 2024
Latest time and date for receipt of Forms of Proxy for the General Meeting	1.30 p.m. on 25 July 2024
Time and date of the General Meeting	1.30 p.m. on 29 July 2024
Latest date for Conversion	30 April 2027

**Notes:**

The times and dates set out in this document that fall after the date of this document are based on the Company's current expectations and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to the Shareholders.

The timetable assumes that there is no adjournment of the General Meeting. If the date scheduled for the General Meeting changes, the revised date and/or time will be notified to Shareholders by a further Shareholder letter.

All times shown are St. Helier, Jersey times unless otherwise stated.

**STATISTICS**

Number of Ordinary Shares issued as at the Last Practicable Date	184,485,083
Number of Preference Shares issued as at the Last Practicable Date	33,869,951
Issue price per CLN Share	£0.001272138
CLN Shares as a maximum percentage of the Enlarged Share Capital	90.00% <sup>(1)</sup>
CLN Shares as a minimum percentage of the Enlarged Share Capital	80.00% <sup>(1)</sup>
Warrant shares as a maximum percentage of the Enlarged Share Capital	5.00% <sup>(2)</sup>
Concert Party maximum percentage holding of the Enlarged Share Capital	86.89% <sup>(3)</sup>

## Notes:

- (1) Details of the conversion rights of the CLNs are set out in section 10 of Part III of this document
- (2) Details of the Warrant exercise mechanics are set out in section 10 of Part III of this document
- (3) Details of the assumptions for the Concert Party holding are set out in section 3 of Part III of this document.

**DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	<p>Frank Walker (<i>Non-executive Chairman</i>)  Geoff Eyre (<i>Chief Executive Officer</i>)  Tobi Mathews (<i>Non-executive Director</i>)  Mike Thompson (<i>Non-executive Director</i>)</p>
<b>Company Secretary</b>	<p>Computershare Limited  13 Castle Street  St. Helier  Jersey, Channel Islands  JE1 1ES</p>
<b>Registered Office</b>	<p>13 Castle Street  St. Helier  Jersey, Channel Islands  JE1 1ES</p>
<b>Financial Adviser</b>	<p>Grant Thornton UK LLP  30 Finsbury Square  London, United Kingdom  EC2A 1AG</p>
<b>Solicitors</b>	<p>Ogier (Jersey) LLP  44 Esplanade  St Helier  Jersey, Channel Islands  JE4 9WG</p>
<b>Website</b>	<p><a href="https://northern-leaf.com">https://northern-leaf.com</a></p>



## PART I

### DEFINITIONS

The following definitions apply throughout this document and the accompanying form of proxy, unless the context requires otherwise or unless it is otherwise specifically provided:

<b>Allotment Resolution</b>	the special resolutions, set out in the Notice of General Meeting, to be voted on by the Shareholders at the General Meeting to authorise the Board to allot the CLN Shares and the Warrant Shares on a non-pre-emptive basis
<b>Articles</b>	the memorandum and articles of association of the Company in force as at the date of the Circular
<b>Aug-Sept 2023 CLNs</b>	the convertible loan notes constituted pursuant to loan note instruments issued by the Company in August and September 2023
<b>Board or Directors</b>	the board of directors of the Company as at the date of this Circular consisting of Frank Walker, Geoff Eyre, Tobi Mathews and Mike Thompson
<b>Circular</b>	this document
<b>CLN Instruments</b>	the Investor CLN Instrument and the Shareholder CLN Instrument
<b>CLN Shares</b>	the Ordinary Shares to be issued to the Investors, the Participating Shareholders and Participating Management on Conversion
<b>Company or Northern Leaf</b>	Northern Leaf plc, a company incorporated in Jersey with company number 128967 whose registered office is situated at 13 Castle Street, St. Helier, Jersey, Channel Islands, JE1 1ES
<b>Concert Party</b>	together (i) Edward David Wilkinson; and (ii) Wray Herbert-King
<b>Convertible Loan Notes</b>	up to £2,500,000 unsecured, non-interest bearing, three year convertible loan notes to be issued to the Investors pursuant to the Investor CLN Instrument and to the Participating Shareholders and Participating Management pursuant to the Shareholder CLN Instrument
<b>Conversion</b>	the conversion of the Convertible Loan Notes into Ordinary Shares
<b>December 2023 Option</b>	the option constituted pursuant to an option agreement relating to the fundraise completed on 12 December 2023 and entered into between the Company and Crystal Capital Partners LLP
<b>Enlarged Share Capital</b>	the entire issued share capital of the Company following Conversion and issue of the Warrant Shares

<b>Form of Proxy</b>	the enclosed form of proxy for use by Shareholders at the General Meeting
<b>General Meeting</b>	the general meeting of the Company convened by the Notice of General Meeting, to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m., notice of which is set out at the end of this document
<b>Grant Thornton</b>	Grant Thornton UK LLP, the UK member of Grant Thornton International
<b>Grant Thornton Channel Islands</b>	Grant Thornton Limited, the Channel Island member of Grant Thornton International
<b>Independent Shareholders</b>	Shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with him or her (as defined by the Takeover Code) which, for the purposes of the Waiver, excludes all members of the Concert Party
<b>Issued Share Capital</b>	the entire issued share capital of the Company as at the date hereof comprising 184,485,083 Ordinary Shares and 33,869,951 Preference Shares
<b>Investor CLN Instrument</b>	the instrument dated 15 May 2024 constituting the Convertible Loan Notes entered into between the Company and the Investors
<b>Investors</b>	together (i) Edward David Wilkinson; and (ii) Wray Herbert-King and each individually an <b>Investor</b>
<b>IPO</b>	means an initial public offering of the Shares and the admission to trading on a stock exchange or other recognised public market
<b>IPO Discount Warrants</b>	the warrants constituted pursuant to the warrant instrument issued by the Company on 11 April 2023
<b>Last Practicable Date</b>	3 July 2024, being the date that is the latest practicable date prior to the publication of this Circular
<b>March 2021 Option</b>	means the option constituted pursuant to an option agreement relating to the fundraising completed on 28 March 2021 and entered into between the Company and Crystal Capital Partners LLP
<b>March 2023 Option</b>	means the option constituted pursuant to an option agreement relating to the fundraising completed on 28 March 2023 and entered into between the Company and Crystal Capital Partners LLP
<b>Maturity Date</b>	30 April 2027
<b>Nomination Agreement</b>	the nomination agreement dated 3 June 2024 between the Company and the Investors in relation to the Investors' right to appoint Directors

<b>Notice of General Meeting</b>	the notice of general meeting which is set out at the end of this Circular
<b>Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Participating Management</b>	the management of the Company who have subscribed for Convertible Loan Notes
<b>Participating Shareholders</b>	the Shareholders who have subscribed for Convertible Loan Notes
<b>Preference Shares</b>	the preference shares of £0.01 each in the capital of the Company
<b>Proposals</b>	the Waiver, the Conversion, the issue of the Warrant Shares and the amendment of the Articles
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting comprising the Allotment Resolution and the Waiver Resolutions
<b>Rule 9 Offer</b>	a general offer under Rule 9 of the Takeover Code
<b>Sale</b>	the completion of any transaction or series of transactions in which any persons or group of persons acting together acquires or otherwise obtains all the issued share capital of the Company
<b>Shareholder CLN Instrument</b>	the instruments dated between 23 -29 May 2024 constituting the Convertible Loan Notes entered into between the Company and the Participating Shareholders and Participating Management (respectively)
<b>Shareholders</b>	the holders of the Shares
<b>Shares</b>	means all the issued Ordinary Shares and all the issued Preference Shares, comprising the Issued Share Capital
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Waiver</b>	the waiver granted by the Panel (conditional on the approval of the Waiver Resolutions by the Independent Shareholders on a poll) of the obligation of the Concert Party to make a Rule 9 Offer under the Takeover Code on the allotment and issue to it (or members of it) of the CLN Shares and the Warrant Shares
<b>Waiver Resolutions</b>	the ordinary resolutions of the Independent Shareholders to approve the Waiver in respect of the issue and allotment of the CLN Shares and the Warrant Shares to the Investors to be proposed on a poll at the General Meeting and set out in the Notice of General Meeting
<b>Warrant</b>	the warrant constituted pursuant to the Warrant Instrument

**Warrant Instrument**

the warrant instrument dated 3 June 2024 and entered between the Company and Wray Herbert-King constituting the Warrant

