

**THIS DOCUMENT AND ITS ENCLOSURES ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom. The whole of this document should be read.**

If you have sold or otherwise transferred all of your Existing Shares before the date that the Existing Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this document and the accompanying Application Form (in the case of Qualifying Non-CREST Shareholders) but not the Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please immediately contact your bank, stockbroker, or other agent through whom the sale or transfer was effected. However, these documents should not be forwarded or transmitted in, into or from the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or any other state or jurisdiction in which release, publication or distribution would be unlawful and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions might constitute a violation of the securities laws of any such jurisdiction.

The total consideration under the Open Offer will be less than €5 million (or an equivalent amount) in aggregate. Therefore, in accordance with section 85 and schedule 11A of the FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

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## **Real Good Food plc**

*(Incorporated in England and Wales under the Companies Act 1985 with registered no. 04666282)*

### **Approval of waiver of obligations under Rule 9 of the Takeover Code**

#### **Open Offer of up to 20,115,190 Offer Shares at 5 pence per share**

and

#### **Notice of General Meeting**

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**Your attention is drawn to the letter from the Independent Directors which is set out on pages 9 to 24 (inclusive) of this document and which, amongst other things, recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

**Notice of the General Meeting, to be held at finnCap, 60 New Broad Street, London, EC2M 1JJ at 11.00 a.m. on 13 August 2018, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Asset Services, by not later than 11.00 a.m. on 9 August 2018. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. On the assumption that the Open Offer becomes unconditional in all respects it is expected that Admission will become effective and that dealings in the Offer Shares will commence on or around 8.00 a.m. on 17 August 2018.

Any person entitled to receive a copy of documents and information relating to the Rule 9 Waivers, including this document, is entitled to receive such documents in hard copy form. Such person may request that all future documents and information in relation to the Rule 9 Waivers are sent to them in hard copy form. You may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting the Company at 61 Stephenson Way, Wavertree Technology Park, Liverpool, L13 1HN or +44 (0) 151 541 3790.

Except pursuant to certain limited exceptions which will be determined solely by the Company and/or its advisers, this document may not be published, distributed, forwarded or transmitted, directly or indirectly, in whole or in part, in or into the United States. These materials do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The Offer Shares described in this document have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Offer Shares are being offered outside of the United States in reliance on Regulation S. The Offer Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed judgement upon or endorsed the merits of the offering of the Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Furthermore, the Offer Shares have not been and will not be registered under the applicable laws of any of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa and, consequently, may not be offered or sold to any national, resident or citizen thereof.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions might constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release publication or distribution, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The Directors, whose names appear on page 6, accept responsibility for the information contained in this document, other than: (i) Patrick Ridgwell, Christopher Thomas, Jacques d'Unienville and Judith MacKenzie in relation to the recommendations set out in paragraphs 19 (a) (b) and (c) of Part I of this document, for which only the Independent Directors accept responsibility; (ii) information relating to the NB Concert Party, for which only the NB Directors accept responsibility; and (iii) information relating to Omnicane, for which only the Omnicane Directors accept responsibility. 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 document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Directors accept responsibility for the information contained in this document relating to the recommendation in respect of the Resolutions set out in paragraph 19 (a), (b) and (c) of Part I of this document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The NB Directors accept responsibility for the information contained in this document relating to the NB Concert Party. To the best of the knowledge and belief of the NB Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document relating to the NB Concert Party is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Omnicane Directors accept responsibility for the information contained in this document relating to Omnicane. To the best of the knowledge and belief of the Omnicane Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document relating to Omnicane is in accordance with the facts and does not omit anything likely to affect the import of such information.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules. finnCap is not acting for any other person in connection with the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of finnCap or for giving advice in relation to the matters referred to in this document.

# Important information

## 1. Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "predict" or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding, or which make assumptions in respect of, the planned use of the proceeds from the Open Offer, the Company's liquidity position, the future performance of the Company, the Company's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future mergers and acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgement and the information available to the Company as at the date of this document and are not intended to give any assurance as to future results. These statements have not been reviewed by the Company's auditors.

Except as required by the FCA, the London Stock Exchange, the AIM Rules or other applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard to them or any changes in events, conditions or circumstances on which any such statement is based.

## 2. Non-IFRS measures

In this document, certain financial measures are presented that are not recognised or defined by IFRS, including "EBITDA" (the "**Non-IFRS Measures**"). The Non-IFRS Measures are included in this document because the Directors consider them to be important supplemental measures of the Group's performance and a basis upon which to assess performance. The Company uses the Non-IFRS Measures for business planning purposes and in measuring its performance relative to that of its competitors. The Directors believe that the Non-IFRS Measures are useful to Shareholders because they and similar measures are frequently used by securities analysts, Shareholders and other interested parties to evaluate other companies in the Group's industry.

The use of Non-IFRS Measures has limitations as an analytical tool, and investors should not consider any of the Non-IFRS Measures in isolation, or as a substitute for analysis of the Group's results as reported under IFRS.

## 3. Rounding

The financial (and other) information presented in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a table may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations based upon the underlying information prior to rounding and, accordingly,

may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

#### **4. Information not contained in this document**

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

#### **5. No incorporation of website information**

The contents of the Group's websites or any websites directly or indirectly linked to any such website have not been verified and do not form any part of this document and Shareholders should not rely on such information.

#### **6. References to defined terms**

Capitalised terms used in this document are defined either in the text of this document or in the part of this document headed "Definitions".

#### **7. London, UK time**

All references to time and dates in this document are to London, UK time and dates, unless otherwise stated.

#### **8. Governing law**

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

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## Corporate information and advisers

Directors	Patrick Ridgwell ( <i>Interim Non-Executive Chairman</i> ) Christopher Thomas ( <i>Non-Executive Deputy Chairman</i> ) Hugh Cawley ( <i>Chief Executive Officer</i> ) Harveen Rai ( <i>Finance Director</i> ) Jacques d'Unienville ( <i>Non-Executive Director</i> ) Judith MacKenzie ( <i>Non-Executive Director</i> )
Company secretary	Harveen Rai
Company number	04666282
Registered address	61 Stephenson Way Wavertree Technology Park Liverpool L13 1HN
Auditors	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
Nominated adviser and broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Legal advisers to the Company (as to English law)	Walker Morris LLP Kings Court 12 King Street Leeds LS1 2HL
Bankers	Lloyds Bank Plc 5 St Paul's Square Old Hall Street Liverpool L3 9SJ
Registrars	Link Market Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Financial PR advisers	MHP Communications 6 Agar Street London WC2N 4HN

## Expected timetable of principal events

2018

Record Date	6.30 p.m. on 13 July 2018
Publication and posting of this document, the Form of Proxy and (if relevant) the Application Form	18 July 2018
Ex-entitlement date	7.00 a.m. on 18 July 2018
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST for Qualifying CREST Shareholders	19 July 2018
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. 3 August 2018
Latest time and date for depositing Open Offer Entitlements in CREST	3.00 p.m. on 6 August 2018
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 7 August 2018
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 9 August 2018
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 9 August 2018
General Meeting	11.00 a.m. on 13 August 2018
Announcement of result of General Meeting and Open Offer	13 August 2018
Admission and commencement of dealings in the Offer Shares	8.00 a.m. on 17 August 2018
CREST accounts credited in respect of Offer Shares in uncertificated form	17 August 2018
Despatch of definitive share certificates in respect of Offer Shares to be issued in certificated form	week commencing 27 August 2018

**Notes:**

- (1) If any of the details contained in the expected timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.
- (2) Admission and dealings in the Offer Shares are conditional upon the Open Offer becoming unconditional in all respects.
- (3) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or located or resident in countries outside the United Kingdom, details of which are set out in paragraph 6 of Part IV of this document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock account in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.

## Key statistics relating to the Open Offer

Number of Existing Shares	78,449,241
Number of Offer Shares	20,115,190
Offer Price	5 pence
Basis of Open Offer	10 Offer Shares for every 39 Existing Shares
Gross proceeds from the Open Offer	up to £1.0 million
Enlarged issued share capital*	330,996,509
Offer Shares and Replacement CLN Shares as a percentage of the Existing Shares*	321.9 per cent.
Open Offer Basic Entitlements ISIN	GB00BD3FVC10
Open Offer Excess Entitlements ISIN	GB00BD3FVB03

\* Assuming (i) take-up in full of the Open Offer by Qualifying Shareholders, (ii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by NB and Omnicane and (iii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Downing on the basis that the Company does not receive the remaining £0.15m discretionary amount from Downing before 30 September 2018, but that no other Ordinary Shares are issued.



## Part I

### Letter from the Independent Directors of Real Good Food plc

#### Real Good Food plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 04666282)

*Directors:*

Patrick Ridgwell (*Interim Non-Executive Chairman*)  
Christopher Thomas (*Non-Executive Deputy Chairman*)  
Hugh Cawley (*Chief Executive Officer*)  
Harveen Rai (*Finance Director*)  
Jacques d'Unienville (*Non-Executive Director*)  
Judith MacKenzie (*Non-Executive Director*)

*Registered office:*

61 Stephenson Way  
Wavertree Technology Park  
Liverpool  
L13 1HN

18 July 2018

*To the holders of Ordinary Shares and, for information purposes, to the holder of options over Ordinary Shares*

Dear Shareholder

**Approval of waiver of obligations under Rule 9 of the Takeover Code for the substitution of the May 2018 Loan Notes for the Replacement CLNs**

**Open Offer of up to 20,115,190 Offer Shares at 5 pence per share**

**and**

**Notice of General Meeting**

#### **1. Introduction**

As detailed in the Company's announcement on 17 May 2018 (the "**Announcement**"), the Company had, at that time, secured at least £8.2 million (but with a maximum of £8.7 million) in new financing arrangements from the Company's three major Shareholders, NB. Ingredients Limited, Omnicane International Investment Co Ltd via its parent company Omnicane Limited, and certain funds managed by Downing LLP, by means of secured loan notes. As at the date of this document, Omnicane and NB had each provided £3.30 million and Downing had provided £1.95 million (of which £0.35 million was part of the up to £0.5m additional funding that was to be provided at the sole discretion of Downing on or before 30 September 2018) (together, the "**May 2018 Loan Notes**"). On 17 May 2018, the funds advanced to the Company pursuant to the May 2018 Loan Notes were used in part to fund the payment of £4.5 million deferred consideration due to the vendors of Brighter Foods, and have provided the Company with up to £4.2 million (depending on whether the further £0.15 million is received from Downing) to fund the Company's continuing working capital needs, including for the build-up of inventory in advance of the Group's third quarter in October to December 2018.

As stated in the Announcement, it was proposed that the May 2018 Loan Notes be replaced with convertible loan notes within three months of the date of the Announcement, with the issue of such convertible loan notes (the "**Replacement CLNs**") being subject to a whitewash process pursuant to Rule 9 of the Takeover Code (as any conversion by either the NB Concert Party or Omnicane of their respective Replacement CLNs would increase the total voting rights under their control to equal to or over 30 per cent. of the total voting rights of the Company). The Company announced today that the Takeover Panel has agreed to waive the obligation on each of the NB Concert Party and Omnicane to make a general offer to Shareholders under Rule 9 of the Takeover Code that could otherwise arise on conversion of the Replacement CLNs into new Ordinary Shares, subject to the NB Whitewash Resolution and the Omnicane Whitewash Resolution, respectively, being approved at the General Meeting. Accordingly, the Company is seeking the approval at the General Meeting of, amongst other things, the Whitewash Resolutions.

The Company has also announced today that it proposes to raise up to approximately £1.0 million by way of an open offer of up to 20,115,190 Offer Shares at a price of 5 pence per Ordinary Share to Qualifying Shareholders.

Accordingly, the Company is seeking the authority of the Shareholders to provide the Directors with the authority to allot and issue the Offer Shares and to disapply pre-emption rights in relation to the issue of the Offer Shares at the General Meeting, notice of which is set out at the end of this document.

The Open Offer is conditional on: (i) the passing by Shareholders of the Resolutions at the General Meeting and (ii) Admission having become effective by no later than 8.00 a.m. on 17 August 2018 (or such time and date as the Company and finnCap may agree, being no later than 8.00 a.m. on 31 August 2018). Subject to all relevant conditions being satisfied it is expected that the Offer Shares will be issued and admitted to trading on AIM on or around 17 August 2018.

The Offer Price is at a discount of 54.5 per cent. to the closing middle market price of 11.0 pence per Existing Share on 17 July 2018 (being the last practicable date before publication of this document).

The purpose of this document is to explain the background to, and the reasons for, the Resolutions and to explain why the Independent Directors (in the case of paragraphs 19(a), (b) and (c)) and the Directors (in the case of paragraph 19(d)) recommend that you vote in favour of the relevant Resolutions.

## **2. Real Good Food plc – Nature of business**

Real Good Food was incorporated in February 2003 as an investment holding company to build, through acquisition and organic growth, a food group focusing on the supply of a range of chilled, frozen and ambient products to food retailers, the foodservice sector and industrial customers.

Employing approximately 1,100 full time employees as at 31 March 2017, the Group's previous strategy was to integrate acquired businesses into its infrastructure to achieve cross-selling opportunities into high-growth, premium-priced, specialist markets with higher trading margins, thereby building businesses which are strategically attractive to third parties.

Following the disposal of Napier Brown Sugar Limited in May 2015, the Group has had a focus on three synergistic areas (or divisions): Cake Decoration; Food Ingredients; and Premium Bakery.

### ***Cake Decoration***

The Cake Decoration division contributed approximately £47.0 million of revenue and approximately £6.5 million EBITDA in FY17. As at 31 March 2017 the division employed 358 people full time. The division comprises four parts, J F Renshaw Limited (trading as Renshaw), Rainbow Dust Colours Limited ("**RDC**"), Real Good Food Europe SA (trading as Renshaw Europe) and Renshaw US Inc. (trading as Renshaw Americas). Renshaw manufactures and distributes a broad range of cake decorating products such as sugarpaste, marzipan and mallows through the mainstream, specialist retail, wholesale, foodservice and food manufacturing channels. RDC produces a range of edible glitters, dusts, powders and food paints, brushes and pens for the specialist sugarcraft market. Renshaw Europe sells, markets and distributes Renshaw and RDC products across continental Europe, and Renshaw Americas markets the same products into the Americas.

### ***Food Ingredients***

The Food Ingredients division comprises R&W Scott which manufactures chocolate coatings, sauces, jams and dry powder blends for the industrial, retail, wholesale and foodservice markets and Brighter Foods which manufactures snack bars, both branded and own label, targeted at areas such as diet control, gluten free, lactose free, low or no added sugar, sports nutrition, organic and fair trade. The Food Ingredients division contributed approximately £27.3 million of revenue and approximately £(1.6) million of EBITDA in FY17, including the contribution from Garretts which was then part of the division but was disposed of in April 2018. As at 31 March 2017 the division employed 121 people full time.

### ***Premium Bakery***

Operating through the Haydens and Chantilly businesses, the Premium Bakery division bakes premium tarts, pies and crumbles, danish pastries, sweet buns, yum yums and doughnuts, selling to major retail

customers and through foodservice channels, and manufactures premium quality frozen desserts (e.g. gateaux, cheesecakes, tarts and flans) and sells them to pubs and restaurants. It operates both an ambient and frozen supply chain and also operates a same day consolidation service for all Waitrose stores for both Haydens and third-party products. In FY17 the division contributed approximately £33.9 million of revenue and approximately £1.2 million EBITDA. As at 31 March 2017 the division employed 520 people full time.