**Warrant Shares**

the Ordinary Shares to be issued pursuant to the terms of the Warrant Instrument

## PART II

## LETTER FROM THE CHAIRMAN

## Northern Leaf plc

*(Incorporated and registered in Jersey under number 128967)***Directors:**

Frank Walker (Non-Executive Chairman)  
 Geoff Eyre (Chief Executive Officer)  
 Tobi Mathews (Non-Executive Director)  
 Mike Thompson (Non-Executive Director)

**Registered Office:**

13 Castle Street  
 St Helier  
 Jersey  
 JE1 1ES

Dated: 4 July 2024

To: Shareholders

Dear Sir or Madam

**Proposed issue of new Ordinary Shares in connection with conversion of Convertible Loan Notes  
and Warrant**

**Approval of Waiver of obligations under Rule 9 of the Takeover Code**

**Notice of General Meeting**

**1 INTRODUCTION**

On 31 May 2024, the Board announced a conditional fundraising of up to £2,500,000 comprising new unsecured, non-interest bearing, three-year convertible loan notes. Participating Shareholders and Participating Management who agreed to subscribe for the Convertible Loan Notes amounted to £805,000 and the Investors who had underwritten the full £2,500,000, had their overall contribution to the issue of the Convertible Loan Notes adjusted down to £1,695,000, out of which £1,248,975 has been received by the Company as at the date of the Circular. In June 2024, a conditional Warrant Instrument was entered into by one of the Investors in consideration of their participation in the unsecured loan while the Convertible Loan Notes were being set up.

Shareholder consent is therefore being sought to provide the allotment authorities necessary to allow any subsequent conversion of the Convertible Loan Notes and exercise of the Warrant whereby the Investors would hold a controlling interest in the Shares.

These matters will require the approval of Shareholders, and this is explained in full below. A General Meeting is to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG on 29 July 2024 at 1.30 p.m. for the purpose of seeking such approvals. A notice convening the General Meeting, at which the Resolutions will be proposed, is set out at the end of this document.

The purpose of this document is to (i) give you further details on the Proposals, including the background to and reasons for the Resolutions; (ii) give you further details of the proposed Resolutions; (iii) explain why

S 4(j)  
R 24.3(f)

the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole; and (iv) convene the General Meeting to obtain Shareholder approval for the Resolutions.

Shareholders should read the whole of this document and not only rely on the information set out in this Part I of this document.

## 2 BACKGROUND

Following the termination of the proposed merger with Voyager Life Plc on 6 April 2024, which was a consequence from a lack of support for the associated prerequisite £2,000,000 fundraising by Voyager, the Board had to urgently procure alternative funding options to secure the future of the Company as a going concern. At that time, there was a very real likelihood that the Company would enter liquidation.

As announced to Shareholders on 8 April 2024, Northern Leaf sold its entire vault inventory and product that was with its manufacturing partner in Portugal for processing and final packaging for approximately 10 per cent. of its normal selling price to provide urgently needed funds to maintain the Company in the short term whilst alternative long-term funding was sought.

Immediately following the failure of the proposed merger with Voyager Life Plc, the equity value in the Company was effectively nil and the Company was on the brink of liquidation with the Board meeting on an extremely frequent basis to monitor the situation and to ensure that the Board fully complied with all its obligations to all relevant stakeholders. As a safeguard, Grant Thornton Channel Islands was appointed to advise the Board as to its continued solvency and to attend all board meetings.

It was in this intervening period that the Board signed terms with the Investors who had proven track records of successfully developing and operating highly profitable cannabis businesses which resulted in the Investors subscribing for the Convertible Loan Notes.

Furthermore, during April 2024, Mr Herbert-King provided the Company with emergency funding by way of an unsecured loan of £250,000 which was deployed as critical working capital, without which the Board would have had no choice but to put the Company into liquidation. This initial investment was used to maintain ongoing operations and to provide time to finalise the necessary documentation to facilitate the set up of the Convertible Loan Notes. The £250,000 has been offset against the £250,000 of the Investor CLN Instrument. The Company also entered into a Warrant Instrument with Mr Herbert-King (one of the Investors) on 3 June 2024 granting him a Warrant which will entitle him to receive certain Ordinary Shares.

The funds raised pursuant to the CLN Instruments will enable the Company to focus on achieving projected revenues during Q4 2024 whilst adding substantial industry experience and expertise to Northern Leaf's leadership team and operations.

## 3 PRINCIPAL TERMS OF THE CONVERTIBLE LOAN NOTES

The Convertible Loan Notes that are to be issued to the Investors, Participating Shareholders and Participating Management, are unsecured and non-interest bearing with a term of three years and expire on the Maturity Date or such later date as shall be agreed between the parties.

S 4(j)  
R 23.1  
S 4(j)  
R 24.3(f)(i)

Conversion may take place at any time during the three-year term at the discretion of the holder of the Convertible Loan Notes. The mechanics of the Conversion are variable depending on whether Conversion takes place on or prior to an IPO and the valuation of the Company at an IPO.

S 4(j)  
R 23.1  
S 4(j)  
R 24.3(f)(ii-iv)

Conversion could give holders between 80 per cent. or 90 per cent. of the Issued Share Capital, depending on the valuation of the Company at the time of the IPO and the timing of the Conversion, prior to the exercise of the Warrant.

A more detailed summary of the mechanics of the Conversion are set out in section 10 of Part III of this document.

#### **4 PRINCIPAL TERMS OF THE WARRANT**

The Warrant is to be issued to Mr Herbert-King in satisfaction for providing the unsecured loan of £250,000 to the Company in April 2024 which is outlined in Section 2 above. The Warrant entitles Mr Herbert-King to subscribe, at nil consideration, for such Ordinary Shares between 5 per cent. and 2.5 per cent. of the Enlarged Share Capital, depending on the valuation of the Company at the date of an IPO or a Sale.

The Warrant is exercisable on the date of an IPO or a Sale, after which they shall automatically lapse and cease to be exercisable.

A more detailed summary of the mechanics of the exercise of the Warrant is set out in section 10 of Part III of this document.

#### **5 CURRENT TRADING AND OUTLOOK**

As set out in Section 2 above, since the end of 2023, the Company sold its entire vault inventory for approximately £245,000 in April 2024 to provide urgently needed funds to maintain the Company following the failure of the merger with Voyager Life plc. From January 2024 to May 2024, the Company has generated approximately £425,000 of revenue. Further revenue is expected in July 2024 from a signed purchase order for approximately £160,000 with an existing customer. Additional revenue in the second half of the year is dependent on further orders from existing customers and the establishment of new relationships.

S 4(j)  
R 24.3(e)  
(R 243(a)(ii))

The Company has reduced its outgoings as much as possible. It maintains production at its cultivation facility and is replenishing inventory for sale.

Consequently, the Company was loss-making in the first half of 2024 and accrued additional losses of approximately £3.32 million.

#### **6 BOARD CHANGES**

Following the conclusion of the General Meeting it is proposed that Mr Wilkinson and Mr Herbert-King be appointed as directors to the Board. The Investors also have the right to appoint such additional persons as directors to the Board as may be required from time to time to ensure that the Investors interests are represented by a majority of directors on the Board.

The right of the Investors to appoint directors to the Board and maintain a majority of directors on the Board is governed by the terms of the Nomination Agreement.

### **Principal terms of the Nomination Agreement**

Pursuant to the terms of the Nomination Agreement, the Investors have the right to nominate:

- the majority in number of the directors for so long as the Investors hold Convertible Loan Notes convertible into Shares and/or owns Shares totalling 54 per cent. of the total number of Shares outstanding;
- two directors for so long as the Investors hold Convertible Loan Notes convertible into Shares and/or owns Shares totalling 25 per cent. or more of the total number of Shares outstanding; or
- one director for so long as the Investors hold Convertible Loan Notes into Shares and/or owns 10 per cent. or more of the total number of Shares outstanding.

Upon appointment as directors to the Board, each of the Investors will enter into a service contract with the Company. The terms are yet to be finalised but it has been agreed with the Investors that there will be no remuneration payable until such time as the Company becomes profitable.

## **7 MATTERS ARISING FROM THE CONVERSION OF THE CONVERTIBLE LOAN NOTES AND EXERCISE OF THE WARRANT**

The Takeover Code applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

**S 4(c)**

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that Mr Wilkinson and Mr Herbert-King are acting in concert because they have together negotiated and jointly entered into the Investor CLN Instrument.

**S 2(E)**

At the date of this document and save for the Investor CLN Instrument and the Warrant Instrument, neither Mr Wilkinson nor Mr Herbert-King hold any interest in Shares. Assuming (i) a subsequent IPO is at a value of less than £50 million, (ii) the members of the Concert Party convert their Convertible Loan Notes in full, based on the 90 per cent. dilution set out in paragraph 3 of this Part II, (iii) full exercise of the Warrant resulting in the issue of Shares equivalent to 5 per cent. of the share capital following Conversion (as set out in paragraph 4 of this Part II), (iv) there are no other exercises by holders of the Convertible Loan Notes,



and no other person exercises any warrants, convertibles securities, options or subscription rights issued by the Company and, (v) assuming there are no further share issues or other changes in the Company's issued share capital, the members of the Concert Party would be interested in 1,447,326,120 Shares, representing approximately 86.89 per cent. of the enlarged voting rights of the Company. A table showing the respective individual interests in shares of the members of the Concert Party on following conversion of their Convertible Loan Notes and exercise of the Warrant is set out in paragraph 3 of Part III of this document.

**Following Conversion of their Convertible Loan Notes and exercise of the Warrant, the members of the Concert Party would hold shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in Shares without incurring any obligation to make an offer under Rule 9,** although individual members of the Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

The Panel has agreed to waive the Concert Party's obligation to make an offer that would otherwise arise under Rule 9 as a result of the Proposals, subject to the approval of Independent Shareholders. Accordingly, the Waiver Resolutions are being proposed at a General Meeting of the Company and will be taken on a poll.

S 4(E)

In the event that the Waiver Resolutions are approved and following the conversion by the Concert Party of their Convertible Loan Notes and exercise of the Warrant in full, the Concert Party will not be restricted from making an offer for the Company.

S 4(f)

## 8 GENERAL MEETING

A notice convening a General Meeting of the Company to be held at 1.30 p.m. on 29 July 2024 at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG is set out at the end of this document. The purpose of the General Meeting is to seek Shareholder approval for the following resolutions:

S 2(d)

### ***Resolution 1 and 2 – Waiver***

The Waiver will not proceed if Resolutions 1 and 2 are not passed on a poll by the Independent Shareholders. Resolutions 1 and 2 will be proposed as ordinary resolutions (to be taken on a poll of the Independent Shareholders voting in person and by proxy) and seek the approval of the Independent Shareholders to waive the obligation of Mr Edward David Wilkinson and Mr Wray Herbert-King as members of the Concert Party which would otherwise arise under Rule 9 as a result of the issue and allotment to any member of the Concert Party of up to 1,332,402,418 Shares pursuant to the Convertible Loan Note and 114,923,702 Shares pursuant to the exercise of the Warrant.

### ***Resolution 3 – Disapplication of Article 2.12 of the Articles***

Resolution 3 is a special resolution that disapplies Article 2.12 of the Articles in relation to the Allotment Resolution.

#### **Resolution 4 – Authority to allot new Shares**

Resolution 4 is a special resolution that provides the Directors with authority to allot Shares in the Company, up to an aggregate nominal amount of £20,801,190.09, comprising up to a nominal amount of £19,651,953.07 in connection with the Conversion and up to a nominal amount of £1,149,237.02, in connection with the exercise of the rights granted pursuant to the Warrant Instrument.

#### **Resolution 5 – Amendment of the Articles**

Resolution 5 is a special resolution that effects certain amendments to the Articles and revokes the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.

### **9 IRREVOCABLE UNDERTAKINGS**

Irrevocable undertakings have been received from shareholders representing 147,079,715 Shares or 67.36 per cent. of the Issued Share Capital to vote in favour of the Resolutions. This includes irrevocable undertakings from certain of the Directors as set out in section 13 of Part III of this document.

S 4(j)  
R 24.3(d)(xiii)  
S 4(n)  
R 25.7(b)

### **10 ACTION TO BE TAKEN**

A form of proxy for use in connection with the General Meeting is enclosed. Whether or not you intend to attend the General Meeting, it is important, particularly in view of the fact that the Waiver Resolutions to be put to the Meeting will be determined by a poll, that you duly complete, execute and return the enclosed form of proxy, by email to northern-leaf@ogier.com or hand or by post, to the Company's proxy tabulator, Ogier (Jersey) LLP at 3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG marked for the attention of Alexander Curry in accordance with the instructions printed thereon. To be valid, the completed form of proxy must be returned as soon as possible and, in any event, so as to arrive not less than 1.30 p.m. on 25 July 2024. Completion and return of a proxy form will not prevent Independent Shareholders from attending and voting at the General Meeting in person should they wish to do so.

### **11 RECOMMENDATIONS**

The Directors, who have been so advised by Grant Thornton, consider the Proposals to be fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing its advice to the Directors, Grant Thornton has taken into account the Directors' commercial assessments of the Proposals and associated Waiver Resolutions. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 953,004 Shares, which represent approximately 0.43 per cent. of the total voting rights in the Company.

S 4(j)  
R 25.2(a)  
S 4(k)  
R 25.4(a)(ii)

Yours faithfully

**Frank Walker**  
Chairman

## PART III

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY

S 4(h)  
R 19.2(a)(b)

The Directors, whose names appear on page 23 of this document, accept responsibility for the information (including any expressions of opinions and their recommendations of the Resolutions) contained in this Circular, save for any information relating to the Concert Party, the intentions of the Concert Party, for which responsibility is accepted on the basis set out in the paragraph below. 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 are responsible, 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 accepts responsibility for the information (including any expressions of opinion) contained in this Circular relating to themselves. To the best of the knowledge and belief of the members 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 they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2 SHARE CAPITAL

The authorised and issued share capital of the Company is divided into Ordinary Shares and Preference Shares.

The Ordinary Shares and the Preference Shares rank *pari passu* in all respects, save that the Preference Shares carry a preference on any return made to Shareholders on a winding up of the Company.

The rights attaching to the Shares are more fully set out in the Articles.

#### 3 DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES

For the purposes of this paragraph 3, references to:

(a) **dealing** or **dealt** includes:

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);
- (iv) exercising or converting, whether in respect of new or existing relevant securities, any relevant securities carrying conversion or subscription rights;

- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
  - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
  - (vii) redeeming or purchasing, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
  - (viii) 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;
- (b) **disclosure period** mean the period of 12 months ending on the Last Practicable Date;
- (c) a person having an **interest** in relevant securities includes where a person:
- (i) owns securities;
  - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
  - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire 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
  - (iv) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;
- (d) **relevant securities** includes:
- (i) securities of an offeree company which are being offered for or which carry voting rights;
  - (ii) equity share capital of the offeree company and an offeror;
  - (iii) securities of an offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
  - (iv) securities of an offeree company and an offeror carrying conversion or subscription rights into any of the foregoing.

### **Interests of the Concert Party**

Set out below are details of the maximum percentage of the Company's voting rights which could be held by the Concert Party following Conversion and exercise of the Warrant.

The scenario is set out on the basis that:

- the Independent Shareholders approve the Waiver Resolutions;
- a subsequent IPO is at a value of less than £50 million and there are no further issue of Shares by the Company;
- the full exercise by the Concert Party of its Convertible Loan Notes, resulting in the Convertible Loan Notes being converted into Ordinary Shares based on the 90 per cent. dilution set out in paragraph 3 of Part II of this document;
- the full exercise of the Warrant resulting in the issue of Shares equivalent to 5 per cent. of the share capital following Conversion; and
- there are no other exercises by holders of the Convertible Loan Notes, and no other person exercises any warrants, convertibles securities, options or subscription rights issued by the Company and no other changes in the Company's issued share capital.

Concert Party Member	Current Holding	New Ordinary Shares to be issued		Maximum number of Ordinary Shares	% following the Concert Party Conversion and Warrant exercise
		Conversion of the Convertible Loan Notes held by the Concert Party	Warrant exercise		
Edward Wilkinson & Wray Herbert-King	0	1,332,402,418		1,332,402,418	79.99%
Wray Herbert-King	0	0	114,923,702	114,923,702	6.90%
<b>Total</b>	<b>0</b>	<b>1,332,402,418</b>	<b>114,923,702</b>	<b>1,447,326,120</b>	<b>86.89%</b>

S4(b)(i)&(ii)  
)  
S 4(d)

As the Convertible Loan Notes constituted pursuant to the Investor CLN Instrument are held jointly, Edward Wilkinson and Wray Herbert-King are both jointly interested in, and are the ultimate beneficial owners of, any Ordinary Shares that may be issued following Conversion.