### 3. Background to and reasons for the Rule 9 Waivers

Over the past 12 months the Company has been heavily and repeatedly reliant upon financial support from the Major Shareholders in order to continue trading as a going concern as the effects of poor historic management decisions have become progressively more apparent. Notwithstanding this the Group is dependent upon some combination of the disposal of both its freehold properties within the next six months and the divestment of at least one of its business units to have sufficient working capital for present requirements, as further detailed in paragraph 5 below. The stated rationale for the support provided by the Major Shareholders has altered, as circumstances have changed. The Directors believe that over the last six months it has been clear that the Company needs longer term funding in order to have any prospect of a financially secure and stable future. There has been a requirement for the Major Shareholders to provide funding at relatively short notice to support the Group's working capital requirements and fund the payment of the deferred consideration for Brighter Foods. Over the past year, in aggregate, the Major Shareholders have injected/made available over £32.8 million to the Company, against a backdrop of diminishing profitability, underlined by a number of profit warnings, the last of which was announced on 31 January 2018.

On 29 June 2017, the Group announced that it had raised up to £15.5 million of expansion capital, comprising a secured loan note instrument ("**June 2017 Loan Notes**") of up to £8.75 million from Downing redeemable in full after three years, and attracting interest of 6.5 per cent. per annum with a 3 per cent. non-utilisation fee on any undrawn balance; two £2.0 million secured, one-year-term loans from each of NB and Omnicane; and, £2.75 million in new equity (representing 10 per cent. of the issued share capital of the Company at that time) via a subscription by Downing. This expansion capital was raised in the expectation of being used to fund the expansion plans of the Company, plans that were already well underway.

At the same time, the Company announced, *inter alia*, that its expectations for EBITDA for the year to 31 March 2017 were between £5.0 million and £5.4 million.

Just over one month later, on 1 August 2017, two further announcements were released by the Company disclosing that:

- during the audit process it had become apparent that two material claims against the Company in respect of its sugar buying arrangements had come to light;
- certain development costs previously capitalised should more properly have been expensed;
- the Group's consolidated EBITDA for FY17 was, as a result of these factors, and other accruals, likely to be closer to £2.0 million;
- trading conditions were slightly softer than expected in Q1 of the year to 31 March 2017;
- delays in the investment programme, referred to above, meant that the Board's expectation for the Group's consolidated EBITDA for FY18 would be approximately £2.3 million less than previously expected;
- payments to Pieter Totte and Peter Salter, former directors of the Company, and to the Company's current Interim Non-Executive Chairman Patrick Ridgwell made in prior financial years had not previously been disclosed as required under the AIM Rules and in the Group's annual report and accounts as related party transactions, or included in the notes on directors' remuneration (although the financial impact had been reflected in the years' results); and
- Peter Salter, a non-executive director of the Company at that time and chair of both the Audit and Remuneration Committees, stood down with immediate effect.

Following this, significant Board changes were announced on 8 August 2017, through which:

- Harveen Rai was appointed as Group Finance Director, replacing David Newman;
- Pieter Totte, Executive Chairman, stood down with immediate effect, with Pat Ridgwell standing in as Interim Non-Executive Chairman;
- Hugh Cawley was appointed as an independent Non-Executive Director and chair of the Audit Committee; and
- Judith MacKenzie, who had been appointed to the Board on 29 June 2017 took over as chair of the Remuneration Committee.

On 16 August 2017 NB and Omnicane, in equal measure, underpinned a cash-collateralised overdraft facility of £2.0 million for working capital purposes as, in the Board's opinion at that time, the Company's working capital position was insufficient. This £2.0 million carried an interest rate of 6.5 per cent. per annum, reflecting the risk associated with this funding, and mirroring the rate that Downing's cash injection on 29 June 2017 carried. At the same time, Downing notified the Company that it would not be subscribing for the second tranche of the June 2017 Loan Note of £1.5 million, such that no more than £7.25 million of principal is therefore outstanding under that particular arrangement.

On 29 August 2017 the Company announced, following a detailed financial review by the newly appointed Finance Director, a further downgrade to expectations of EBITDA for FY18, to approximately £1.0 million. In the same announcement, it was stated that the Major Shareholders "*have confirmed that they will, if required, provide additional funds to support the Company's working capital requirements*". Ultimately, this support would continue to be required over the following eight months on a number of occasions.

The Directors believe that at this stage (and indeed well before it and since), had the Major Shareholders chosen at any point to cease to support the business through their provision of working capital injections, then the Board would have had to commence an accelerated disposal process of the business and assets of the Company and/or to conduct the Company in the interests of creditors as a whole, rather than in the interests of Shareholders.

In parallel to running the business, the newly constituted Board had investigatory work undertaken to establish, amongst other things, so far as reasonably practicable, the full nature and extent of payments made to Pieter Totte, Peter Salter and Patrick Ridgwell in order that an appropriate announcement could be made to Shareholders as to what had happened during their stewardship. The broad outcome of these investigations was announced by the Company on 14 September 2017.

On 20 September 2017, the Company announced that the Major Shareholders were again to provide emergency funding in the form of a £4.0 million short-term debt facility through additional loan notes (the "**September 2017 Loan Notes**"). It was the Board's view at that time that the EBITDA for FY18, prior to exceptional costs, would be in the region of £6.5 million, based on each business unit's own forecasts of their likely profitability. The Group's results for FY17 were announced on 29 September 2017, reporting EBITDA of approximately £1.2 million and the then Chief Executive Officer of the Company expressed confidence in the future of the Company on the basis of the considerable investment that had been made. Net Debt stood at £16.2 million as at 31 March 2017.

Following a comprehensive review of the Company's operations to begin the process of rebuilding profitability, the management team further revised expectations down a month later in an announcement on 23 October 2017. No quantum was specified but the announcement stated that there would be a "*materially reduced level of EBITDA*" and that the Company would make a loss before tax in FY18. Again, in this announcement, the Company made reference to the continuing support of the Major Shareholders and how they would be willing to provide further funding should it prove necessary.

On 22 December 2017 the Company published its interim results for the six months to 30 September 2017, reporting an EBITDA loss of £1.4 million, and indicating that the remainder of the financial year was expected to be EBITDA breakeven with Net Debt as at 30 September 2017 being £35.8 million – approximately £20 million more indebted than six months previously. It was also announced that, again, the Major Shareholders would support the Company with further funding with another injection of, this time, £3.0 million (the "**December 2017 Loan Notes**"). The Board also

announced that Chris Thomas would step down as Chief Executive Officer, to become Non-Executive Deputy Chairman and Hugh Cawley would take over as Chief Executive Officer, effective 1 January 2018.

On 31 January 2018, following an unexpectedly poor peak trading period over Christmas and an initial review by the new leadership team, revised expectations for FY18 were announced to be an EBITDA loss of £3.5 million alongside reference to the Board having formulated and begun to execute a turnaround plan. The Major Shareholders again expressed support for the Company by offering to provide what further capital might be required to continue as a going concern.

Between late June 2017 and 31 January 2018 the Major Shareholders had made available, in aggregate, £23.0 million of emergency funding, in order to provide the Company with working capital and allow it to continue to trade as a going concern.

Since 31 January 2018, there have been no further profit warnings announced by the Company, although the Company's need for cash has been clear, well-signposted and consistent. In order to satisfy this cash requirement the Company disposed of the business of Garrett Ingredients for £1.8 million on 23 April 2018 and sourced a further injection of at least £8.2 million from the Major Shareholders which was announced on 4 May 2018 via the May 2018 Loan Notes. At the same time the terms of a longer-term funding package from the Major Shareholders was announced. The documentation of that funding package was signed on 17 May 2018 and the terms included the proposed issue of the Replacement CLNs (to repay the May 2018 Loan Notes) and completion of Rule 9 Waivers with respect to the NB Concert Party and Omnicane.

Since June 2017 (and not taking into account the May 2018 Loan Notes), the Company has therefore received up to, in aggregate, £27.0 million of support (in various forms) from the Major Shareholders, as summarised in the below table. Notwithstanding that, the Major Shareholders have also recently lent a further £8.5 million to the Group (via the May 2018 Loan Notes), and it is with this final tranche of lending that the Major Shareholders have required the replacement of the May 2018 Loan Notes by the Replacement CLNs.

<i>Completion date</i>	<i>Amount</i>	<i>Method of funding</i>	<i>Major Shareholder(s)</i>
27 March 2018	£4.0 million	Unsecured loan notes	NB (£1.7 million) Omnicane (£1.7 million) Downing (£0.6 million)
12 January 2018	£3.0 million	Unsecured loan notes	NB (£1.3 million) Omnicane (£1.3 million) Downing (£0.4 million)
20 September 2017	£4.0 million	Loan facility and loan notes	NB (£1.3 million) Omnicane (£1.3 million) Downing (£1.3 million)
16 August 2017	£2.0 million	Secured loan facility (applied as collateral for bank overdraft)	NB (£1.0 million) Omnicane (£1.0 million)
24 July 2017	£2.75 million	Equity placing	Downing
28 June 2017	£4.0 million	Shareholder loans	NB (£2.0 million) Omnicane (£2.0 million)
28 June 2017	Up to £8.75 million £7.25 million to date <sup>1</sup>	Loan notes	Downing

**Against this backdrop, the Directors have formulated a turnaround plan to improve the profitability of the majority of the Group's business units, especially those which are underperforming and/or loss-making. To supplement this turnaround plan the Group requires additional capital which is currently expected to be generated from some combination of the sale and leaseback of the Company's two freehold properties and the sale of certain component businesses of the Group. The Directors' expectations for trading in the first half of FY19 are such that should the Company not achieve the sale and leasebacks or divest any of the Group's**

<sup>1</sup> On 16 August 2017 the Company announced that Downing, at that time, had elected not to subscribe for the second tranche of loan notes in the sum of £1.5 million.

**business units, the Company will have sufficient working capital only until the end of September 2018. Furthermore, should Resolutions 1, 2 and 3 not be duly approved by the relevant Shareholders (and the May 2018 Loan Note repaid) this would accelerate the burn of the Company's cash due to the higher rate of interest that would then apply to the outstanding May 2018 Loan Notes (an increase in the total annualised return to 30 per cent.) which would mean the Company would need to raise additional funds at that time. Please see the paragraph 5 below entitled "Working Capital" for further information.**

#### **4. Real Good Food Plc – Strategy**

##### ***Objectives***

It is the intention of the Directors to restore the Company's operations to profitability and cash generation in order to provide returns to Shareholders. This objective may be common to any turnaround but the Directors believe that it carries particular relevance to the Company based on its recent history where substantial sums have been invested (particularly by the Major Shareholders) without any return paid or immediate prospect of such.

The Board believes that the basic tenet of the required strategy is to work appropriately with the management of each of the Company's businesses in order to improve the performance of each individual business unit, thereby increasing the return on investment within the period but also increasing the longer-term value of each of the constituent enterprises. However, some of the businesses in the Company are further developed along the profit improvement track than others – Brighter Foods is a profitable and cash generative company in its own right, which the Board believes requires very little adjustment or improvement, other than continuing support and modest, expansion-related investment. The Cake Decoration division, comprising RDC and the UK, European and US operations of Renshaw, which the Directors believe are potentially the most valuable enterprises, operates from a strong position in a global niche market but recent results demonstrate that the businesses are currently under-performing and under-delivering against their potential; Hayden's, a well-invested company, remains loss-making, though marked with a projected improvement whilst R & W Scott's continues to trade in a challenging market.

##### ***M&A Activity***

The Board has no intention to acquire further businesses in the short to medium term.

In calculating the working capital needs of the Group over the foreseeable future, the Board has concluded that if the net value to Shareholders of a business currently within the Group is demonstrably greater were it to be sold in the short term than if it were retained and turned around, then it should be considered a candidate for sale. Garrett Ingredients was a recent example of where the Board believed the Company would be better served financially through the disposal of this business rather than through its continued operation; hence the decision was taken to dispose of that business for £1.8 million.

The Board believes that this is unlikely to be the case with J F Renshaw or Brighter Foods, the profit growth potential for both of which is considered to be substantial. Should external parties express interest in any of the businesses of the Group, then the Board will give any such interest due and proper consideration, including the value equation of retention versus disposal.

Given the recent adverse publicity that the Company has received, a variety of parties have approached the Company with a view to exploring the possible purchases of certain of the Group's businesses. The Board has, against that background, assumed that some business disposals will be effected, and, although the Company has of late received expressions of strong interest in a number of its businesses which may or may not lead to a divestment, possibly even in the relatively short term, there can be no certainty as to timing or quantum nor, indeed, about achieving a value-accretive disposal at all. Should the sale of any of its business units not be achieved, or should any such sale not achieve the level of cash consideration that has been assumed, there would be a cash shortfall against the Board's forecasts.

##### ***Cash realised through other means***

Other assets owned by the Group include two freehold properties, both in Liverpool. The Board is in advanced discussions with interested parties regarding both the Company's freehold properties with regards to sale and lease back arrangements which are expected to complete within the next

six months. The Directors intend to seek sufficient protections in the lease documentation to ensure that the use of the properties remains a decision in the hands of the Company.

### **Central profit improvement initiatives**

In addition to the initiatives which are underway within each business to improve the profitability of the divisions, considerable activity has also been underway to improve the profitability of the Group through rationalising the central functions and ensuring that the infrastructure of the Group as a whole is lean and fit for purpose. The central functions now comprise the Board, finance and information technology, with just one individual responsible for Group oversight of each of the innovation and technical functions. This is considerably more focused than previously and, as part of this process, a number of employees have left or will shortly be leaving the Group.

The bulk of the central technical function is currently focused on Renshaw and its ongoing commercial development programme. Therefore the costs are allocated in large part to Renshaw. The Board believes that its ability to provide technical support to a wider base remains a significant asset in the context of a larger group.

## **5. Working capital**

**As a result of the lack of certainty of any business disposals or sale and lease back transactions, the Directors are of the opinion that, even taking into account the recent May 2018 Loan Notes or Replacement CLNs, the working capital available to the Group is not sufficient for the Group's present requirements, which is for at least 12 months from the publication of this document.**

**In order for the Group to have sufficient working capital for its present requirements, the Group is dependent upon some combination of the disposal of both of its freehold properties within the next six months and the divestment of at least one of its business units. If the disposals and divestment(s) were not to occur and the Open Offer were not to be taken up by any Shareholders, the Group is expected to have a working capital shortfall by the end of September 2018.**

**Assuming that the disposals and divestments are completed at the levels the Directors currently anticipate and £0.5 million net proceeds are received from the Open Offer (but Shareholders should note that the Open Offer is not being underwritten), the Directors believe that the working capital available to the Group, will be sufficient for the Group's present requirements for at least 12 months following the publication of this document.**

**Shareholders should be aware that if Resolutions 1, 2 and 3 are not approved at the General Meeting a higher rate of interest would apply to the principal amount of the May 2018 Loan Notes. As a result of these higher interest rate provisions, when added to interest already payable on the May 2018 Loan Notes, the coupon payable by the Company would amount to a total annualised cost of 30 per cent., and the Company would not then, without further remedial action, be able to meet its liabilities as they fell due. In these circumstances the Directors would be forced to seek alternative funding in order to refinance the May 2018 Loan Notes. If the Directors were unable to find any other sources of finance, having exhausted all other options, the Directors would have no alternative but to apply immediately for administration or to commence an insolvent liquidation of the Company. Existing secured creditors of the Group would then be expected to appoint receivers in respect of those properties subject to their security.**

## **6. Profit Estimate**

In due course, the FY18 operating results will be announced and they will be in line with the market's expectations, as indicated in late January this year, of an EBITDA loss before exceptional items in the order of £3.5 million from continuing operations. This constitutes a "profit estimate" for the purposes of Rule 28 of the Takeover Code (the "**Profit Estimate**").

The Profit Estimate is based on:

- the unaudited full year results of the Company for FY18; and

- the unaudited management accounts of the Company for FY18.

The Directors confirm that the Profit Estimate remains valid and has been properly compiled according to the bases stated above and that the basis of accounting used is consistent with the current accounting policies of the Group. Given that the period to which the Profit Estimate relates has been completed, there are no other principal assumptions underpinning the Profit Estimate.

## **7. Current trading**

The current financial year is trading in line with management's expectations for the full year, during which the Board expects to see considerable operational improvements. These improvements will arise partially as a result of the measures the Company has taken to control and reduce costs, both centrally and within the business units, and partially from reasserting the units' focus on the importance of margin generation, rather than simply on revenue growth, together with a more favourable raw material price environment. Notwithstanding a challenging retail environment, the Board anticipates that each business units' results will be in line with management's expectations, with an increased focus also on cash generation and markedly lower levels of one-off exceptional costs.

## **8. Proposed appointment of non-executive directors**

As the Company announced on 6 June 2018 the Board is currently in the process of seeking to appoint two appropriately qualified and experienced candidates as independent non-executive directors, being part of its improved corporate governance practices. When suitable candidates have been identified and have agreed to join the Board, the Company will make further announcements to the market.

## **9. Proposed executive management incentivisation**

It is the intention of the Remuneration Committee to finalise a new incentive plan for the executive management team of the Company, in particular, Hugh Cawley, Chief Executive Officer and Harveen Rai, Finance Director. This may include an option package over Ordinary Shares or a cash bonus, tied to achieving specific targets that drive Shareholder returns.

The terms of this incentive plan are intended to be finalised by the end of August 2018.

## **10. Information on the Open Offer**

Pursuant to the Open Offer the Company is proposing to raise up to approximately £1.0 million (before expenses). A total of up to 20,115,190 Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Offer Price, payable in full on acceptance. Any Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Offer Shares not subscribed for under the Excess Application Facility will not be allotted or issued. The Open Offer is not underwritten (in whole or in part).

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

### **10 Offer Shares for every 39 Existing Shares**

and so in proportion for any number of Existing Shares held by Qualifying Shareholders on the Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their basic Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in Restricted Jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their basic entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other



Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

The Open Offer Entitlements and Excess CREST Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 9 August 2018. Applications through the CREST system may be made only by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 9 August 2018. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part IV of this document.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore any Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title, is not a negotiable document and cannot be traded or otherwise transferred.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment for Offer Shares, are contained in Part IV of this document and in the case of Qualifying Non-CREST Shareholders, on the accompanying Application Form.

The Open Offer is conditional upon, the Resolutions being duly passed and becoming effective (without material amendment) at the General Meeting and Admission becoming effective. If the Open Offer does not proceed, the Offer Shares will not be issued and all monies received by the Receiving Agents from applicants will be returned to such applicants (at the applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the then Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 17 August 2018 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

Patrick Ridgwell and the Major Shareholders have irrevocably undertaken not to apply for any Offer Shares under the Open Offer. Therefore, in aggregate, a minimum of 13,077,238 Offer Shares will be available under the Excess Application Facility.

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part IV of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including, without limitation, the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

## **11. The Takeover Code**

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a United Kingdom incorporated public company whose Ordinary Shares are admitted to trading on AIM, and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as such term is defined in the Takeover Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights in a company that is subject to the Takeover Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights but does not hold shares carrying more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired which increases the percentage of shares carrying voting rights by any such person. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer. The Takeover Panel may agree to waive an obligation that would otherwise arise to make a mandatory offer under Rule 9 of the Takeover Code where that obligation arises as a result of an issue of new shares and the waiver is approved by independent shareholders.

### **NB Concert Party**

Pursuant to the Takeover Code, a concert party arises when persons, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company. Control means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of a company irrespective of whether the interest or interests give *de facto* control.

The Company's largest Shareholder, NB, together with Patrick Ridgwell, Non-Executive Interim Chairman of the Company have an aggregate holding of 22,502,354 Ordinary Shares, representing approximately 28.7 per cent of the Existing Shares, as at 17 July 2018 (being the last practicable date prior to the publication of this document). NB and Patrick Ridgwell are considered to be acting in concert for the purposes of the Takeover Code.

Should NB convert all its Replacement CLNs (including the full extent of the accrued interest) into Ordinary Shares, and assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by Omnicane and Downing and (ii) the Offer Shares), then the NB Concert Party would have an interest in the Company of 112,262,354 Ordinary Shares representing approximately 66.7 per cent. of the Company's issued share capital at that date.

Full details of the NB Concert Party's interests on 17 July 2018 (being the last practicable date prior to publication of this document) and potential interest in Ordinary Shares if NB converts all its Replacement CLNs into Ordinary Shares are set out below:

Shareholder	As at 17 July 2018		Immediately following conversion of NB's Replacement CLNs and full extent of accrued interest <sup>(1)</sup>		Immediately following conversion of NB's Replacement CLNs and full extent of accrued interest <sup>(2)</sup>
	No. of Existing Shares	% of Existing Shares	No. of Ordinary Shares	% of enlarged share capital	% of enlarged share capital
NB	22,139,998	28.2	111,899,998	66.5	33.8
Patrick Ridgwell	362,356	0.5	362,356	0.2	0.1
<b>Total</b>	<b>22,502,354</b>	<b>28.7</b>	<b>112,262,354</b>	<b>66.7</b>	<b>33.9</b>

(1) Assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by Omnicane and Downing and (ii) the Offer Shares).

- (2) Assuming no other Ordinary Shares are issued by the Company following the date of this document *other than* (i) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by NB and Omnicane (ii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Downing on the basis that the Company does not receive the remaining £0.15 million discretionary amount from Downing before 30 September 2018, and (iii) the Offer Shares).

**Shareholders should be aware that if Resolutions 1 and 3 are passed and become effective, the NB Concert Party will be able to convert its Replacement CLNs which could result in an interest in Ordinary Shares carrying more than 50 per cent., of the voting rights of the Company's voting share capital. In these circumstances, the NB Concert Party will be free to acquire further interests in shares in the Company (including Ordinary Shares) without being obliged to make any general offer to all Shareholders under Rule 9 of the Takeover Code and will not be restricted from making a general offer to all Shareholders under Rule 9 of the Takeover Code.**

**Shareholders should also be aware that if Resolutions 1 and 3 are passed and become effective, NB will be able to convert its Replacement CLNs which could result in an interest in Ordinary Shares carrying more than 50 per cent., of the voting rights of the Company's voting share capital. In these circumstances, NB will be free to acquire further interests in shares in the Company (including Ordinary Shares) without being obliged to make any general offer to all Shareholders under Rule 9 of the Takeover Code and will not be restricted from making a general offer to all Shareholders under Rule 9 of the Takeover Code.**

### ***Omnicane***

Should Omnicane convert all its Replacement CLNs into Ordinary Shares (including the full extent of the accrued interest), and assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the CLNs that may be held by NB and Downing and (ii) the Offer Shares), then Omnicane would have an interest in the Company of 110,413,954 Ordinary Shares representing approximately 65.6 per cent. of the Company's issued share capital at that date.

Full details of the Omnicane's interests on 17 July 2018 (being the last practicable date prior to publication of this document) and potential interest in Ordinary Shares if it converts all its Replacement CLNs into Ordinary Shares are set out below:

<i>Shareholder</i>	<i>As at 17 July 2018</i>		<i>Immediately following conversion of Omnicane's Replacement CLNs and full extent of accrued interest<sup>(3)</sup></i>		<i>Immediately following conversion of Omnicane's Replacement CLNs and full extent of accrued interest<sup>(4)</sup></i>
	<i>No. of Existing Shares</i>	<i>% of Existing Shares</i>	<i>No. of Ordinary Shares</i>	<i>% of enlarged share capital</i>	<i>% of enlarged share capital</i>
Omnicane	20,653,954 <sup>(5)</sup>	26.33	110,413,954 <sup>(5)</sup>	65.6	33.4

- (3) Assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by NB and Downing and (ii) the Offer Shares).

- (4) Assuming no other Ordinary Shares are issued by the Company following the date of this document *other than* (i) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Omnicane and NB, (ii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Downing on the basis that the Company does not receive the remaining £0.15 million discretionary amount from Downing before 30 September 2018, and (iii) the Offer Shares).

- (5) 20,653,954 Existing Shares are held by Omnicane's wholly owned subsidiary Omnicane International.

Shareholders should be aware that if Resolutions 2 and 3 are passed and become effective, Omnicane will be able to convert its Replacement CLNs which could result in an interest in Ordinary Shares carrying more than 50 per cent., of the voting rights of the Company's voting share capital. In these circumstances, Omnicane will be free to acquire further interests in shares in the Company (including Ordinary Shares) without being obliged to make any general offer to all Shareholders under Rule 9 of the Takeover Code and will not be restricted from making a general offer to all Shareholders under Rule 9 of the Takeover Code.

### ***Rule 9 Waivers***

The Panel has agreed to waive the obligation on each of the NB Concert Party and Omnicane to make a general offer that would otherwise arise as a result of the conversion of NB's and Omnicane's (respectively) Replacement CLNs, subject to the approval of the Independent Shareholders, (to be taken on a poll). Accordingly, the Whitewash Resolutions are being proposed at the General Meeting to approve a Rule 9 Waiver in respect of each of the NB Concert Party and Omnicane for the future conversion of any of the Replacement CLNs. Members of the NB Concert Party, Omnicane, Chris Thomas and Downing will not be entitled to vote on the Whitewash Resolutions.

## **12. Information on the NB Concert Party**

### ***Summary***

The NB Concert Party comprises NB and Patrick Ridgwell

NB is an investment holding company whose registered office is at International House, St Katherine's Way, London E1W 1XB. Its directors are Patrick Ridgwell, a director of the Company, and Anthony Ridgwell.

At 31 March 2017, being the latest date for which financial information on NB is publically available, NB had net assets of approximately £9.5 million. For the year ended 31 March 2017, NB reported a loss after taxation of approximately £4.2 million. Its sole investment was the Ordinary Shares it holds in the Company.

NB is a wholly owned subsidiary of Napier Brown Holdings Limited ("**NBHL**") an investment holding company whose registered office is at International House, St Katherine's Way, London E1W 1XB. The directors of NBHL are Patrick Ridgwell, Anthony Ridgwell and Anthony Drake.

Patrick Ridgwell and Anthony Ridgwell control NBHL as a result of controlling directly and indirectly the majority of its issued share capital. NBHL seeks to generate a risk-adjusted return above inflation through holding a diversified portfolio of traditional asset classes.

At 31 March 2017, being the latest date for which financial information on NBHL is publically available, it had consolidated net assets of approximately £42.5 million. For the year ended 31 March 2017, NBHL reported consolidated turnover of approximately £1.6 million and a consolidated profit after tax (and fair value gain on investments) of approximately £1.8 million.

Patrick Ridgwell, aged 72, has extensive experience of the sugar industry and other food sectors, having acquired and developed a number of food businesses during his career. He joined Napier Brown & Company Limited ("**NBCL**") in 1964, became a director in 1969 and managing director in 1972, following its acquisition of his family interests in 1970. NBCL focused on the supply of sugar, value-added sugar and nut products, dairy powders and sugar derived food products. NBCL was the largest independent, non-refining, distributor of sugar in the UK and also supplied sugar, dairy products, blends and associated ingredients to the food industry. The business of NBCL was listed on AIM during 2003 and subsequently merged with the Company during 2005. Patrick Ridgwell was appointed non-executive deputy chairman of the Company on completion of the merger and became Non-Executive Interim Chairman on 8 August 2017.

Anthony Ridgwell, aged 46, has been working within the Napier Brown group of companies since leaving university. He is the son of Patrick Ridgwell. He is also a director of NB and of NBHL where he deals with and manages their investments.

Should NB convert all of its Replacement CLNs into Ordinary Shares, its resultant holding is not expected to have a material impact on NBHL's financial position, including upon its earnings, assets and liabilities.

### ***Relationship between the NB Concert Party, the Independent Directors and the Independent Shareholders***

Patrick Ridgwell is a director of NB and NBHL and is the Interim Non-Executive Director of the Company. Paragraph 4.3(a) of Part VI contains details of Patrick's letter of appointment with the Company. Anthony Ridgwell is Patrick Ridgwell's son and is also a director of NB and NBHL.

The Group currently processes the payroll and life insurance for certain NBHL employees for an annual fee of £500 excluding VAT.

Save as disclosed above there are no relationships (personal, financial or commercial), arrangements or understandings between any member of the NB Concert Party and any of the Independent Directors.

The NB Concert Party has no relationships (personal, financial or commercial), arrangements or understandings with any of the Independent Shareholders or any person who is, or is presumed to be, acting in concert with any such Independent Shareholder.

### ***Material contracts***

Details of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the NB Concert Party during the period commencing on 18 July 2016 (being the date two years prior to the publication of this document) and ending on 17 July 2018 (being the last practicable date prior to the publication of this document) are set out in paragraphs 6.1, 6.2, 6.3, 6.5, 6.6, 6.8, 6.9 and 6.10 of Part VI of this document.

### ***Intentions of the NB Concert Party***

The NB Concert Party has confirmed that, if the NB Whitewash Resolution is passed by the Independent Shareholders on a poll, there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares to any third party. Save as disclosed in paragraph 4 above in relation to the potential disposal of certain of the Group's business units and freehold properties, the NB Concert Party is not intending to seek any changes in respect of: the future of the Group's businesses; any planned investment in research and development; the continued employment of the Group's employees and management, including any material change in conditions of employment or balance of skills and functions; the location of the Group's places of business, headquarters and headquarter functions; employer contributions into the Group's pension schemes, the accrual of benefits for existing members and the admission of new members; any redeployment of the fixed assets of the Group as a result of such proposals; and the maintenance of any existing trading facilities for the relevant securities of the Group.

## **13. Information on Omnicane**

Omnicane International is a wholly owned subsidiary of Omnicane Limited. Omnicane Limited, incorporated in 1926 (originally as Mon Tresor & Mon Desert Limited until its name change to Omnicane Limited on 9 July 2009) in Mauritius and headquartered in Port Louis is listed on the Official List of the Stock Exchange of Mauritius. Omnicane's primary activity consists of the cultivation of sugarcane and the production of refined sugar, bioethanol, thermal energy, and electricity. For the year to 31 December 2017 Omnicane generated revenues of 4.5 billion Mauritian Rupees and a total comprehensive income for the year of 2.5 billion Mauritian Rupees having produced 184,243 tonnes of refined sugar and 17.9 million litres of bioethanol. As at 31 December 2017 it had net assets of 10.9 billion Mauritian Rupees and 1,577 employees. Omnicane has operations in Mauritius, the United Kingdom, Rwanda and Kenya.

Further information on Omnicane is available on its website: [www.omnicane.com](http://www.omnicane.com).