S4(l)  
R24.9

### **Dealings by the Concert Party**

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 relevant securities in the Company in the 12 months preceding the date of this Circular. In addition, the Waiver will be invalidated if any acquisition of any interest in relevant securities in the Company is made by any member of the Concert Party in the period between the date of this Circular and General Meeting.

S 4 (k)  
R 24.4(a)(i)  
(ii)(b) &  
R 24.4(b) &  
R24.4(c)

As at the Last Practicable Date, no member of the Concert Party had any interest in relevant securities of the Company. No dealings in the relevant securities of the Company by any member of the Concert Party have taken place during the 12 months prior to the Last Practicable Date.

### **Director interests in Shares**

The interests of the Directors and their immediate families, related trusts and connected persons (all of which are beneficial interests unless otherwise stated), in relevant securities as at the Last Practicable Date are set out below:

<b>Director</b>	<b>Number of Shares held</b>	<b>% of issued voting Shares</b>
Frank Walker	927,248	0.42%
Geoff Eyre	nil	-
Tobi Mathews	25,756	0.01%
Mike Thompson	nil	-

S 4(k)  
R 25.4(a)(ii)(a)  
R 25.4(b)  
R 24.4. Note 1

None of the Directors have been issued any share options in relation to relevant securities in the Company.

None of the Directors have dealt in relevant securities of the Company in the 12 months prior to the Last Practicable Date.

### **4 DETAILS OF MEMBERS OF THE CONCERT PARTY**

S4(j)  
R 24.3(b)(i)

The Company has agreed with the Panel that the following persons are acting in concert with relation to the Company. The members of the Concert Party and details of the reason for their membership of the Concert Party are set out below. None of the members of the Concert Party are currently shareholders of the Company.

#### **Mr Edward David Wilkinson**

Mr Wilkinson has been cultivating cannabis for more than eighteen years. He is a shareholder and director of Half Moon Grow Inc. a cannabis cultivation business licensed by the San Mateo County, CA which has a 135,000sqft cultivation canopy with 20,000sqft nursery. He is currently responsible for operations and sales. For the period 2020 to 2023 the business has generated \$5 million to \$8 million in revenue per year with a profit of \$1 million to \$2 million per year for the same period. Shareholder distribution from 2020 to 2024 has been \$1.5 million.

<https://www.instagram.com/halfmoongrow>

#### **Mr Wray Herbert-King**

Mr Herbert-King has over a decade of experience in the California cannabis market with significant experience in the B2B wholesale cannabis sector. He founded and is currently CEO of MaryMary LLC which has grown into a multi-million dollar company in the cannabis sector. Products of Mary Mary LLC are currently sold in over 250 dispensaries across California.

[www.marymary.us](http://www.marymary.us)

### **5 INTENTIONS OF THE CONCERT PARTY FOR THE COMPANY**

The members of the Concert Party intend to leverage their experience in commercial cannabis operations to develop the Company's operations and sales channels, which they believe would add significant value to the Company at a future liquidity event such as an IPO or trade sale.

S 4(j)  
R 24.2(a)(i) – (v)  
R 24.2(b)  
R 25.2(a)(i) (ii)

The individual members of the Concert Party have each confirmed to the Company that they are not proposing, following Conversion and the issue of Shares following exercise of the Warrant, to seek any changes in the general nature of the Company's business. The Concert Party members have further specifically confirmed that they have no intention to change the Company's plans with respect to:

1. the future business of the Company (including any research and development functions);
2. the continued employment of employees and management of the Company and its subsidiaries or their headcount (including any material change to the balance of skills and functions of employees and management); or
3. the strategic plans for the Company; or
4. the locations of the Company's place of business, including the location of the Company's headquarters and headquarters functions; or
5. employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; or
6. redeployment of the Company's fixed assets.

As detailed in Part I of this document, the composition of the Board will be amended by the appointment of the Investors as directors to the Board.

Certain employees have consented to amendments to certain terms and conditions of their employment contracts, particularly in relation to the notice periods which are viewed by the Investors as onerous to the Company.

**S 4(g)**  
**R 16.2**

The Company does not currently operate a pension scheme or any other form of benefit scheme for employees.

The Board notes that the Concert Party has no intentions to make any changes to the business of the Company and therefore the Board does not believe that the implementation of the Concert Party's intentions will have any repercussions on employees of the Company and the locations of the Company's places of business.

S4(j)  
R25.2(a)  
(ii)

## **6 ADDITIONAL DISCLOSURES REQUIRED BY THE TAKEOVER CODE**

None of the members of the Concert Party 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.

Save as disclosed in paragraph 5 of Part II (letter from the Chairman) and paragraphs 4 and 5 of Part III (Additional Information), there is no arrangement or understanding (including any compensation arrangement) between any member of the Concert Party and any of the Directors, recent former directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the shares of the Company, having any connection with or dependence upon the Takeover Panel waiver or the Resolutions set out in this Circular or which is conditional on the outcome of the consideration of the Takeover Panel waiver or Resolutions set out in this Circular.

**S 4(i)**  
**R 21.2, Note 4**  
**S 4(j)**  
**R 24.3(d)(xix)**

**S**  
**R 25.2, Note 4**

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

- (a) the Company had undertaken no dealings in its own relevant securities;
- (b) none of the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) or any members of the Concert Party had any interest in or a right to subscribe for any relevant securities of the Company, nor had any such person dealt in such securities during the disclosure period;
- (c) the Company has not redeemed or purchased any of its own relevant securities during the disclosure period;
- (d) there were no arrangements which existed between the Company or any person acting in concert with the Company or any other person;
- (e) neither the Company nor any person acting in concert with the Company or any 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;
- (f) no member of the Concert Party nor any person acting in concert with them has entered into an agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent directors, Shareholders, recent Shareholders or any other person interested or recently interested in Shares which are connected with or dependent upon the outcome of the Conversion; S 4(g)  
R 16.2
- (g) no member of the Concert Party has entered into any agreement, arrangement or understanding to transfer any interest acquired in the Company, pursuant to the Investor CLN Instrument or the Warrant Instrument; and S 4(k)  
R 25.4(a)(ii)(v)
- (h) there are no material contracts (other than the contracts entered into in the ordinary course of business) entered into by the Concert Party in connection with their investment in the Company within the two years immediately preceding the date of this Circular.

## 7 DIRECTORS OF THE COMPANY

The current Directors of Northern Leaf plc and their functions are set out below:

S 4(j)  
R 24.3(e)  
(R 24.3(a)(i))

Director	Function
Frank Walker	Non-Executive Chairman
Geoff Eyre	Chief Executive Officer
Tobi Mathews	Non-Executive Director
Mike Thompson	Non-Executive Director



The business address of Northern Leaf plc is Retreat Farm, Rue des Varvots, St Lawrence, Jersey, Channel Islands, JE3 1GX.

### **Director remuneration and benefits**

Details of the service contracts for the Board of the Company are set out below. It should be noted that all non-executive directors' fees are currently accruing to be paid when the Company returns to profitability.

S 4(g)  
R 16.2

#### **Frank Harrison Walker OBE**

On 2 May 2023 Mr Frank Walker was appointed as a non-executive director and chairman pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 7 June 2023. Mr Frank Walker's appointment may be terminated on one months' notice by either party and the Company reserves the right to make a payment in lieu of notice. Under the terms of that agreement from 7 June 2023 Mr Frank Walker is entitled to receive fees at the rate of £50,000 per annum.

S4(m)  
R 25.5(a),  
Notes 1 & 2

#### **Geoffrey (Geoff) Peter Eyre**

On 1 January 2024 Mr Geoff Eyre was appointed as an executive director and Chief Executive Officer pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 1 January 2024. The appointment is terminable on 6 months' notice given by the Company or 2 months' notice given by Mr Geoff Eyre, however the Company may in its discretion make a payment in lieu of notice. Under the terms of that agreement from 1 January 2024 to 29 February 2024 Mr Geoff Eyre was entitled to receive fees at the rate of £150,000 per annum and from 1 March 2024 at the rate of £200,000 per annum.

Mr Geoff Eyre was previously a non-executive director of the Company prior to his appointment as Chief Executive Officer holding this position from 7 June 2023 to 31 December 2023. Under the terms of his non-executive director service agreement Mr Geoff Eyre was entitled to receive fees at the rate of £40,000 per annum.