Omnicane's majority shareholder is Omnicane Holdings Limited of which Mrs Valentine Therese Marie Helene Koenig and Mrs Marie Fernande Lise de Chazal are the ultimate controllers. Mrs Valentine Therese Marie Helene Koenig is a Mauritian national who was born in 1946, resides in Curepipe, Mauritius and has never held any post of employment. Mrs Marie Fernande Lise de Chazal, also a Mauritian national, was born in 1935, resides in Curepipe, Mauritius and has also never held any post of employment.

Should Omnicane convert all of its Replacement CLNs into Ordinary Shares, its resultant holding is not expected to have a material impact on Omnicane's financial position, including upon its earnings, assets and liabilities.

### ***Relationship between Omnicane, the Independent Directors and the Independent Shareholders***

Jacques d'Unienville is a director of Omnicane and is a Non-Executive Director of the Company. Paragraph 4.3(e) of Part VI contains details of Jacques' letter of appointment with the Company.

Save as disclosed above there are no relationships (personal, financial or commercial), arrangements or understandings between Omnicane and any of the Independent Directors.

Omnicane has no relationships (personal, financial or commercial), arrangements or understandings with any of the Independent Shareholders or any person who is, or is presumed to be, acting in concert with any such Independent Shareholder.

### ***Material Contracts***

Details of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Omnicane during the period commencing on 18 July 2016 (being the date two years prior to the publication of this document) and ending on 17 July 2018 (being the latest practicable date prior to the publication of this document) are set out in paragraphs 6.1, 6.2, 6.3, 6.5, 6.6, 6.8, 6.9 and 6.10 of Part VI of this document.

### ***Intentions of Omnicane***

Omnicane has confirmed that, if the Omnicane Whitewash Resolution is passed by the Independent Shareholders on a poll, there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares to any third party. Save as disclosed in paragraph 4 above in relation to the potential disposal of certain of the Group's business units and two freehold properties, Omnicane is not intending to seek any changes in respect of: the future of the Group's businesses; any planned investment in research and development; the continued employment of the Group's employees and management, including any material change in conditions of employment or balance of skills and functions; the location of the Group's places of business, headquarters and headquarter functions; employer contributions into the Group's pension schemes, the accrual of benefits for existing members and the admission of new members; any redeployment of the fixed assets of the Group as a result of such proposals; and the maintenance of any existing trading facilities for the relevant securities of the Group.

## **14. Irrevocable undertakings**

The Company has received the following irrevocable undertakings from the following Directors and Shareholders to vote in favour of Resolution 4 in respect of the following number of Existing Shares:

<i>Name</i>	<i>Aggregate number of Existing Shares voted in favour</i>	<i>% of Existing Shares</i>
Patrick Ridgwell	362,356	0.5
NB	22,139,998	28.2
Omnicane International	20,653,954	26.3
Downing	7,844,924	10.0
Total	<u>51,001,232</u>	<u>65.0</u>

In addition, Patrick Ridgwell, NB, Omnicane International and Downing have irrevocably committed not to apply for any Offer Shares under the Open Offer. Therefore, in aggregate, a minimum of 13,077,238 Offer Shares will be available under the Excess Application Facility.

## **15. Independent advice provided to the Board**

The Takeover Code requires the Board to obtain competent independent advice regarding the merits of the Rule 9 Waivers which are the subject of the Whitewash Resolutions, the increase of each of the NB Concert Party's and Omnicane's controlling positions on conversion of their respective Replacement CLNs and the effect it will have on the Shareholders generally. Accordingly, finnCap, as the Company's financial adviser, has provided formal advice to the Board regarding the Rule 9 Waiver. finnCap confirms that it is independent of each of NB (and the NB Concert Party) and Omnicane and has no commercial relationship with any of them.

## **16. General Meeting**

You will find set out at the end of this document a notice convening the General Meeting to be held at 11.00 a.m. on 13 August 2018 at finnCap, 60 New Broad Street, London, EC2M 1JJ. Details of the Resolutions which will be proposed at the General Meeting are set out below:

### **Ordinary Resolutions**

*Resolution 1:* proposes the NB Whitewash Resolution. The reasons for this Resolution are described above.

*Resolution 2:* proposes the Omnicane Whitewash Resolution. The reasons for this Resolution are described above.

(together the “**Whitewash Resolutions**”)

In accordance with the requirements of the Takeover Panel for granting the Rule 9 Waivers, the Whitewash Resolutions will be taken on a poll of Independent Shareholders.

### **Special Resolutions**

*Resolution 3:* proposes the resolution seeking the authority of the Shareholders to provide the Directors with the authority to allot and issue the Replacement CLNs and to disapply pre-emption rights in relation thereto.

*Resolution 4:* proposes the resolution seeking the authority of the Shareholders to provide the Directors with the authority to allot and issue the Offer Shares and to disapply pre-emption rights in relation to the issue of the Offer Shares.

## **17. Action to be taken**

### ***In respect of the General Meeting***

A Form of Proxy is enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by no later than 11.00 a.m. on 9 August 2018. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

### ***In respect of the Open Offer***

Qualifying Non-CREST Shareholders wishing to apply for Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3.1 of Part IV of this document and on the enclosed Application Form and return it with the appropriate payment to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 11.00 a.m. on 9 August 2018.

If you do not wish to apply for any Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy to the Company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by no later than 11.00 a.m. on 9 August 2018. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part IV of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part IV of this document by no later than 11.00 a.m. on 9 August 2018.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

## **18. Further information**

Your attention is drawn to the further information set out in Parts II to VI of this document, which provides additional information on the matters set out in this document, and to the Company's consolidated financial statements for FY16 and FY17, which are incorporated by reference into this document and are available at [www.realgoodfoodplc.com/investor-information/](http://www.realgoodfoodplc.com/investor-information/). You are advised to read the whole document and not merely rely on key or summarised information in this letter.

## **19. Recommendations and Opinions**

### ***Whitewashes***

- (a) **The Independent Directors consider the Whitewash Resolutions to be in the best interests of the Company and its Shareholders as a whole. The Independent Directors, who have been so advised by finnCap, consider that the Rule 9 Waivers are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, finnCap has taken into account the Independent Directors' commercial assessments.**
- (b) **The Independent Directors unanimously recommend that Shareholders vote in favour of the Whitewash Resolutions (Resolutions 1 and 2). Patrick Ridgwell, who is a member of the NB Concert Party, Jacques d'Unienville who is Chief Executive Officer of Omnicane, Judith MacKenzie who is a Head of Public Equity at Downing and Christopher Thomas, who was a director of NBHL until November 2003, are not deemed to be independent for the purpose of this recommendation.**

### ***Other Resolutions***

- (c) **The Independent Directors consider the allotment and issue of the Replacement CLNs to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that the Shareholders also vote in favour of Resolution 3. Patrick Ridgwell, who is a member of the NB Concert Party, Jacques d'Unienville who is Chief Executive Officer of Omnicane, Judith MacKenzie who is a Head of Public Equity at Downing and Christopher Thomas, who was a director of NBHL until November 2003, are not deemed to be independent for the purpose of this recommendation.**
- (d) **The Directors consider that the Open Offer is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that the Shareholders vote in favour of Resolution 4 as they intend to do in respect of their own beneficial holdings, representing approximately 0.8 per cent. in aggregate of the Existing Shares.**

### ***Related Party Transaction***

**As each of NB, Omnicane and Downing are substantial shareholders of the Company and have Board representation, the replacement of the May 2018 Loan Notes by the Replacement CLNs is deemed to be a related party transaction pursuant to the AIM Rules for Companies.**

**The Board considers that by replacing the May 2018 Loan Notes with the Replacement CLNs the Company avoids the higher interest rate provisions of the May 2018 Loan Note and substantially alleviates the pressure on the Company to source funding in order to make any such higher interest rate payments. Hugh Cawley and Harveen Rai, the Independent Directors of the Company for this purpose, having consulted with the Company's Nominated Adviser, finnCap Ltd, consider the replacement of the May 2018 Loan Notes with the Replacement CLNs to be fair and reasonable insofar as the Company's shareholders are concerned.**

Yours sincerely

**Hugh Cawley**

*Independent Director and Chief Executive Officer*



## Part II

### Financial information

#### 1. Financial information on Real Good Food

The following information is incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code and is available free of charge on the Company's website at [www.realgoodfoodplc.com](http://www.realgoodfoodplc.com). A Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by written request to Harveen Rai at the Company's Liverpool office, 61 Stephenson Way, Wavertree Technology Park, Liverpool, L13 1HN, or by calling +44 (0) 151 541 3790 between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays):

- the Interim Results of the Company for the six month period ended 30 September 2017;
- the Annual Report and Accounts of the Company for FY17; and
- the Annual Report and Accounts of the Company for FY16.

All reports referenced above can be found at the following website address:  
<https://www.realgoodfoodplc.com/investor/reports-and-results/>

Paragraph 7 of Part I of this document contains a update on current trading. The Company's Annual Reports and Accounts listed above contain the Company's audited consolidated financial statements for FY17 and FY16, together with the audit report in respect of each year.

<i>Information incorporated by reference to this document</i>	<i>Reference document</i>	<i>Page no.</i>
<b>For the six months ended 30 September 2017</b>		
Interim results announcement	Announcement dated 22 December 2017	N/A
<b>FY17</b>		
Independent auditors' report to the members	Annual Report 2017	26
Consolidated statement of comprehensive income for FY17	Annual Report 2017	27
Consolidated statement of changes in equity for FY17	Annual Report 2017	28
Consolidated statement of financial position at 31 March 2017	Annual Report 2017	30
Consolidated statement of cash flows for FY17	Annual Report 2017	32
Notes to the consolidated financial statements	Annual Report 2017	34
<b>FY16</b>		
Independent auditors' report to the members	Annual Report 2016	26
Consolidated statement of comprehensive income for FY16	Annual Report 2016	27
Consolidated statement of changes in equity for FY16	Annual Report 2016	28
Consolidated statement of financial position at 31 March 2016	Annual Report 2016	30
Consolidated statement of cash flows for FY16	Annual Report 2016	32
Notes to the consolidated financial statements	Annual Report 2016	34

#### 2. Financial information on NBHL

The following information is incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code and is available free of charge on the Company's website at [www.realgoodfoodPlc.com/](http://www.realgoodfoodPlc.com/). A Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by written request to Jim Davison at NBHL's office, International House, 1 Saint Katherines Way, London, E1W 1XB or by calling +44 (0) 207 335 2600 between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays):

- Annual accounts for the year ended 31 March 2017; and
- Annual accounts for the year ended 31 March 2016.

All reports referenced above can be found at the following website address:  
<https://www.realgoodfoodplc.com/investor-information/rule-26-aim/>.

There has been no material change in the trading or financial position of NB or in the scope of its business since 31 March 2017.

### 3. Financial information on Omnicane

The following information is incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code and is available free of charge on Omnicane's website at [www.omnicane.com](http://www.omnicane.com). A Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by written request to Harveen Rai at the Company's Liverpool office, 61 Stephenson Way, Wavertree Technology Park, Liverpool, L13 1HN, or by calling +44 (0) 151 541 3790 between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays):

- the Annual Report and Accounts of Omnicane for the year ended 31 December 2017; and
- the Annual Report and Accounts of Omnicane for the year ended 31 December 2016.

<i>Information incorporated by reference to this document</i>	<i>Reference document</i>	<i>Page no.</i>
<b>Year ended 31 December 2017</b>		
Independent auditors' report to the members	Annual Report 2017	135
Consolidated statement of comprehensive income	Annual Report 2017	137
Consolidated statement of changes in equity	Annual Report 2017	139
Consolidated statement of financial position	Annual Report 2017	138
Consolidated statement of cash flows	Annual Report 2017	141
Notes to the consolidated financial statements	Annual Report 2017	142
<b>Year ended 31 December 2016</b>		
Independent auditors' report to the members	Annual Report 2016	119
Consolidated statement of comprehensive income	Annual Report 2016	121
Consolidated statement of changes in equity	Annual Report 2016	123
Consolidated statement of financial position	Annual Report 2016	122
Consolidated statement of cash flows	Annual Report 2016	125
Notes to the consolidated financial statements	Annual Report 2016	126

All reports referenced above can be found at the following website address:  
<https://www.omnicane.com/intergrated-annual-reports>

There has been no material change in the trading or financial position of Omnicane or in the scope of its business since 31 December 2017.

## Part III

### Risk Factors

***Any application for Offer Shares would be subject to a number of risks. Prior to applying for Offer Shares, Qualifying Shareholders should consider carefully the factors and risks associated with any investment in the Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below.***

***Qualifying Shareholders should note that as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, the following is not an exhaustive list or explanation of all risks that Qualifying Shareholders may face when applying for Offer Shares and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, financial position, results of operations or prospects.***

#### **RISKS RELATING TO THE GROUP**

***The Group's market share and business position may be adversely affected by economic, political and market factors beyond the Group's control***

Many factors affect the level of consumer spending in the overall food industry, including interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of customer credit, taxation, stock market performance, unemployment and other matters that influence consumer confidence. The performance of the Group may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer spending.

The Group competes in the United Kingdom, Europe and the US against other national and international companies. The Group may experience increased competition from existing or new companies in these markets, which might require the Group to grow its business in order to maintain its market share.

If the Group is unable to maintain its competitive position, it could experience downward pressure on prices, lower demand for its products, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which would have an adverse impact on the Group's business, financial and other conditions, profitability and results of operations.

***The Group's sales are subject to seasonality***

The Group's sales volume experiences seasonal fluctuations. Products sold during the UK's major holiday seasons such as Christmas and Easter account for a significant portion of the Group's overall revenue. Accordingly, a decrease in the level of sales during key holiday seasons would likely have a material adverse effect on the Group's prospects, results of operations and financial condition.

***Demand for the Group's products may be adversely affected by changes in consumer preferences***

Consumer preferences, perceptions and spending habits may shift owing to a variety of factors that are difficult to predict and over which the Group has no control (including lifestyle, nutritional and health considerations). Any significant changes in consumer preferences or any failure to anticipate and react to such changes could result in reduced demand for the Group's products and weaken its competitive position and, therefore, could have a material adverse effect on the Group's prospects, results of operations and financial condition.

***Changes in the cost of raw materials and other supplies could adversely affect the Group's profitability***

An increase in any of the Group's operating costs may negatively affect the Group's profitability. Factors such as sugar costs and inflation may adversely affect the Group's operating costs. Most of the factors

affecting costs are beyond the Group's control and, in many cases, the Group may not be able to pass along these increased costs to its customers. Most ingredients used in the Group's products, including cocoa and sugar, are commodities and therefore subject to price fluctuations as a result of seasonality, weather, demand and other factors. The Group has no control over fluctuations in the longer term price and availability of ingredients or variations in products caused by the above factors. The Group's suppliers may implement significant price increases or may not meet the Group's requirements in a timely fashion, if at all, and alternative supplies may not be available or available on commercially acceptable terms. Any increases in food, raw materials and other costs could have a material adverse effect on the Group's prospects, results of operations and financial condition.

***Currency exchange fluctuations may increase the Group's costs***

The Group's financial position and the results of its operations are subject to adverse currency movements, primarily against the Euro and the US dollar. Sustained movement in exchange rates will increase or decrease the value of the Group's revenue and costs as reported in pounds sterling. As a result, the Group cannot guarantee that exchange rate fluctuations will not adversely affect the Group's business, operating results, financial condition or prospects.

***The Group is subject to regulations and legislation in the areas of food safety, environmental protection and employee health and safety***

As manufacturers of food, the Group is subject to rigorous and constantly evolving UK, European and US regulations and legislation in the areas of food safety, environmental protection and employee health and safety. There can be no assurance that an incident will not occur in relation to one or more of the Group's products or manufacturing facilities plants. Any such incident could have a negative impact on the Group's reputation and customer confidence in their products, reducing demand for a specific product or the Group's products in general. This in turn could have an adverse effect on the Group's financial condition and future prospects.

Moreover, the Group may be required to effect product recalls and/or may be subject to seizure of products and/or other sanctions which could have a material adverse effect on the business and reputation of the Group. In addition, any inquiry or investigation from a food regulatory authority could have a negative impact on the Group's reputation. Any of these events may have an adverse effect on the Group's business, results from operations, financial condition and/or prospects.

***Pension deficit liabilities could unexpectedly increase which may have an adverse impact on the balance sheet and profit and loss of the Enlarged Group***

The Group operates a defined benefit pension scheme. The nature of this pension arrangement means that the Group may be exposed to volatile cash, balance sheet and profit and loss impacts. Although the Group currently expects to be able to meet its obligations under the pension scheme, the funding level of the scheme for both cash and accounting purposes is sensitive to changes in a wide range of actual or assumed factors, which are beyond the Group's control, including primarily investment returns, discount rates for valuing liabilities (driven by returns on bonds), life expectancy and inflation. As a result, it is not possible to predict accurately the future funding level or employer cash contribution obligations (which are, to a degree, subject to the relevant pension scheme trustees' discretion in respect of any request for further funding) and accounting changes with any degree of certainty. Assets and investments held by the Group's defined benefit pension schemes may not grow to anticipated levels in the expected time periods. In the case of losses in respect of pension scheme investments, the Group may be required to make additional amounts available to make up any prospective pension deficits going forward.

***Brexit***

Regulatory regimes applicable to the Group may be affected by Brexit, including certain employment regulations, the right of EU citizens to work in the UK, tariffs, procurement and taxation. Higher labour costs could adversely affect the Group's business and future profitability.

***Weakness of sterling***

The weakness of the pound following the Brexit vote has resulted in an increase in the Group's cost of raw materials sourced in currencies other than pounds sterling.

### ***Fluctuations in prices***

The Group is vulnerable to fluctuations in the price and availability of raw materials, packaging materials and freight. If the Group is unable to pass these price increases on to its customers, such fluctuations may have a material adverse effect on the Group's cost of sales and gross profit.

### ***Ability to predict demand and innovation***

The success of the Group's business depends on the continued popularity of the range of products the Group offers through its ability to predict, identify and interpret demand; anticipating the changing tastes and dietary habits of consumers and introducing successful new products to meet their needs. Failure to develop successful and innovative products or to keep up with consumer preferences could adversely affect the Group's business.

### ***Regulatory actions***

As announced by the Company on 1 August 2017, payments to Pieter Totte and Peter Salter, former directors of the Company, and to the Company's current Interim Non-Executive Chairman made in prior financial years were not (at the appropriate time) disclosed as required under the AIM Rules and in the Group's annual report and accounts as related party transactions, or included in the notes on directors' remuneration (although the financial impact had been reflected in the years' results). These failings amount to a breach of the relevant requirements.

Accordingly, it is possible that the relevant regulatory authorities (including the London Stock Exchange and the Financial Reporting Council) could instigate formal investigations against the Company and, as a result of any such investigations, could seek to levy fines on the Company and/or censure (publicly or privately) the Company. The Company is currently not aware of any formal regulatory investigations concerning the non-compliant disclosure of the related party transactions referred to above or any other matters.

### ***Classification of consultants***

Historically the Group has engaged certain people as consultants. There is a risk that such consultants may have been misclassified by the Group as self-employed individuals, rather than workers or employees. If this was the case, such misclassification could lead, amongst other things, to HMRC seeking to recover any underpayment of tax or national insurance contributions from any payments made to the consultants from the Group, together with any associated interest and penalties.

### ***Working capital***

In order for the Group to have sufficient working capital for its present requirements, the Group is dependent upon some combination of the disposal of both of its freehold properties within the next six months and the divestment of at least one of its business units. If the asset disposals and business unit divestment(s) were not to occur and the Open Offer is not taken up by any Shareholders, the Group is expected to have a working capital shortfall by the end of September 2018.

Assuming that the disposals and divestments are completed at the levels the Directors currently anticipate and £0.5 million net proceeds are received from the Open Offer (but Shareholders should note that the Open Offer is not being underwritten), the Directors believe that the working capital available to the Group, will be sufficient for the Group's present requirements for at least 12 months following the publication of this document.

**Shareholders should be aware that if Resolutions 1, 2 and 3 are not approved at the General Meeting the higher rates of interest that would apply under the May 2018 Loan Notes would be triggered. As a result of these higher interest rate provisions, when added to interest already payable on the May 2018 Loan Notes, the coupon payable by the Company would amount to a total annualised cost of 30 per cent., and the Company would not then, without further remedial action, be able to meet its liabilities as they fell due. In these circumstances the Directors would be forced to seek alternative funding in order to refinance the May 2018 Loan Notes. If the Directors were unable to find any other sources of finance, having exhausted all other options, the Directors would have no alternative but to apply immediately for administration or to commence an insolvent liquidation of the Company. Existing secured creditors of the Group would then be expected to appoint receivers in respect of those properties subject to their security.**

## **RISKS RELATING TO THE ORDINARY SHARES**

### ***Suitability***

Investment in the Ordinary Shares may not be suitable for all prospective investors. Prospective investors are, accordingly, advised to consult a person authorised under the FSMA who specialises in investments of this nature before making any investment decisions.

### ***Investment in AIM-traded securities***

Investment in shares traded on AIM involves a higher degree of risk and such shares may be less liquid than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may, therefore, realise less than, or lose all of, their investment.

### ***Share price volatility and liquidity***

The value of an investment in the Ordinary Shares may decrease or increase abruptly, and such volatility may bear little or no relation to the Group's performance. As a consequence of such volatility, investors should be aware that the value of an investment in the Company may go down as well as up. The price of the Ordinary Shares may fall in response to market appraisal of the Group's strategy or if the Group's results of operations and/or prospects are below the expectations of market analysts or shareholders. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities, and may, in the future, experience similar fluctuations which may be unrelated to the Group's operating performance and prospects but nevertheless affect the price of the Ordinary Shares. Other factors which may affect the price of the Ordinary Shares include but are not limited to:

- differences between the Group's expected and actual operating performance;
- cyclical fluctuations in the performance of the Group's business;
- speculation, whether or not well-founded, regarding the intentions of the Group's major Shareholders or significant sales of shares by any such Shareholders;
- speculation, whether or not well-founded, about significant issues of shares by the Group;
- speculation, whether or not founded, regarding possible changes in the Group's management team;
- the publication of research reports by analysts and changes in earnings estimates by analysts;
- strategic actions by the Group or its competitors, such as mergers, acquisitions, divestitures, partnerships and restructurings;
- speculation, whether or not well-founded, about the Group's business, about mergers or acquisitions involving the Group or major divestments by the Group in the press, media or investment community; and
- general market conditions and regulatory, economic or political changes.

### ***Access to further capital***

The Group may require additional funds to respond to business challenges, to expand the business of the Group or to enhance existing products and services. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing Shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of existing Shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business

growth and to respond to business challenges could be significantly limited or could affect its financial viability.

***Future sale of Ordinary Shares***

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares.

## Part IV

### Terms and conditions of the Open Offer

#### Introduction

As explained in the letter from the Independent Directors set out in Part I of this document, the Company is proposing to raise up to approximately £1.0 million by way of the Open Offer.

The purpose of this Part IV is to set out the terms and conditions of the Open Offer. Up to 20,115,190 Offer Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer is not being underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.30 p.m. on 13 July 2018. Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 18 July 2018 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 19 July 2018.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part V "Questions and Answers about the Open Offer" in this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 9 August 2018 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 17 August 2018.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 below which gives details of the procedure for application and payment for the Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

The Offer Shares will, when issued and fully paid, rank equally in all respects with the then Existing Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 20,115,190 Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Offer Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements as at the Record Date.

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

#### 1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Offer Shares at the Offer Price *pro rata* to their holdings of Existing Shares as at the Record Date, payable in full in cash on application. The Offer Price represents a



discount of 54.5 per cent. to the closing mid-market price of 11.0 pence per Existing Share on 17 July 2018 (being the last practicable date before publication of this document).

Qualifying Shareholders have basic entitlements of:

### **10 Offer Shares for every 39 Existing Shares**

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Shares registered in your name on the Record Date (in Box 3), your Open Offer Entitlement (in Box 4) and how much you would need to pay if you wish to take up your Open Offer Entitlement in full (in Box 5).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 19 July 2018. The Existing Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part V "Questions and Answers about the Open Offer" and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 3.2 below for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following valid take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part IV below for further details of the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may be made only by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not being underwritten.**

**The attention of Overseas Shareholders is drawn to paragraph 6 below.**

The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

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

The Open Offer is conditional amongst other things, on (a) the passing of all Resolutions; (b) Admission of the Offer Shares occurring not later than 8.00 a.m. on 17 August 2018 (or such later time and/or date as the Company and finnCap may agree being no later than 8.00 a.m. on 31 August 2018).

Accordingly, if the Resolutions are not passed, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (in each case at the applicant's sole risk), without payment of interest, as soon as practicable, but within 14 days, thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form. Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Offer Shares in certificated form during the week commencing 27 August 2018.

In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, the Offer Shares are expected to be credited to their stock accounts maintained in CREST by 17 August 2018.

Application will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 17 August 2018, when dealings in the Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

## **3. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement are credited to your CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form and the amount payable. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Offer Shares in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2 below.

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

**Qualifying Shareholders who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.**

### 3.1 ***If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer***

#### (a) *General*

Subject to paragraph 6 below in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Shares registered in their name on the Record Date in Box 3. It also shows the Open Offer Entitlement allocated to them set out in Box 4. Entitlements to Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Offer Shares will be aggregated and made available under the Excess Application Facility. Box 5 shows how much Qualifying Non-CREST Shareholders would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

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

#### (b) *Bona fide market claims*

Applications to acquire Offer Shares may be made only on the Application Form and may be made only by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 7 August 2018. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Shares prior to the time at which the Existing Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into any Restricted Jurisdiction, including, without limitation, the United States. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

#### (c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may apply for Excess Shares only if they have agreed to take up their Open Offer Entitlements

in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that applications for Excess Shares by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or returned by hand (during normal business hours only) so as to be received by the Receiving Agents by no later than 11am on 9 August 2018. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11am on 9 August 2018. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery.

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

- (i) application Forms received after 11.00 a.m. on 9 August 2018; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 9 August 2018 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

(d) *Payments*

All payments must be in pounds sterling and made by cheque made payable to "Link Market Services Limited RE: Real Good Food Plc – 2018 OO Acceptance A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or credit to the relevant member account, as applicable) pending clearance thereof). It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, but within 14 days, following the lapse of the Open Offer.

If Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agents shall be authorised (in their absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agents, finnCap or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) *Incorrect Sums*

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

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by the Receiving Agents in respect of Offer Shares will be held in a separate non-interest bearing bank account.

(f) *Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 7 of the Application Form. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following valid take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Should the Open Offer become unconditional and applications for Offer Shares exceed 20,115,190 Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable, but within 14 days, thereafter, without payment of interest and at the applicant's sole risk.

(g) *Effect of application*

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

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and finnCap that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and finnCap that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Offer Shares to which he will become entitled to be issued to him on the terms set out in this document and the Application Form and subject to the memorandum of association and articles of association of the Company from time to time;
- (vii) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America or any other Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application to, or for the account or benefit of, a person who is in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America or any other Restricted Jurisdiction (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its sole and absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- (viii) confirms that the Offer Shares have not been offered to the applicant by the Company, finnCap, any of their respective affiliates or any person acting on any of their behalves by means of any “directed selling efforts”, as defined in Regulation S under the Securities Act, or “general solicitation” or “general advertising”, within the meaning of Rule 502(c) under the Securities Act;
- (ix) confirms that he is acquiring the Offer Shares from the Company in an “offshore transaction”, as defined in Regulation S under the Securities Act;
- (x) represents and warrants to the Company and finnCap that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the

increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and

- (xi) confirms that in making the application he is not relying and has not relied on the Company or finnCap or any person affiliated with the Company or finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agents on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(h) *Form of Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

**3.2 *If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject to paragraph 6 below in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply under the Excess CREST Open Offer Entitlement. Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Offer Shares arising will be aggregated and made available under the Excess Application Facility.

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

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by 3.00 p.m. on 7 August 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to these procedures, please contact the Receiving Agent, Link Asset Services on

+44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and Excess CREST Open Offer Entitlements will generate appropriate market claim transactions and the relevant Open Offer Entitlements and Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

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

- (i) the crediting of a stock account of the Receiving Agents under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agents in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph 3.2(c)(i) above.

(d) *Content of USE instruction in respect of Open Offer Entitlements*

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

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agents);
- (ii) the ISIN of the Open Offer Entitlements. This is GB00BD3FVC10;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agents in their capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agents in their capacity as a CREST receiving agent. This is 29744REA;



- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 9 August 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 9 August 2018. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 9 August 2018 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 August 2018 (or such later time and date as the Company and finnCap determine being no later than 8.00 a.m. on 31 August 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agents will refund the amounts paid by Qualifying CREST Shareholders by way of a CREST payment, without interest, as soon as practicable, but within 14 days, thereafter.

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

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to the Receiving Agents);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BD3FVB03;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agents in their capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agents in their capacity as a CREST receiving agent. This is 29744REA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 9 August 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to

authentication and contents set out above and must settle on or before 11.00 a.m. on 9 August 2018.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 9 August 2018 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 August 2018 (or such later time and date as the Company and finnCap determine being no later than 8.00 a.m. on 31 August 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agents will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable, but within 14 days, thereafter.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 9 August 2018. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agents.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agents, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 6 August 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 3 August 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 9 August 2018.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and

warranty to the Company and the Receiving Agents by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing Open Offer entitlements into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agents from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 9 August 2018 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 9 August 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Form of Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agents, reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question (without interest); (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 below in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST

Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and the relevant Open Offer Entitlements be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlements claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlements credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Offer Shares by Qualifying Shareholders under the Open Offer exceed 20,115,190 Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Offer Shares has been received, will receive a pounds sterling amount equal to the number of Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable, but within 14 days, following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(I) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to the Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agents’ payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and finnCap that all applications under the Open Offer and contracts resulting therefrom, and non-contractual obligations related thereto,

under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

- (iv) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- (vi) represents and warrants to the Company and finnCap that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company from time to time;
- (viii) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America or any other Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application to, or for the account or benefit of, a person who is in the United States or who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America or any other Restricted Jurisdiction (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its sole and absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- (ix) confirms that the Offer Shares have not been offered to the applicant by the Company, finnCap, any of their respective affiliates or any person acting on any of their behalves by means of any “directed selling efforts”, as defined in Regulation S under the Securities Act, or “general solicitation” or “general advertising”, within the meaning of Rule 502(c) under the Securities Act;
- (x) confirms that he is acquiring the Offer Shares from the Company in an “offshore transaction”, as defined in Regulation S under the Securities Act;
- (xi) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (xii) confirms that in making the application he is not relying and has not relied on finnCap or any person affiliated with the Company or finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

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

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agents receive a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agents have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agents in connection with CREST.