#### **Tobi Mathews**

On 5 September 2022 Mr Tobi Mathews was appointed as a non-executive director pursuant to a director service contract entered into with the Company, pursuant to which his appointment commenced on 5 September 2022. Mr Tobi Mathews' appointment may be terminated on three months' notice by either party and the Company reserves the right to pay compensation in lieu of any notice of termination. Under the terms of that agreement from 5 September 2022 Mr Tobi Mathews is entitled to receive fees at the rate of £48,000 per annum.

#### **Peter Michael (Mike) Vardey Thompson MBE**

On 19 July 2023 Mr Mike Thompson was appointed as a non-executive director pursuant to a letter of appointment entered into with the Company, pursuant to which his appointment commenced on 19 July 2023. Mr Mike Thompson's appointment may be terminated on one months' notice by either party and the Company reserves the right to make a payment in lieu of notice. Under the terms of that agreement from 19 July 2023 Mr Mike Thompson is entitled to receive fees at the rate of £40,000 per annum.

## 8 UNAUDITED FINANCIAL INFORMATION ON NORTHERN LEAF PLC

Since incorporation the Company has not prepared statutory accounts. The information below is extracted from the Company's unaudited, non-statutory management accounts which have been prepared in accordance with IFRS.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2021 (Unaudited) £	Year ended 31 December 2022 (Unaudited) £	Year ended 31 December 2023 (Unaudited) £
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>150,750</b>
<b>Operating expenses</b>			
General and administrative expenses	(2,416,130)	(5,723,237)	(5,617,781)
Other operating income	97,107	30,927	-
Impairment of non-financial assets	-	(765,542)	-
Fair value movement on assets held for sale	-	(700,000)	-
Fair value movement on derivative liability	-	-	(5,701,200)
<b>Loss from operations</b>	<b>(2,319,023)</b>	<b>(7,157,852)</b>	<b>(11,168,231)</b>
<b>Other income/expense</b>			
Finance income	683	6,657	3,601
Finance cost	(1,839,346)	(3,002,520)	(1,808,672)
<b>Total other income/(expense)</b>	<b>(1,838,663)</b>	<b>(2,995,863)</b>	<b>(1,805,071)</b>
<b>Loss before tax</b>	<b>(4,157,686)</b>	<b>(10,153,715)</b>	<b>(12,973,302)</b>
Income tax	-	-	4,992,322
<b>Loss for the year</b>	<b>(4,157,686)</b>	<b>(10,153,715)</b>	<b>(7,980,980)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at	31 December 2021 (Unaudited) £	31 December 2022 (Unaudited) £	31 December 2023 (Unaudited) £
<b>Non-current assets</b>			
Investment property	1,800,000	-	-
Property, plant and equipment	11,674,988	12,486,822	10,924,614
Right of use assets	4,775,444	3,677,518	3,974,409
Deferred tax asset	-	-	5,001,380
	<b>18,250,432</b>	<b>16,164,340</b>	<b>19,900,403</b>
<b>Current assets</b>			
Cash and cash equivalents	5,728,552	421,725	356,429
Trade and other receivables	183,324	299,217	187,116
Assets classified as held for sale	-	1,340,000	-
Amounts due from issue of debt and equity instruments	-	-	1,286,259
Inventory	-	-	1,221,292
	<b>5,911,876</b>	<b>2,060,942</b>	<b>3,051,096</b>
<b>Current liabilities</b>			
Trade and other payables	(357,768)	(802,871)	(2,631,294)
Lease liabilities	(665,689)	(826,818)	(1,054,723)
Borrowings	(5,394,057)	(16,597,990)	(7,627,057)
	<b>(6,417,514)</b>	<b>(18,227,679)</b>	<b>(11,313,074)</b>
<b>Net current liabilities</b>	<b>(505,638)</b>	<b>(16,166,737)</b>	<b>(8,261,978)</b>
<b>Non-current liabilities</b>			
Lease liabilities	(3,013,478)	(2,736,745)	(1,926,509)
Borrowings	(14,668,354)	(7,351,611)	-
	<b>(17,681,832)</b>	<b>(10,08,356)</b>	<b>(1,926,509)</b>
<b>Net assets / (liabilities)</b>	<b>62,962</b>	<b>(10,090,753)</b>	<b>9,711,915</b>
<b>Equity</b>			
Ordinary share capital	219,000	219,000	219,000
Preference share capital	-	-	26,033,650
Share premium	1,881,000	1,881,000	3,361,000
Revaluation reserve	2,910,893	2,910,893	2,910,893
Retained losses	(4,947,931)	(15,101,646)	(23,082,628)
<b>Total equity</b>	<b>62,962</b>	<b>(10,090,753)</b>	<b>9,711,915</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year ended 31 December 2021 (Unaudited) £	Year ended 31 December 2022 (Unaudited) £	Year ended 31 December 2023 (Unaudited) £
<b>Cash flows from operating activities</b>			
Loss for the year	(4,157,686)	(10,153,715)	(7,980,980)
Adjusted for:			
Net Interest expense	1,838,663	2,995,863	1,805,072
Depreciation	323,065	1,317,136	1,303,114
Change in fair value of financial assets	-	-	5,701,200
Income tax	2,755	-	(4,992,322)
Impairment of non-financial assets	-	765,524	-
Fair value movement on assets held for sale	-	700,000	-
Loss on disposal of assets	-	-	50,807
 Movements In Working Capital:			
(Increase) / decrease in trade and other debtors	(101,687)	(115,893)	211,104
Increase inventories	-	-	(1,221,292)
Increase in trade and other creditors	219,644	359,695	1,666,107
<b>Cash generated / (used) from operating activities</b>	<b>(1,875,246)</b>	<b>(4,131,390)</b>	<b>(3,457,190)</b>
 <b>Cash flow from investing activities</b>			
Interest received	683	6,657	3,601
Proceeds for sale of assets held for sale	-	-	1,191,000
Proceeds for sale of assets property, plant & equipment	-	-	3,150
Purchase of property, plant and equipment	(2,698,891)	(1,386,194)	(41,752)
Payments for right of use assets	(4,393,368)	(632,791)	-
<b>Net cash used in investing activities</b>	<b>(7,091,576)</b>	<b>(2,012,328)</b>	<b>1,155,999</b>
 <b>Cash flow from financing activities</b>			
Proceeds from borrowings	-	2,387,125	1,225,806
Repayment of borrowings	-	(500,000)	(1,050,000)
Proceeds from related party borrowings	244,530	-	60,000
Repayment of related party borrowings	(1,593,989)	-	-
Proceeds from finance leases	3,456,870	559,942	156,195
Capital repayments - finance leases	(233,952)	(675,546)	(738,526)
Interest payments - finance leases	(151,736)	(373,708)	(370,329)
Interest payments - loans	(452,000)	(560,922)	(598,404)
Payment of other finance costs	-	-	(147,218)
Proceeds from the issue of preference shares	-	-	3,698,372
Proceeds from the issue of convertible loan notes (net of issue costs)	13,355,033	-	-
<b>Net cash from financing activities</b>	<b>14,624,756</b>	<b>836,891</b>	<b>2,235,895</b>
 <b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,567,934</b>	<b>(5,306,827)</b>	<b>(65,296)</b>
Cash and cash equivalents at the beginning of the year	70,618	5,728,552	421,725
<b>Cash and cash equivalents at the end of the year</b>	<b>5,728,552</b>	<b>421,725</b>	<b>356,429</b>

## 9 MAJOR SHAREHOLDERS

At the Last Practicable Date, in so far as is known to the Company, the name of each person who, directly or indirectly, is interested in voting rights representing 5 per cent. or more of the total voting rights in respect of the Company's issued share capital, and the amount of such person's holding, is as follows:

S 4(j)  
R 24.3(b)(iii)

Name	Number of Ordinary Shares	Number of Preference Shares	Total number of Ordinary and Preference shares	% of issued voting Shares
Gerald Snyman <sup>1</sup>	57,432,915	309,082	57,741,997	26.44%
James Taylor	31,281,858	32,196	31,314,054	14.34%
Crystal Capital Partners	21,775,769	77,270	21,853,039	10.01%

Notes:

1. Balance includes 7,718,000 Ordinary Shares held by Mud Hut (Jersey) Limited, a company controlled by Gerald Snyman

## 10 MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of this Circular, or are subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this Circular) and are, or may be, material:

S 4(n)  
R 25.7(a)

### (a) Investor CLN Instrument and Shareholder CLN Instrument

The Convertible Loan Notes that are to be issued to the Investors, Participating Shareholders and Participating Management, are unsecured and non-interest bearing with a term of three years and expire on the Maturity Date or such later date as shall be agreed between the parties.