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 August 2018 or such later time and date as the Company and finnCap may agree (being no later than 8.00 a.m. on 31 August 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agents will refund the amount paid by Qualifying CREST Shareholders by way of a CREST payments, without interest, as soon as practicable, but within 14 days, thereafter.

#### **4. Money Laundering Regulations**

##### **4.1 Holders of Application Forms**

To ensure compliance with The Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Money Laundering Regulations") the Receiving Agents may require, at their absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agents. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agents to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the "relevant Offer Shares") and shall thereby be deemed to agree to provide the Receiving Agents with such information and other evidence as they may require to satisfy the verification of identity requirements.

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

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

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

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Offer Shares is less than €15,000 (approximately £13,000 as at 6.30 p.m. on the Record Date).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Link Market Services Limited RE: Real Good Food Plc – 2018 OO Acceptance A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agents. If the agent is not such an organisation, it should contact the Receiving Agent, Link Asset Services on +44(0) 371 664 0321 Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open from 9.00 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays in England and Wales. Please note that the Receiving

Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If an Application Form is in respect of Offer Shares with an aggregate subscription price of €15,000 or more and is lodged by hand by the acceptor in person, or if the Application Forms in respect of Offer Shares is lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 9 August 2018, the Receiving Agents have not received evidence satisfactory to them as aforesaid, the Receiving Agents may, at their discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest by cheque to the investor named in Box 1 (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### **4.2 Open Offer Entitlements in CREST**

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

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

### **5. Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 13 August 2018. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 17 August 2018.

The Existing Shareware already admitted to CREST. No further application for admission to CREST is accordingly required for the Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 9 August 2018 (the latest time and date for applications



under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 19 July 2018, the Receiving Agents will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders with such Qualifying CREST Shareholders' entitlements to Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agents in connection with CREST.

No temporary documents of title will be issued and transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

## **6. Overseas Shareholders**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

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

No action has been or will be taken by the Company, finnCap or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms relating to the Offer Shares) in any jurisdiction where action for that purpose may be required. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons who are located or resident in or who have registered addresses in the United States or any other Restricted Jurisdiction, or their agent or intermediary, except where the Company is satisfied, in its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or

offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any applicable registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

None of the Company, finnCap nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

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

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

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or, where such Overseas Shareholder

is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in the Restricted Jurisdictions and in those other jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2 **United States**

The Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Offer Shares and wishing to hold such Offer Shares in registered form must provide an address for registration of the Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Offer Shares, that they are not, and that at the time of acquiring the Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located or resident in the United States and is not acquiring the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Offer Shares to any person with an address in, or who is otherwise located or resident in, the United States in whose favour an Application Form or any Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Offer Shares. In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the Offer Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

### 6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

### 6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and in the case of Qualifying Non-CREST Shareholders, the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Offer Shares in respect of the Open Offer.

### 6.5 ***Representations and warranties relating to Overseas Shareholders***

#### (a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company, finnCap and the Receiving Agents that, except where proof has been provided to the Company's satisfaction, in its sole and absolute discretion, that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located or resident within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories. The Company and/or the Receiving Agents may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or another Restricted Jurisdiction, by a person who has a registered address in the United States or any other Restricted Jurisdiction, or on behalf of such a person by his or her agent or intermediary, or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part IV represents and warrants to the Company and finnCap that, except where proof has been provided to the Company's satisfaction, in its sole and absolute discretion, that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither he or she nor his or her client is within the United States or any other Restricted Jurisdiction; (ii) neither he or she nor his or her client is in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located or resident within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither he or she nor his or her client is acquiring any Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Offer Shares into any of the above territories.

**6.6 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by the Company in its sole and absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

**7. Times and Dates**

The Company shall, in agreement with finnCap and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

**8. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

**9. Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

**10. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlements and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## Part V

### Questions and answers about the Open Offer

The questions and answers set out in this Part V are intended to be in general terms only and, as such, you should read Part IV of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom or, from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom.

This Part V deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this document and you should take professional advice as to whether you are eligible for, and/or whether you need to observe any formalities to enable you to take up, your Open Offer Entitlement. If you hold your Existing Shares in uncertificated form (that is, through CREST) you should read Part IV "Terms and Conditions of the Open Offer" of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Shares are in certificated or uncertificated form, please call the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice.

#### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies can do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Qualifying Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the Existing Shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 20,115,190 Offer Shares at a price of 5 pence per Offer Share. If you hold Existing Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located or resident in the United States, or another Restricted Jurisdiction, you will likely be entitled to apply for Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 10 Offer Shares for every 39 Existing Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Offer Price of 5 pence per Offer Share represents a discount of approximately 54.5 per cent. to the closing middle-market price quotation as derived from Bloomberg of 11.0 pence per Ordinary Share on 17 July 2018 (being the last practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded.

**2. I hold my Existing Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located or resident in the United States or any other Restricted Jurisdiction, then you will likely be eligible to participate in the Open Offer as long as you have not sold all of your Existing Shares before 18 July 2018 (the time when the Existing Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

**3. I hold my Existing Shares in certificated form. How do I know how many Offer Shares I am entitled to take up?**

If you hold your Existing Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located or resident in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Shares you held on the Record Date;
- how many Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 9 August 2018. Application Forms received after this time will not be valid.

**4. I hold my Existing Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

**(a) If you do not want to take up your Open Offer Entitlement**

If you do not want to take up the Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Offer Shares. You will also not receive any money when the Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form applying for the Offer Shares to which you are entitled by 11.00 a.m. on 9 August 2018, the Company has made arrangements under which it has agreed to issue those Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then, assuming the issue of all of the Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted by approximately 20 per cent.

**(b) If you want to take up some but not all of your Open Offer Entitlement**

If you want to take up some but not all of the Offer Shares to which you are entitled, you should write the number of Offer Shares you want to take up in Boxes 6 and 8 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write ‘25’ in Boxes 6 and 8. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, ‘25’) by

£0.05, which is the price in pounds of each Offer Share (giving you an amount of £1.25 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 9 August 2018. Application Forms received after this time will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to “Link Market Services Limited RE: Real Good Food Plc – 2018 OO Acceptance A/C” and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you validly take up. Your definitive share certificate for Offer Shares is expected to be despatched to you during the week commencing 27 August 2018.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 5 of your Application Form), by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 9 August 2018. Application Forms received after this time will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to “Link Market Services Limited RE: Real Good Food Plc – 2018 OO Acceptance A/C” and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.



Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you validly take up. Your definitive share certificate for Offer Shares is expected to be despatched to you at your own risk during the week commencing 27 August 2018.

(d) ***If you want to apply for more than your Open Offer Entitlement***

Provided you have applied to take up your Open Offer Entitlement in full, you can apply for further Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Offer Shares for which you would like to apply in Box 8. For example, if you have an Open Offer Entitlement for 50 Offer Shares but you want to apply for 75 Offer Shares in total, then you should write '50' in Box 6, '25' in Box 7 and '75' in Box 8. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, '75') by £0.05, which is the price in pounds sterling of each Offer Share (giving you an amount of £3.75 in this example). You should write this amount in Box 9. You should then return your Application Form by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 9 August 2018. Application Forms received after this time will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Offer Shares is expected to be despatched to you, at your own risk, during the week commencing 27 August 2018.

**5. I hold my Existing Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part IV "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Shares through a CREST member should be informed by the CREST member through which they hold their Existing Shares of (i) the number of Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

**6. I acquired my Existing Shares prior to the Record Date and hold my Existing Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Qualifying Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Shares in uncertificated form on 17 July 2018 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Shares before 18 July 2018 but were not registered as the holders of those shares at the close of business on 17 July 2018; and
- Certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **7. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Open Offer Entitlements and Excess CREST Open Offer entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of *bona fide* market claims only), Open Offer Entitlements and Excess CREST Open Offer entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Offer Shares are not being underwritten.

## **8. What if I change my mind?**

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agents, you cannot withdraw your application or change the number of Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

## **9. What if the number of Offer Shares to which I am entitled is not a whole number; am I entitled to fractions of Offer Shares?**

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

## **10. I hold my Existing Shares in certificated form. What should I do if I have sold some or all of my Existing Shares?**

If you hold Existing Shares directly and you sold some or all of your Existing Shares before 18 July 2018, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Offer Shares under the Open Offer. However, notwithstanding the above, you should not contact the buyer if he is located or resident in, is a citizen of, or has a registered office in a Restricted Jurisdiction. If you sell any of your Existing Shares on or after 18 July 2018, you may still take up and apply for the Offer Shares as set out on your Application Form.

## **11. I hold my Existing Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to “Link Market Services Limited RE: Real Good Food Plc – 2018 OO Acceptance A/C” and crossed “A/C payee only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for

its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

**12. Will the Existing Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

**13. I hold my Existing Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form together with the monies in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to apply for Offer Shares then you need take no further action.

**14. I hold my Existing Shares in certificated form. When do I have to decide if I want to apply for Offer Shares?**

The Receiving Agents must receive the Application Form by no later than 11.00 a.m. on 9 August 2018, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**16. I hold my Existing Shares in certificated form. When will I receive my new share certificate?**

It is expected that the Receiving Agents will post all new share certificates the week commencing 27 August 2018.

**17. If I buy Existing Shares after the Record Date, will I be eligible to participate in the Open Offer?**

If you bought your Existing Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

**18. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

**19. What should I do if I live or am located outside the United Kingdom?**

Your ability to apply to acquire Offer Shares may be affected by the laws of the country in which you live or are located and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located or resident in the United States

or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this document.

**20. Further assistance**

Should you require further assistance please call the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## Part VI

### Additional information

#### 1. Responsibility

- 1.1 The Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document, other than: (i) Patrick Ridgwell, Christopher Thomas, Jacques d'Unienville and Judith MacKenzie in relation to the recommendations set out in paragraphs 19 (a), (b) and (c) of Part I of this document, for which only the Independent Directors accept responsibility; (ii) information relating to the NB Concert Party, for which only the NB Directors accept responsibility; and (iii) information relating to Omnicane, for which only the Omnicane Directors accept responsibility.
- 1.2 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 document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 To the best of the knowledge and belief of the Independent Directors, whose names are set out in paragraph 2.2 below and who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The NB Directors accept responsibility for the information contained in this document relating to the NB Concert Party. To the best of the knowledge and belief of the NB Directors whose names are set out in paragraph 2.3 below and who have taken all reasonable care to ensure that such is the case, the information contained in this document relating to the NB Concert Party is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.5 The Omnicane Directors accept responsibility for the information contained in this document relating to Omnicane. To the best of the knowledge and belief of the Omnicane Directors, whose names are set out in paragraph 2.4 below and have taken all reasonable care to ensure that such is the case, the information contained in this document relating to Omnicane is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1. The Directors are:

Patrick Ridgwell (*Interim Non-Executive Chairman*)  
Christopher Thomas (*Non-Executive Deputy Chairman*)  
Hugh Cawley (*Chief Executive Officer*)  
Harveen Rai (*Finance Director*)  
Jacques d'Unienville (*Non-Executive Director*)  
Judith MacKenzie (*Non-Executive Director*)

- 2.2. The Independent Directors are:

Hugh Cawley (*Chief Executive Officer*)  
Harveen Rai (*Finance Director*)

- 2.3. The NB Directors are:

Patrick Ridgwell  
Anthony Ridgwell

2.4. The Omnicane Directors are:

Didier Maigrot (*Non-Executive Chairperson*)  
Jacques d'Unienville (*Executive Director*)  
Nelson Mirthil (*Executive Director*)  
Marc Hein (*Non-Executive Director*)  
Pierre d'Unienville (*Non-Executive Director*)  
Therry Merven (*Non-Executive Director*)  
Preetam Boodhun (*Non-Executive Director*)  
Sachin Kumar Sumputh (*Non-Executive Director*)  
Valentine Lagesse (*Non-Executive Director*)  
Bertrand Thevenau (*Non-Executive Director*)  
Koosiram Conhye (*Non-Executive Director*)  
Jimmy Tong Sam (*Non-Executive Director*)

### 3. Interests and dealings

#### **Directors and other interests**

3.1 For the purposes of this paragraph 3, the following terms have the following meanings:

- (a) **“acting in concert”** means any such person acting or deemed to be acting in concert as such expression is defined in the Takeover Code;
- (b) **“arrangement”** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) **“connected adviser”** means an organisation advising the Company in relation to the proposals described in Part I of this document or a corporate broker to the Company;
- (d) **“control”** means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interest or interests give de facto control;
- (e) **“dealing”** or **“dealt”** includes the following:
  - (i) the acquisition or disposal of securities or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to securities, or of general control of securities;
  - (ii) the taking, granting acquisition, disposal entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
  - (iii) subscribing or agreeing to subscribe for securities;
  - (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
  - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
  - (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (f) being **“interested”** in securities (or having an **“interest”**) in such securities includes where a person:
  - (i) owns them;

- (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them 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 money or otherwise; or
  - (iv) is a party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in them; and
- (g) “**relevant securities**” mean Ordinary Shares and securities convertible into, rights to subscribe for, derivatives referenced to and options (including traded options) in respect of, Ordinary Shares and “**relevant security**” shall be construed accordingly.

3.2 As at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them (within the meaning of Part 22 of the Act and related regulations) in Ordinary Shares (all of which are beneficial unless stated) which would be required to be notified pursuant to Part 22 of the Act and related regulations, or which would be required to be entered in the register maintained under Part 22 of the Act, are set out below:

<i>Director</i>	<i>No. of Existing Shares</i>	<i>As at 17 July 2018 % of Existing Shares</i>	<i>% of current voting rights in the Company</i>
Patrick Ridgwell	362,356	0.5	0.5
Christopher Thomas	290,363	0.4	0.4
Hugh Cawley	—	—	—
Harveen Rai	—	—	—
Jacques d’Unienville	—	—	—
Judith MacKenzie	—	—	—

3.3 Save as disclosed at paragraphs 3.10 and 3.16 below, as at close of business on 17 July 2018 (being the last practicable date prior to publication of this document) none of the NB Concert Party, nor Omnicane, nor any persons acting in concert with either of them, had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in money or otherwise), including any short position in a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant security in the Company.

3.4 As at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), neither the Company nor any persons acting in concert with the Company had borrowed or lent any relevant securities of the Company.

3.5 Save as disclosed at paragraph 3.2 above, as at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), none of the Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations) nor any persons acting in concert with them, had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in money or otherwise), including any short position in a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant security in the Company.

3.6 As at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), no person acting in concert with the Company had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in money or otherwise), including any short position in a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant security in the Company.

- 3.7 As at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), neither the Company nor any of its Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act and related regulations) nor any other persons acting in concert with the Company, had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in money or otherwise), including any short position in a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant security in NB or Omnicane.
- 3.8 As at the close of business on 17 July 2018 (being the last practicable date prior to publication of this document), neither finnCap nor any other connected advisor of the Company (including any person controlling, controlled by or under the same control as it) had any interests, rights to subscribe for or short positions in relevant securities of the Company.