Conversion may take place at any time during the three-year term at the discretion of the holder of the Convertible Loan Notes. The mechanics of the Conversion are variable depending on whether Conversion takes place on or prior to an IPO and the valuation of the Company at an IPO.

Where Conversion occurs prior to an IPO, the Convertible Loan Notes will convert into such number of Ordinary Shares representing the following percentage of the Issued Share Capital:

- 80 per cent. of the Issued Share Capital where Conversion occurs prior to an IPO;
- there is a right of adjustment for an additional 10 per cent. of the Issued Share Capital where the Company's valuation at IPO is £100,000,000 or less;

- where there has been no IPO by the Maturity Date and Conversion has occurred prior to an IPO, there is a right of adjustment for an additional 10 per cent. of the Issued Share Capital; and
- the maximum percentage of the Issued Share Capital that can be achieved on Conversion is 90 per cent. of the Issued Share Capital.

Where Conversion occurs at IPO, the Convertible Loan Notes will convert into Ordinary Shares representing the following percentage of the Issued Share Capital:

- 90 per cent. of the Issued Share Capital where the Company's valuation at IPO is £100,000,000 or less; or
- 80 per cent. where the Company's valuation at IPO is more than £100,000,000.

**(b) Warrant Instrument**

The Warrant is to be issued to Mr Herbert-King in satisfaction for providing the unsecured loan of £250,000 to the Company in April 2024. The Warrant entitles Mr Herbert-King to subscribe, at nil consideration, for such Ordinary Shares which is equivalent to:

- 5 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is less than £50,000,000;
- 3.75 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is between £50,000,000 and £75,000,000;
- 3 per cent. of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is between £75,000,000 and £100,000,000; or
- 2.5% of the Enlarged Share Capital, if the Company's valuation at the date of an IPO or a Sale is more than £100,000,000.

**(c) Nomination Agreement**

A summary of the principal terms of the Nomination Agreement is set out in paragraph 6 of Part II (letter from the Chairman).

**(d) Voting Support Agreements**

The Company has entered into a number of irrevocable voting and support agreements with 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 and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the 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 rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

(e) **Sancus Agreement**

The Company, as borrower, entered into a Jersey law governed loan agreement for £2.25 million with Gerald Snyman, Northern Leaf Dwelling Limited, Northern Leaf Properties Limited and Vienna Rondel Limited as guarantors (the **Original Guarantors**) and Sancus Lending (Jersey) Limited as Facility Agent and Security Agent (**Sancus**).

Pursuant to an amendment and restatement agreement between the Company, the Original Guarantors and Sancus dated 3 April 2020, the facility amount was increased by £2.6 million to a revised total of £4.85 million and each of Retreat Offices Limited and Retreat Leisure Holdings Limited acceded as guarantors (the **New Guarantors**).

Pursuant to a further amendment and restatement agreement between the Company, the Original Guarantors, the New Guarantors, Sancus and the Acceding and Increasing Co-Funders (as defined therein) dated 29 April 2022, the facility amount was increased by a further £2.5 million to a revised total of £7.35 million in order to finance the development of sites A, B, C and D Tamba Park, La Rue de la Frontiere, St Mary, Jersey, JE3 3EG (the **Sites**).

In connection with this loan, Sancus has been granted a first priority registered judicial hypothèque for £7.35 million over the Sites to include fixtures, fittings and equipment. The loan has a fixed interest rate of 8.5 per cent. per annum and is repayable on the earlier of (i) the end of the 24 month term, or (ii) the sale of the business, or (iii) completion of a refinance as a bullet payment.

On 30 May 2024 the Company and Sancus agreed new terms to renew the existing facility amounting to £6,300,000 (plus any accrued interest/default interest up to the date of the renewal and professional fees) subject to completion of certain condition precedent including, completion of the Convertible Loan Notes and completion of all loan and security documentation in form satisfactory to Sancus. The loan will have a fixed interest rate of 8 per cent. per annum (50 per cent. of which payable from June 2024 to May 2025 (inclusive) with the balance rolled up and 100 per cent. payable from June 2025 onwards) and repayable at the end of the 24 months term. It was agreed that a portion of accrued interest due to date to be waived if loan performs throughout the loan term (including all interest services on time and the facility repaid on time and in full). In recognition of Sancus and its co-funders agreement to waive elements of the interest accrual (including default interest), Sancus co-funders will be issued with warrants equal to 1.5 per cent of the issued share capital of the Company at the time of an IPO or a Sale.

(f) **Asset Finance Facility Agreement**

The Company, as borrower, entered into a Jersey law governed asset finance facility agreement for £3.0 million dated 28 June 2021 with Gerald Snyman as guarantor, and Reto Finance Limited as lender in order to finance the purchase of certain business assets.

This loan has a fixed interest rate of 6 per cent. per annum and is repayable at any time from 24 months of the commencement of the facility until the conclusion of the 60 month term.

(g) **Sale/HP Agreement**

The Company, as borrower, entered into Jersey law governed sale/hire purchase agreement for £800,000 dated 26 November 2021 with Gerald Snyman as guarantor and Investec Asset Finance (Channel Islands) Limited as lender pursuant to which the purchase of certain glasshouse plant and equipment items (as detailed therein) was financed.

This loan has a fixed interest rate of 5 per cent. per annum and is repayable at the end of the 60 month term.

(h) **IPO Discount Warrant Instrument**

On 11 April 2023 the Company entered into warrant instruments constituting the IPO Discount Warrants. Pursuant to which the Company issued 83 IPO Discount Warrants to the holders of the Preference Shares.

The IPO Discount Warrants will become exercisable (at an aggregate exercise price of £1.00) in the event of admission to trading on a stock exchange or other recognised public market where the issue price per Share at which Shares are offered pursuant to IPO does not represent the multiple on the aggregate subscription price paid by the holders of the Preference Shares as calculated below.

Where an IPO occurs on or after 1 January 2024, the multiple shall be 1.4286x, where x is the aggregate of the subscription price paid by the holders of the Preference Shares.

The IPO Discount Warrants shall be exercisable in respect of such number of Shares as will result in the total subscription price achieving the relevant multiple at the issue price per Share at which Shares are offered pursuant to the IPO.

(i) **Aug-Sept 2023 CLNs**

Between August and September 2023, the Company issued certain loan notes instruments pursuant to which a series of Aug-Sept 2023 CLNs were issued for an aggregate nominal amount of £1,031,587.50 bearing a 15 per cent. annual coupon and reaching maturity on the maturity date (being the earlier of (i) 24 months from the date of an IPO and (ii) 31 December 2025).

The Aug-Sept 2023 CLNs are to be secured by way of second ranking and subordinated priority security over sites A, B, C and D (formerly forming part of Tamba Park), La Rue de la Frontiere, St Mary, Jersey, JE3 3EG.



The Aug-Sept 2023 CLNs were issued in denominations of £5,000 and integral multiples of £1,000. As at the date of this document, £1,031,587.50 of Aug-Sept 2023 CLNs issued by the Company remain outstanding.

Pursuant to the conversion rights of the Aug-Sept 2023 CLNs, the Aug-Sept 2023 CLNs and any accrued and unpaid interest will be converted into Ordinary Shares at 50 per cent. discount to the Placing Price.

Any Aug-Sept 2023 CLNs not converted prior to the expiry of the Conversion Period, will be repaid on the maturity date (being the earlier of (i) 24 months from the date of an IPO and (ii) 31 December 2025).

(j) **March 2021 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital Partners LLP (**Crystal Capital**) the March 2021 Option to subscribe for 734,226 Shares at an exercise price of 58.2368493p. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The March 2021 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 28 March 2021 (until 28 March 2026).

Pursuant to the exercise rights of the March 2021 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the March 2021 Option prior to the sale should it so choose.

If the March 2021 Option (or any part of it) is not exercised during the option period, the March 2021 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

(k) **March 2023 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital the March 2023 Option to subscribe for 241,334 Shares at an exercise price of 77.6491324p. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The March 2023 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 28 March 2023 (until 28 March 2028).

Pursuant to the exercise rights of the March 2023 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the March 2023 Option prior to the sale should it so choose.

If the March 2023 Option (or any part of it) is not exercised during the option period, the March 2023 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

**(I) December 2023 Option**

The Company entered into an option agreement pursuant to which granted to Crystal Capital the December 2023 Option to subscribe for 13,379,372 Shares at an exercise price of £0.01046. In the event of any variation of the share capital of the Company by way of capitalisation, rights issue, consolidation, sub division or reduction, the number of Shares and the exercise price shall be adjusted in such manner as the auditors for the time being of the Company shall in writing advise the directors to be in their opinion fair and reasonable.

The December 2023 Option is capable of being exercised during a period of 5 years from the closing of the fund raise completed on 12 December 2023 (until 12 December 2028).

Pursuant to the exercise rights of the December 2023 Option, if the Company is to be sold, the Company shall give Crystal Capital 30 days' prior written notice thereof and Crystal Capital shall be entitled to exercise the December 2023 Option prior to the sale should it so choose.

If the December 2023 Option (or any part of it) is not exercised during the option period, the December 2023 Option (or such part of it as remains unexercised) shall lapse and cease to have any further effect.

**11 GENERAL**

Save as set out in this Circular, there is no agreement, arrangement, or understanding (including any compensation arrangement) between the Concert Party, or any person acting in concert with any of them and any of the Directors, recent directors, Shareholders, or recent shareholders of the Company, or any person interested or recently interested in Shares of the Company having any connection with or dependence upon the proposals set out in this Circular.

No agreement, arrangement or understanding exists whereby any Shares in the Company acquired by any member of the Concert Party will be transferred to any other person.

**12 NO SIGNIFICANT CHANGE**

S 4(j)  
R 25.3

From January 2024 to May 2024, the Company generated approximately £425,000 of revenue including from the sales of its entire vault inventory for approximately £245,000 in April 2024. Further revenue is expected in July 2024 from a signed purchase order for approximately £160,000 with an existing customer. The Company was loss-making in the first half of 2024 and accrued additional losses of approximately £3.32 million, which included professional costs relating to the aborted acquisition of the Company by Voyager Life plc.

The Company has conditionally entered into the CLN Instruments for a total of £2.5 million of funding in order to provide ongoing working capital, out of which £1,248,975 has been received in advance by the Company as at the date of this document.

Save as disclosed in this paragraph 12, there has been no significant change in the financial or trading position of the Company since the unaudited position as at 31 December 2023.

### 13 IRREVOCABLE UNDERTAKINGS

#### *Director irrevocable undertakings*

The Company has received an irrevocable undertakings from Frank Walker to vote in favour of the Resolutions at the General Meeting in respect of his own beneficial holdings amounting to in aggregate 927,248 Shares, representing approximately 0.42 per cent. of the existing issued ordinary share capital of the Company. The irrevocable undertakings include undertakings to:

- vote in favour of the Conversion and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the 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 rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

#### *Shareholder intentions to vote*

The Company has received an irrevocable undertaking from certain Shareholders to vote in favour of the Resolutions at the General Meeting in respect of, in aggregate, 147,079,715 Shares representing approximately 67.36 per cent. of the existing issued ordinary share capital of the Company. The irrevocable undertaking given include undertakings to:

- vote in favour of the Conversion and the issuance of Ordinary Shares following the exercise of rights under the Warrant Instrument;
- vote in favour of any other resolutions proposed to holders of Shares at the General Meeting, which will include the 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 rights granted to the Investors in respect of the Convertible Loan Notes or the Warrant.

### 14 PERSONS ACTING IN CONCERT WITH THE COMPANY

In addition to the Directors (together with their close relatives and related trusts) and members of the Group, there are no persons acting in concert with the Company for the purposes of the Proposals.

S 4(j)  
R24.3(d)(ii)

## 15 INDEPENDENT ADVICE TO THE BOARD

The Takeover Code requires the Directors to obtain competent independent advice regarding the merits of the Proposals. Grant Thornton has provided formal advice to the Directors regarding the Proposals and in providing such advice, Grant Thornton has taken into account the Directors' commercial assessments. Grant Thornton has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it appears. Grant Thornton confirms that it is independent of the Concert Party and has no personal, financial or commercial relationship or arrangements or understandings with the Concert Party.

S 4(a)

S 4(j)  
R 23.2

## 16 DOCUMENTS AVAILABLE FOR INSPECTION

This Circular, as well as copies of the following documents will be available to view at the Company's registered offices during normal business hours on any business day and on the Company's website ([www.northern-leaf.com](http://www.northern-leaf.com)), from the date of this Circular up to and including 29 July 2024 and at the General Meeting to be held on that day:

S 4(n)  
R 25.7(d)  
S 4(o)  
R 26.1(b)  
R 26.3(a)

- (a) the Articles;
- (b) the written consent of Grant Thornton referred to in paragraph 15 of this Part III (Additional Information) of this document;
- (c) Material Contracts (as set out in paragraph 10 of this Part III (Additional Information) in so far as they relate to the proposals set out in this Circular);
- (d) the irrevocable undertakings (as set out in paragraph 13 of this Part III (Additional Information));
- (e) Director's service agreements (as set out in paragraph 7 of this Part III (Additional Information)); and
- (f) the Circular.

## Northern Leaf plc

*(Incorporated and registered in Jersey under number 128967)*

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of Northern Leaf plc (the **Company**) to be held at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG at 1.30 p.m. on 29 July 2024, for the purpose of considering and, if thought fit, passing, the resolutions set out below

### ORDINARY RESOLUTIONS

**S 2(d)**

1. The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King and/or Edward David Wilkinson to make a general offer to shareholders of the Company as a result of the exercise of conversion rights attaching to the loan notes to be issued pursuant to the up to £2,500,000 loan note instrument dated 15 May 2024 (the **Investor Loan Notes**) be and is hereby approved.
2. The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King to make a general offer to shareholders of the Company as a result of the exercise of warrant to be issued to him pursuant to the warrant instrument dated 3 June 2024 (the **Warrant**) be and is hereby approved.

### SPECIAL RESOLUTIONS

3. Article 2.12 of the articles of association of the Company (the **Articles**) be and is hereby disappplied in relation to resolution 4 below.
4. The directors be and are hereby generally and unconditionally authorised pursuant to Article 2.8 of the Articles to allot new ordinary shares of £0.01 each in the capital of the Company (the **Ordinary Shares**) and to do so for cash pursuant to Article 2.11 of the Articles as if Article 2.9 of the Articles did not apply to any such allotment or grant, up to a maximum aggregate nominal amount of £20,801,190.09, comprising:
  - (a) up to a maximum aggregate nominal amount of £13,324,024.18 in connection with the proposed conversion of the Investor Loan Notes into new Ordinary Shares (the **Investor Loan Note Conversion**); and
  - (b) up to maximum aggregate nominal amount of £6,327,928.89 in connection with the proposed conversion of convertible loan notes to be issued by the Company pursuant to certain up to £1,000,000 loan note instruments dated between 23 May 2024 and 29 May 2024 (the **Shareholder Loan Notes**, together with the Investor Loan Notes, the **Loan**

**Notes**) into new Ordinary Shares (the **Shareholder Loan Note Conversion**, together with the Investor Loan Note Conversion, the **Loan Note Conversion**),

resulting in the holders of the Loan Notes receiving on Loan Note Conversion up to 90% of the Issued Share Capital, which would result in significant equity dilution of those shareholders who have not subscribed for the Loan Notes; and

- (c) the allotment of new Ordinary Shares up to a maximum aggregate nominal amount of £1,149,237.02, in connection with the exercise of the Warrant.

5. That:

- (a) the Company adopt the amended and restated articles in the form appended in Appendix B in place of the present Articles; and
- (b) the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM be and are hereby revoked in their entirety.

Dated 4 July 2024

By order of the board,

.....

**Frank Walker OBE**

*Chairman*

## Proxies

A member entitled to attend and vote at the meeting may appoint proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

A blank proxy form is attached. Please consider carefully the conditions attaching to appointment of a proxy.

Proxy forms in hard copy must be delivered to the Company's proxy tabulator, **Ogier (Jersey) LLP** at **3<sup>rd</sup> Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG** or by email to **northern-leaf@ogier.com** marked for the attention of **Alexander Curry**. Please see the conditions attaching to the appointment of a proxy for the time of such delivery.

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

All voting is to take place on a poll.

Resolutions 1 and 2 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, at least a simple majority of the votes cast must be in favour of the resolution.

Resolutions 1 and 2 will be subject to an independent vote, taken on a poll, in accordance with the requirements of The Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers which shall comprise of all shareholders of the Company on the basis that neither Edward David Wilkinson or Wray Herbert-King are yet shareholders of the Company.