### **NB Concert Party**

- 3.9 The NB Concert Party comprises NB and Patrick Ridgwell. The NB Concert Party can be contacted at +44 (0) 207 335 2600.
- 3.10 Full details of the NB Concert Party's interests on 17 July 2018 (being the last practicable date prior to publication of this document) and potential interest in Ordinary Shares if NB converts all its Replacement CLNs into Ordinary Shares are set out below:

<i>Concert Party member</i>	<i>As at 17 July 2018</i>		<i>Immediately following conversion of NB's Replacement CLNs and full extent of accrued interest<sup>(1)</sup></i>		<i>Immediately following conversion of NB's Replacement CLNs and full extent of accrued interest<sup>(2)</sup></i>	
	<i>No. of Existing Shares</i>	<i>% of Existing Shares</i>	<i>No. of Ordinary Shares</i>	<i>% of enlarged share capital</i>	<i>% of enlarged share capital</i>	
NB	22,139,998	28.2	111,899,998	66.5	33.8	
Patrick Ridgwell	362,356	0.5	362,356	0.2	0.1	
<b>Total</b>	<b>22,502,354</b>	<b>28.7</b>	<b>112,262,354</b>	<b>66.7</b>	<b>33.9</b>	

(1) Assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by Omnicane and Downing and (ii) the Offer Shares).

(2) Assuming no other Ordinary Shares are issued by the Company following the date of this document other than (i) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by NB and Omnicane, (ii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Downing on the basis that the Company does not receive the remaining £0.15 million discretionary amount from Downing before 30 September 2018, and (iii) the Offer Shares).

- 3.11 Should NB convert all its Replacement CLNs (including the full extent of the accrued interest) into Ordinary Shares, and assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by Omnicane and (ii) the Offer Shares), then the NB Concert Party would have an interest in the Company of 112,262,354 Ordinary Shares representing approximately 66.7 per cent. of the Company's issued share capital at that date.
- 3.12 During the period of 12 months preceding 17 July 2018 (being the last practicable date prior to publication of this document) there have been no dealings for value in relevant securities by the NB Concert Party (and persons connected with the NB Concert Party within the meaning of section 252 of the Act) or by any directors of NB.



- 3.13 The NB Concert Party has not entered into any agreement, arrangement or understanding:
- with the Independent Directors (or their close relatives and related trusts) which has any connection with or dependence upon the proposals set out in Part I of this document; or
  - for the transfer of any Ordinary Shares acquired by the NB Concert Party.
- 3.14 The Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in Part I of this document between the NB Concert Party and any person interested or recently interested in Ordinary Shares, any other recent director of the Company or finnCap (or any person who is, or presumed to be, acting in concert with finnCap).

**Omnicane**

- 3.15 Omnicane can be contacted at +230 212 3251.
- 3.16 Full details of the Omnicane's interests on 17 July 2018 (being the last practicable date prior to publication of this document) and potential interest in Ordinary Shares if it converts all its Replacement CLNs into Ordinary Shares are set out below:

Shareholder	As at 17 July 2018		Immediately following conversion of Omnicane's Replacement CLNs and full extent of accrued interest <sup>(3)</sup> and full extent of accrued interest <sup>(4)</sup>		
	No. of Existing Shares	% of Existing Shares	No. of Ordinary Shares	% of enlarged share capital	% of enlarged share capital
Omnicane	20,653,954 <sup>(5)</sup>	26.33%	110,413,954 <sup>(5)</sup>	65.6	33.4

- (3) Assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the Replacement CLNs that may be held by NB and Downing and (ii) the Offer Shares).
- (4) Assuming no other Ordinary Shares are issued by the Company following the date of this document *other than* (i) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Omnicane and NB, (ii) the maximum number of Ordinary Shares that may arise on the conversion of the Replacement CLNs (and full extent of accrued interest) that may be held by Downing on the basis that the Company does not receive the remaining £0.15 million discretionary amount from Downing before 30 September 2018 and (iii) the Offer Shares.
- (5) 20,653,954 Existing Shares are held by Omnicane's wholly owned subsidiary Omnicane International
- 3.17 Should Omnicane convert all its Replacement CLNs into Ordinary Shares (including the full extent of the accrued interest), and assuming no other Ordinary Shares are issued by the Company following the date of this document (including (i) pursuant to the CLNs that may be held by NB and (ii) the Offer Shares), then Omnicane would have an interest in the Company of 110,413,954 Ordinary Shares representing approximately 65.6 per cent. of the Company's issued share capital at that date.
- 3.18 During the period of 12 months preceding 17 July 2018 (being the last practicable date prior to publication of this document) there have been no dealings for value in relevant securities by Omnicane (and persons connected with Omnicane within the meaning of section 252 of the Act) or by any directors of Omnicane.

- 3.19 Omnicane has not entered into any agreement, arrangement or understanding:
- (a) with the Independent Directors (or their close relatives and related trusts) which has any connection with or dependence upon the proposals set out in Part I of this document; or
  - (b) for the transfer of any Ordinary Shares acquired by Omnicane.
- 3.20 The Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in Part I of this document between Omnicane and any person interested or recently interested in Ordinary Shares, any other recent director of the Company or finnCap (or any person who is, or presumed to be, acting in concert with finnCap).
- 3.21 Save as disclosed in this paragraph 3:
- (a) both the NB Concert Party and Omnicane are not interested in any relevant securities, do not have a right to subscribe for relevant securities, have not borrowed or lent relevant securities or have not dealt for value in relevant securities during the period of 12 months preceding 17 July 2018 (being the last practicable date prior to publication of this document);
  - (b) no NB Director nor Omnicane Director has an interest in any relevant securities nor has a right to subscribe for relevant securities;
  - (c) no person referred to in paragraphs (a) or (b) above has any short position in relation to relevant securities (whether conditional or absolute and whether in money or otherwise and including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery);
  - (d) neither the Company nor any person acting in concert with the Company has borrowed or lent relevant securities;
  - (e) neither the Company nor any person acting in concert with the Company has any interests, rights to subscribe or short positions in the Company,
  - (f) no member of the NB Concert Party nor Omnicane or any person acting in concert with either of them has lent or borrowed any relevant securities; and
  - (g) the Company has not redeemed or purchased any relevant securities during the last 12 months preceding 17 July 2018 (being the last practicable date prior to publication of this document).

#### **4. Director's service contracts**

- 4.1 The Directors' current service agreements will be available for inspection as set out in paragraph 12 below.
- 4.2 Otherwise than as set out below, there are no other service contracts between the Directors and the Company or any of its subsidiaries and no service contracts have been entered into nor have existing service contracts been amended in the last six months.
- 4.3 The Company has entered in to the following arrangements with its Directors:
- (a) Pursuant to the terms of a letter of appointment with the Company dated 1 August 2017, Patrick Ridgwell has agreed to serve as a non-executive director and as Interim Non-Executive Chairman of the Company. The agreement is terminable by either party on not less than one month's prior written notice and contains provisions for early termination in certain circumstances. The basic fee payable to Mr. Ridgwell is £35,000 per annum.
  - (b) Pursuant to the terms of a letter of appointment with the Company dated 1 August 2017, Christopher Thomas has agreed to serve as a non-executive director of the Company. The agreement is terminable by either party on not less than one month's prior written notice and contains provisions for early termination in certain circumstances. The basic fee payable to Mr. Thomas is £25,000 per annum.

- (c) Hugh Cawley is employed as Chief Executive Officer with effect from 1 January 2018 pursuant to the terms of a service agreement with the Company dated 21 December 2017. The agreement is terminable by either party on not less than six months' prior written notice and contains provisions for early termination in certain circumstances. Mr. Cawley is paid a basic salary of £250,000 per annum and participates in a discretionary bonus scheme. His basic salary is subject to annual review by the Remuneration Committee. In addition, he is entitled to permanent health insurance, life assurance, private medical insurance, directors' and officers' liability insurance and is entitled to a car allowance of £11,000 per annum. Mr. Cawley is subject to certain non-competition and non-solicitation covenants for a period of six months following the termination of his employment. Upon serving notice of termination the Company is, at its sole and absolute discretion, entitled to pay basic salary in lieu of notice.
- (d) Harveen Rai is employed as Finance Director with effect from 14 August 2017 pursuant to the terms of a service agreement with the Company dated 26 July 2017. The agreement is terminable by either party on not less than six months' prior written notice and contains provisions for early termination in certain circumstances. Ms. Rai is paid a basic salary of £180,000 per annum, an increase of £30,000 from £150,000 after review by the Remuneration Committee in March 2018. Ms. Rai also participates in a discretionary bonus scheme and was awarded a bonus of £25,000 in April 2018. In addition, she is entitled to permanent health insurance, life assurance, private medical insurance, directors' and officers' liability insurance, a car allowance of £11,000 per annum and is entitled to join the Company's pension plan. Ms. Rai is subject to certain non-competition and non-solicitation covenants for a period of six months following the termination of her employment. Upon serving notice of termination the Company is, at its sole and absolute discretion, entitled to pay basic salary in lieu of notice.
- (e) Pursuant to the terms of a letter of appointment with the Company dated 1 August 2017, Jacques d'Unienville, acting on behalf of Omnicane Management & Consultancy Ltd, has agreed to serve as a non-executive director of the Company. The agreement is terminable by either party on not less than one month's prior written notice and contains provisions for early termination in certain circumstances. The fee payable under the agreement is £25,000 plus any applicable VAT per annum.
- (f) Pursuant to the terms of a letter of appointment with the Company dated 1 August 2017, Judith MacKenzie, acting for and on behalf of Downing LLP, has agreed to serve as a non-executive director of the Company. The agreement is terminable by either party on not less than one month's prior written notice and contains provisions for early termination in certain circumstances. The fee payable under the agreement is £25,000 plus any applicable VAT per annum.

## 5. Material change

Save as set out in this document, there has been no significant change in the financial or trading position of the Company since the publication of the annual audited accounts of the Company for the 12 months ended 31 March 2017.

## 6. Material Contracts

Details of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group during the period commencing on 18 July 2016 (being the date two years prior to the publication of this document) and ending on 17 July 2018 (being the latest practicable date prior to the publication of this document) are as follows:

### 6.1 Amendment Deed

On 28 June 2018, the Company entered in to an amendment deed with the Major Shareholders (the "**Amendment Deed**") relating to the following funding agreements (the "**Agreements**"), details of which are set out at paragraphs 6.5, 6.6, 6.8, 6.9, 6.10 and 6.11 below:

- (a) the Downing Loan Notes;
- (b) the Shareholder Loans;

- (c) the August 2017 Shareholder Loans;
- (d) the September 2017 Loan Notes;
- (e) the Loan Facilities;
- (f) the January 2018 Loan Notes; and
- (g) the March 2018 Loan Notes.

The final repayment dates of each of the Agreements have been extended to 30 June 2020 with no change to the interest rate payable by the Company pursuant to each Agreement. The Amendment Deed also provides that the Agreements referred to in paragraphs (a) – (e) (inclusive) will be subject to a 7.5 per cent. redemption premium upon early repayment. Furthermore, if the Agreement referred to in (f) above is repaid before 12 January 2019 a 5 per cent. redemption premium will apply, otherwise the redemption premium upon early repayment is 7.5 per cent., and if Agreement referred to in (g) above is repaid before 21 March 2019, a 5 per cent. redemption premium will apply, otherwise the redemption premium upon early repayment is 7.5 per cent.

Subject to the provisions of the Intercreditor Agreement (as defined in paragraph 6.9 below), the Amendment Deed provides that an amount of cashflow, to be determined by the Company as surplus to working capital and prudent to be applied in partial repayment of the funds owed to the Major Shareholders pursuant to the Agreements, shall be applied *pari passu* to each individual Agreement as funds become available on the basis of a continual review of the position.

## 6.2 **Replacement CLNs**

Pursuant to the terms of a loan note instrument dated 17 May 2018 (the “**Refinanced Loan Note Instrument**”) and subject to, amongst other things, completing the Whitewash procedure (as defined in the Refinanced Loan Note Instrument) the Company will use all reasonable endeavours to constitute the convertible loan note instrument as provided for by the terms of the Refinanced Loan Note Instrument (the “**Convertible Loan Note Instrument**”) and refinance the May 2018 Loan Notes on or before 17 August 2018. The Company will allot and issue the Replacement CLNs constituted by the Convertible Loan Note Instrument in consideration for the cancellation of the May 2018 Loan Notes. The conversion price of the Replacement CLNs is 5 pence, therefore the maximum number of Ordinary Shares that could be issued for outstanding principal and accrued interest on the Replacement CLNs is 236,640,000 Ordinary Shares. The Replacement CLNs may be converted within two business days of service of a conversion notice (the “**Conversion Date**”) by the Company.

No redemption premium will be payable on the replacement of the May 2018 Loan Notes with the Replacement CLNs. However, interest will continue to accrue on the May 2018 Loan Notes until they are replaced by the Replacement CLNs at which point the accrued interest will be added to the principal amount of the Replacement CLNs.

The Replacement CLNs will accrue interest at a rate of 12 per cent. per annum, accruing daily and will mature and be due for repayment in full on 17 May 2021, unless they are converted or redeemed before that date. On that date, unless the Replacement CLNs are converted into Ordinary Shares on the Conversion Date, a redemption premium fee will be payable. The redemption fee will be an amount which, when added to the interest accrued on the relevant notes, provides a total return equal to the amount which would have accrued in respect of such notes from the date of the Convertible Loan Note Instrument until and including the date the notes are redeemed in full had the interest rate been 30 per cent. per annum.

## 6.3 **May 2018 Loan Notes**

On 17 May 2018, the Company constituted the Refinanced Loan Note Instrument in relation to new financing arrangements of up to £8.7 million by means of secured loan notes issued to the Major Shareholders, (together the “**Noteholders**”). Both NB and Omnicane each provided £3.3 million and Downing provided £1.9 million (with a further £0.2 million to be provided at the sole discretion of Downing prior to 30 September 2018).

The May 2018 Loan Notes are transferable and will mature and be due for repayment in full on 17 May 2021 or earlier if prepaid or upon the occurrence of certain events of default. All monies

owed by the Company, JF Renshaw Ltd and Haydens to the Noteholders are secured by security granted over all the assets of those companies.

The May 2018 Loan Notes accrue interest at a rate of 12 per cent. per annum accruing daily, which is payable when repaid or capitalised and added to the principal amount of the Replacement CLNs. A redemption premium is payable on repayment. The redemption fee will be an amount which, when added to the interest accrued on the relevant notes, provides a total return equal to the amount which would have accrued in respect of such notes from the date of the Convertible Loan Note instrument until and including the date the notes are redeemed in full had the interest rate been 30 per cent. per annum. In the event the May 2018 Loan Notes are replaced by the Replacement CLNs (per paragraph 6.2 above), no redemption premium will be payable.

#### 6.4 ***Disposal of Garrett Ingredients Limited***

On 13 April 2018, the Company and Garretts entered in to an asset purchase agreement pursuant to which Garretts agreed to sell its business and certain of its assets to Kent Foods Limited ("**Kent**"). The disposal completed on 23 April 2018 ("**Completion Date**") for a consideration of £1.8 million paid in cash, on a debt free cash free basis, with £1 million relating to goodwill and the remainder adjusting principally to reflect the agreed stock valuation.

The Company guaranteed Garretts' obligations and liabilities under or arising out of the agreement and gave a further indemnity against all losses Kent may suffer or incur as a result of the failure of Garretts to perform/pay any of its obligations and liabilities. The maximum aggregate liability of the Company for any claims made under the guarantee and/or indemnity is limited to the consideration paid by Kent and the period for bringing such claims is 24 months from the Completion Date.

The Company gave covenants to Kent not to compete with the business of Garretts or to solicit customers, transferring employees or suppliers of Garretts for a period of 12 months from the Completion Date. The Company further covenanted not to solicit two key employees for a period of 36 months from the Completion Date.