S 2(E)

Resolutions 3, 4 and 5 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### Resolutions 1 and 2

Resolutions 1 and 2, if passed, would comprise a waiver from Rule 9 of the Takeover Code as the Conversion of the Investor Loan Notes and exercise of the Warrant would trigger a mandatory requirement for Edward David Wilkinson and Wray Herbert-King to make offers 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 Waiver Resolutions have been passed.

Resolutions 1 and 2 will be subject to an independent vote, taken on a poll, in accordance with the requirements of The Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers which shall comprise of all shareholders of the Company on the basis that neither Edward David Wilkinson or Wray Herbert-King are yet shareholders of the Company.

### Resolution 3

This resolution, if passed, would disapply Article 2.12 of the Articles in relation to the proposed allotment of Ordinary Shares pursuant to the Loan Note Conversion and the Warrant, each to be carried for cash.

Article 2.12 of the Articles states that a special resolution under Article 2.11 of the Articles shall not be proposed in respect of a specific allotment unless it is recommended by the directors and there has been circulated, with the notice for the meeting at which the resolution is to be decided, a proposal to the Company's shareholders entitled to have that notice a written statement by the directors setting out (i) their reasons for making the recommendations; (ii) the amount to be paid to the Company in respect of the Ordinary Shares to be allotted; and (iii) the directors' justification of that amount.

Due to the nature of the conversion mechanics of the Loan Notes and the exercise mechanics of the Warrant, the price of the new Ordinary Shares to be allotted will not be set until nearer the time of the Loan Notes Conversion and exercise of the Warrant (respectively) and is not known at this time. On the Loan Notes Conversion, the holders of the Loan Notes will receive up to 90% of the Issued Share Capital. On the exercise of the Warrant, the holder of the Warrant will receive up to 5% of the aggregate number of the Issued Share Capital and the Ordinary Shares issued by the Company on the Loan Note Conversion.



#### **Resolution 4**

This resolution, if passed, would authorise the directors to allot Ordinary Shares to subscribe for or convert any securities into Ordinary Shares for cash up to an aggregate nominal amount of £20,801,190.09 in connection with the Loan Note Conversion and exercise of the Warrant and to do so free of the pre-emption rights contained in the Articles.

Due to the fact that the directors are unable to determine the total number of Ordinary Shares to be issued in connection with the Loan Note Conversion and exercise of the Warrant as at the date of this notice, the directors are seeking authority to allot Ordinary Shares on a non-pre-emptive basis up to the aggregate maximum of the available headroom, to ensure that they have the necessary authority to issue the Ordinary Shares when finally determined pursuant to the terms of the Loan Notes and the Warrant (respectively).

#### **Resolution 5**

This resolution, if passed, would effect certain amendments to the Articles and would revoke the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 and conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.

These amendments include proposing:

- (i) to amend Article 7 to widen the permitted transfers provisions;
- (ii) to amend the notice period for general meetings (including annual general meetings) to 14 Clear Days down from the current 21 Clear Days to reflect market standard approach for companies incorporated in Jersey; and
- (iii) to allow Members to pass resolutions in writing without holding a meeting to reflect market standard approach for companies incorporated in Jersey.

Please refer to Appendix A for a comprehensive write-up of the proposed amendments to the Articles.

**Northern Leaf Plc****Registered company no 128967****(the Company)****Proxy form**

I/We .....

of .....

being a member/members of the Company and the holder/holders of

..... (number and class of shares)

appoint as my/our proxy

.....

or in his/her absence

.....

at the general meeting of the Company to be held at **1.30 p.m. on 29 July 2024 at 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG** and at any adjournment of that meeting.

If the chairperson is appointed as proxy, write "The chairperson" without inserting an address.

Please indicate with a tick mark in the spaces opposite each resolution how you wish the proxy to vote on your behalf. In the absence of any such indication, the proxy may vote for or against the resolution or may abstain at his/her discretion. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the meeting pursuant to the other items of business referred to in the notice convening the meeting.

Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the notice convening the general meeting.

Ordinary Resolutions		For	Against	Abstain
1	The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King and/or Edward David Wilkinson to make a general offer to shareholders of the Company as a result of the exercise of conversion rights attaching to the loan notes to be issued pursuant to the up to £2,500,000 loan note instrument dated 15 May 2024 be and is hereby approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The grant of the waiver by the Panel on Takeovers and Mergers described in the Circular to shareholders of the Company dated 4 July 2024 of any requirement under Rule 9 of the Takeover Code for Wray Herbert-King to make a general offer to shareholders of the Company as a result of the exercise of warrant to be issued to him pursuant to the warrant instrument dated 3 June 2024 be and is hereby approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolutions		For	Against	Abstain
3	To disapply Article 2.12 of the Articles in relation to the proposed allotment of Ordinary Shares pursuant to the Loan Notes Conversion and exercise of the Warrant, each to be carried out for cash.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	To authorise the directors pursuant to Article 2.8 of the Articles to allot Ordinary Shares to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £20,801,190.09 in connection with the Loan Notes Conversion and exercise of the Warrant free of the pre-emption rights contained in the Articles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	To authorise certain amendments to the Articles and revoke the memorandum and articles of association of the Company adopted by special resolution dated 26 July 2023 being conditional upon the occurrence of an initial public offering of the Ordinary Shares and the admission to trading on AIM.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated 2024

**For individuals:**

Signature of shareholder

Signature of joint-shareholder, if any

**For companies:**

Signed for and on behalf of

Name of the company:

.....  
Signature

.....  
Print name

.....  
Title

## **Proxy instructions**

### **What happens if you do not follow these instructions?**

1. If you do not follow these instructions, any instrument you make appointing a proxy may be invalid.

### **Eligible members**

2. If you are a member entitled to attend and vote at this meeting of the Company, you may appoint a proxy or proxies to vote on your behalf.
3. A proxy need not be a member of the Company.

### **If you complete a proxy form, can you still attend and vote at the meeting?**

4. Completion of a proxy form does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

### **Multiple proxies**

5. If you are a member entitled to cast two or more votes at the meeting, you may appoint two or more proxies and may specify the proportion of votes each proxy is appointed to exercise. If no proportion or number is specified, only the first form received by the Company will be accepted or, if all forms are received at the same time, the chairperson of the meeting may decide at his sole discretion which form to accept.

### **Joint shareholders**

6. In the case of jointly held shares, if more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. For this purpose, seniority will be determined by the order in which the names of the joint holders appear in the register of members (the first-named being the most senior).

### **How to appoint a proxy**

7. If you are an eligible member and a natural person, the appointment of your proxy must be in writing and signed by you or your authorised attorney.
8. If you are an eligible member and a corporation, the appointment of your proxy must be in writing and executed in any of the following ways: (i) under the corporation's common seal; (ii) not under the corporation's common seal but otherwise in accordance with its articles of association or constitution; or (iii) under the hand of the corporation's authorised attorney.
9. Despite paragraphs 7 and 8, the Company will accept an electronic record of your proxy if:
  - (a) the original is in writing and signed in one of the ways referred to in those paragraphs; and
  - (b) the Company permits receipt of electronic records by giving an electronic address for that purpose.

## Delivery of proxy form to Company

10. For an appointment of a proxy to be effective, the following documents must be received by the Company's proxy tabulator, **Ogier (Jersey) LLP** no later than **1.30 p.m. on 25 July 2024** (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting) at which the proxy proposes to vote:
  - (a) the proxy form;
  - (b) if the proxy form is executed by a corporation otherwise than under its common seal - an extract of its articles of association or constitution that evidences that it may be duly executed in that way; and
  - (c) if the proxy form is signed by your attorney - the authority under which it was signed or a certified copy of the authority.
11. Those documents may be delivered in either of the following ways:
  - (a) in the case of hard-copy documents - they must be left at or sent by post to the Company's proxy tabulator, **Ogier (Jersey) LLP at 3rd Floor, 44 Esplanade, St. Helier, Jersey, Channel Islands JE4 9WG**; and
  - (b) in the case of documents comprised in an electronic record - they must be sent to **northern-leaf@ogier.com**,

each marked for the attention of **Alexander Curry**.

If a poll is to take place within 48 hours after it has been demanded then, in addition to the ways specified in the preceding paragraph, the documents may be delivered to the chairperson or to the Company secretary or to any Director at the meeting at which the poll was demanded.

## APPENDIX A

Write-up of the proposed amended and restated articles of association of the Company

## APPENDIX B

The proposed amended and restated articles of association of the Company