#### 6.5 ***March 2018 Loan Notes***

On 27 March 2018 the Company constituted the loan note instrument (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) pursuant to which it allotted and issued, in aggregate, £4.0 million unsecured loan notes to the Major Shareholders ("**March 2018 Loan Notes**").

The March 2018 Loan Notes accrue interest daily at a rate of 10 per cent. per annum and are due to mature and be due for repayment in full on 30 June 2020 or earlier upon the occurrence of certain events of default. Interest is payable on 30 June 2020 or, if earlier, the day on which the notes are redeemed.

#### 6.6 ***January 2018 Loan Notes***

On 12 January 2018 the Company constituted a loan note instrument (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) pursuant to which it allotted and issued loan notes to each of the Major Shareholders of £3.0 million in the aggregate ("**January 2018 Loan Notes**") with Omnicane and NB each providing £1.285 million and Downing providing £0.430 million.

The January 2018 Loan Notes, which are transferable and accrue interest daily at a rate of 10 per cent. per annum, are to mature and be due for repayment on 30 June 2020 or earlier upon the occurrence of certain events of default. Interest is payable on 30 June 2020 or, if earlier, the day on which the notes are redeemed.

#### 6.7 ***Banking agreements with Lloyds Banking Group***

On 30 April 2018, Lloyds Banking Group ("**LBG**") agreed to certain amendments to financial covenants in relation to the Group's term debt. LBG also agreed to the deferral of the Group's financial covenant tests due to be completed as at 31 March 2018, to 30 June 2018. This

followed an earlier agreement reached on 27 September 2017 when LBG agreed to reset certain covenants and other conditions of the Group's term debt.

LBG also confirmed a repayment date of 31 October 2018 for the LBG term loan which accrues interest at a rate of 2.75 per cent. per annum over LIBOR. As at 31 May 2018, £1.5 million remained outstanding.

CID facility of up to £17 million as at 30 June 2018 with discount charge of 1.5 per cent. per annum over base rate.

Asset finance of £2.7 million as at 30 June 2018 with interest rate of 3.951 per cent. per annum.

#### 6.8 **September 2017 Loan Facility and September 2017 Loan Notes**

On 20 September 2017, the Company constituted a loan note instrument (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) pursuant to which it allotted and issued loan notes to Downing of £1.3 million ("**September 2017 Loan Notes**") and short term debt facilities ("**Loan Facilities**") with NB and Omnicane. Each of the Major Shareholders provided funds of equal amounts. The Loan Facilities and the September 2017 Loan Notes are secured on unencumbered chattel assets of the Company and include the following terms:

- (a) funding of up to £4.0 million in aggregate, with a final repayment date of 30 June 2020; and
- (b) interest accrues daily at a rate of 10 per cent. per annum and is payable on 30 June 2020, if earlier, the day on which the relevant loan notes are redeemed.

#### 6.9 **August 2017 cash-collateralised overdraft facility with LBG**

On 16 August 2017, the Company entered into a cash-collateralised overdraft facility with LBG pursuant to which LBG agreed to provide the Company with a facility of up to £2.0 million which accrues interest at a rate of 3.5 per cent. per annum over base, with NB and Omnicane each depositing £1.0 million into a LBG account as cash collateral.

On 16 August 2017, NB and Omnicane each granted the Company a loan of up to £1.0 million (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) ("**August 2017 Shareholder Loans**").

The August 2017 Shareholder Loans have an interest rate of 10 per cent. per annum accruing daily and falling due on 30 June 2020. The August 2017 Shareholder Loans are secured against the Company's assets, subject to the provisions of an intercreditor agreement originally dated 28 June 2017 (as amended on 16 August 2017, amended and restated on 20 September 2017, amended and restated on 27 March 2018 and as amended on 17 May 2018), made between (1) Lloyds Bank plc (2) the companies named in part 1 of schedule 1 thereof as Downing Investors (3) the companies named in part 2 of schedule 1 thereof as Shareholder Investors and (4) the companies named in part 3 of schedule 1 thereof as Original Obligors, as further amended and/or amended and restated from time to time ("**Intercreditor Agreement**").

#### 6.10 **June 2017 Shareholder Loans**

On 28 June 2017, the Company entered into a £2.0 million secured one year term loan facility (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) with NB and a further £2.0 million secured one year term loan facility with Omnicane (together the "**June 2017 Shareholder Loans**").

The June 2017 Shareholder Loans have an interest rate of 10 per cent per annum, accruing daily.

The June 2017 Shareholder Loans are to mature and will be due for repayment in full on 28 June 2020.

#### 6.11 **June 2017 Loan Notes and July 2017 Placing**

On 28 June 2017, the Company constituted a secured loan note instrument (the terms of which were amended on 28 June 2018, as described in paragraph 6.1 above) pursuant to which it was able to allot and issue to Downing up to £8.75 million of loan notes ("**Downing Loan Notes**").

The Downing Loan Notes were available for drawdown in two tranches; an initial drawdown of £7.25 million (which has occurred) with the balance being available for drawdown following issue of the shares which Downing committed to subscribe for as detailed below.

The Downing Loan Notes have an interest rate of 10 per cent. per annum, accruing daily and payable at maturity and will be due for repayment in full on 28 June 2020 (save that the interest shall be payable to the MI Downing Monthly Income Fund quarterly on the principal amount of its notes up to a maximum principal amount of £900,000 (such interest to be paid on 31 March, 30 June, 30 September and 31 December each year)).

The Downing Loan Notes are secured against the Company's assets, subject to the provisions of the Intercreditor Agreement.

In addition to the Downing Loan Notes, Downing committed to subscribe for Ordinary Shares representing 10 per cent of the issued share capital at that time at a price of 35 pence per share raising a further £2.75 million. On 21 July 2017 the Company obtained the requisite authority to issue 4,344,924 new Ordinary Shares at 35 pence each to Downing and admission occurred on 24 July 2017.

On 16 August 2017 the Company announced that Downing, at that time, had elected not to subscribe for the second tranche of the Downing Loan Notes of £1.5 million.

#### 6.12 **April 2017 acquisition of majority interest in Brighter Foods Limited**

On 5 April 2017, the Company entered into a share purchase agreement with Robyn Wyn Williams, Richard Morgan Evans, Chris Simmonds, Josh Simmonds, Richard Garrett, Prokop'sche Vermögensverwaltungs GmbH, Bryan Joseph, Paul Pierce and Paul Simmonds ("the **Sellers**") relating to its acquisition of a 84.33 per cent. interest in Brighter Foods Limited ("**Brighter Foods**") for a total consideration of up to £9.0 million, on a cash free debt free basis, to be paid in two equal instalments of 50 per cent. on completion and 50 per cent. upon finalisation of the Company's 2017/18 audited accounts.

Following completion of the transaction senior management of Brighter Foods retained a 15.67 per cent. stake in the Brighter Foods ("**Management Stake**"). The Company (amongst others) also entered into a shareholders' agreement regarding the Management Stake whereby the senior managers holding the shares can elect to sell 50 per cent of the Management Stake to the Company after March 2020 and 50 per cent. after March 2021. The consideration for the entire Management Stake will be based upon an agreed valuation formula, linked to profit before interest and tax of Brighter Foods in the years ending 31 March 2020 and 31 March 2021, respectively, and is capped at £8.0 million in the aggregate. Additionally, the Company can elect to acquire the Management Stake after March 2021 based upon the same valuation formula.

### 7. **Middle market quotations**

The table below sets out the middle market quotations for an Ordinary Share, as derived from Bloomberg, on the first business day of each of the six months preceding the date of this document and on 17 July 2018 (being the last practicable date prior to publication of this document):

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
17 July 2018	11.0
3 July 2018	11.5
1 June 2018	9.5
1 May 2018	14.0
3 April 2018	16.0
1 March 2018	18.5
1 February 2018	21.0
2 January 2018	21.4

## **8. Financial statements**

The Company's consolidated audited financial statements for the two financial years ending 31 March 2017 and 31 March 2016, are incorporated by reference into this document and are available at <http://www.realgoodfoodplc.com> as referred to in Part II of this document.

## **9. Additional information**

9.1 The total costs and expenses payable by the Company in connection with the Rule 9 Waivers (including professional fees, commissions, the cost of printing and the fees payable to the Takeover Panel) are estimated to amount to approximately £320,000 (excluding VAT).

9.2 No inducement fee is payable in respect of the proposals set out in this document.

## **10. Obtaining hard copies of information incorporated by reference**

You may request a hard copy of any information incorporated in to this document by reference by contacting Real Good Food plc, 61 Stephenson Way, Wavertree Technology Park, Liverpool, L13 1HN or +44 (0) 151 541 3790. It is important to note that unless you make such a request, a hard copy incorporated into this document by reference will not be sent to you.

## **11. Consents**

11.1 finnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advise to the Independent Directors in the form and context in which they are included.

11.2 NB has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they are included.

11.3 Omnicane has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they are included.

## **12. Documents on Display**

Copies of the following documents will be available at the Company's website, <http://www.realgoodfoodplc.com> and for inspection at the offices of the Company during normal business hours of any weekday (Saturdays, Sundays and public holidays in England and Wales excepted) from the date of this document up to and including the date of the General Meeting:

12.1 this document and accompanying notice of GM;

12.2 the Memorandum and Articles of Association of the Company;

12.3 the Articles of Association of NBHL;

12.4 the name change from Mon Tresor & Mon Desert Limited to Omnicane;

12.5 the deed of constitution of Mon Tresor & Mon Desert Limited;

12.6 the annual report and accounts of the Company for the two years ended 31 March 2017 and 31 March 2016;

12.7 the consolidated audited accounts of NB for the two years ended 31 March 2017 and 31 March 2016;

12.8 the annual report and accounts of Omnicane for the two years ended 31 December 2017 and 31 December 2016;

12.9 the Directors' service agreements and letters of appointment referred to at paragraph 4 above;

12.10 the material contracts referred to in paragraph 6 above except for those at paragraphs 6.4 and 6.12 above;

12.11 the irrevocable undertakings referred to in paragraph 13 of Part I; and

12.12 the consent letters from finnCap, NB and Omnicane referred to in paragraph 11 above.



## Definitions

*The following words and expressions shall have the following meanings in this document unless the context otherwise requires:*

<b>“Admission”</b>	the admission of the Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Act”</b>	the Companies Act 2006, as amended
<b>“acting in concert”</b>	shall have the meaning ascribed thereto in the Takeover Code
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange, as amended or reissued from time to time
<b>“Application Form”</b>	the personalised application form which accompanies this Circular (where appropriate) on which Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders) may apply for Offer Shares under the Open Offer
<b>“Audit Committee”</b>	the audit committee of the Company’s board of directors from time to time
<b>“Board”</b>	the board of directors of the Company from time to time
<b>“Brighter Foods”</b>	Brighter Foods Limited
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday in England) when banks in the City of London are open for business
<b>“Cancellation”</b>	the cancellation of the May 2018 Loan Notes issued to the Major Shareholders
<b>“Cancellation Deed”</b>	the loan note deed of release and cancellation dated 1 May 2018 pursuant to which the Cancellation will be effected
<b>“certificated” or “in certificated form”</b>	a share or other security not held in uncertificated form (i.e. not in CREST)
<b>“Circular”</b>	this document
<b>“Company” or “Real Good Food”</b>	Real Good Food plc
<b>“CREST”</b>	a relevant system for paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
<b>“CREST Manual”</b>	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CREST Courier and Sorting Services Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated from time to time)
<b>“CREST member”</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
<b>“CREST member account ID”</b>	the identification code or number attached to a member account in CREST

<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>“CREST participant ID”</b>	shall have the meaning given in the CREST Manual
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including: (i) any enactment or subordinate legislation which amends or supersedes those regulations; and (ii) any applicable rules made under those regulations for the time being in force, as amended
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member
<b>“Directors”</b>	the existing directors of the Company whose names are set out on page 6 of this document, each a <b>“Director”</b>
<b>“Downing”</b>	certain funds managed by Downing LLP
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation (and amounts expressed in brackets before such term shall denote a negative amount)
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlements in full
<b>“Excess Shares”</b>	Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
<b>“Existing Shares”</b>	the 78,449,241 Ordinary Shares as at 17 July 2018 (being the last practicable date prior to the publication of this document)
<b>“FCA”</b>	UK Financial Conduct Authority
<b>“finnCap”</b>	finnCap Ltd, nominated adviser to the Company
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use at the GM
<b>“FSMA”</b>	Financial Services and Markets Act 2000, as amended
<b>“FY16”</b>	the financial year of the Company ended 31 March 2016
<b>“FY17”</b>	the financial year of the Company ended 31 March 2017
<b>“FY18”</b>	the financial year of the Company ended 31 March 2018
<b>“FY19”</b>	the financial year of the Company ending 31 March 2019
<b>“Garretts”</b>	Garrett Ingredients Limited
<b>“GM” or “General Meeting”</b>	the general meeting of the Company convened for 11.00 a.m. at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ

	on 13 August 2018 by the Notice of GM and any adjournment thereof
<b>“Group”</b>	the Company and its subsidiaries
<b>“Haydens”</b>	Haydens Bakery Limited
<b>“IFRS”</b>	International Financial Reporting Standards, as adopted for use in the European Union
<b>“Independent Directors”</b>	Hugh Cawley and Harveen Rai
<b>“Independent Shareholders”</b>	Shareholders other than Omnicane, the NB Concert Party, Christopher Thomas and Downing
<b>“Independent Shares”</b>	the Ordinary Shares held by the Independent Shareholders
<b>“Link Asset Services”</b>	a trading name of Link Market Services Limited, Receiving Agent to the Company
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Major Shareholders”</b>	NB, Omnicane and Downing
<b>“May 2018 Loan Notes”</b>	the 12 per cent. loan notes allotted to the Major Shareholders on 17 May 2018
<b>“NB”</b>	NB. Ingredients Limited, a company incorporated in England and Wales with its registered office at c/o Napier Brown Holdings Limited, International House, St Katharine’s Way, London E1W 1BX
<b>“NBHL”</b>	Napier Brown Holdings Limited, a company incorporated in England and Wales with its registered office at International House, St Katherine’s Way, London E1W 1XB
<b>“NB Concert Party”</b>	NB and Patrick Ridgwell
<b>“NB Directors”</b>	Patrick Ridgwell and Anthony Ridgwell
<b>“NB Whitewash Resolution”</b>	Resolution 1
<b>“Net Debt”</b>	the net value of a company’s indebtedness less its cash and cash equivalents
<b>“Notice of GM”</b>	the notice of the GM set out at the end of this document
<b>“Offer Price”</b>	5 pence per Ordinary Share
<b>“Offer Shares”</b>	up to 20,115,190 Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer
<b>“Omnicane”</b>	Omnicane Limited, a company incorporated in Mauritius with its registered office at 7th Floor, Anglo-Mauritius House, Adolphe de Plevitz Street, Port Louis
<b>“Omnicane Directors”</b>	Didier Maigrot, Jacques d’Unienville, Nelson Mirthil, Marc Hein, Pierre d’Unienville, Therry Merven, Preetam Boodhun, Sachin Kumar Sumputh, Valentine Lagesse, Bertrand Thevenau, Jimmy Tong Sam and Koosiram Conhye
<b>“Omnicane International”</b>	Omnicane International Investment Co Ltd, a company incorporated in Mauritius with its registered office at 7th Floor, Anglo-Mauritius House, Adolphe de Plevitz Street, Port Louis

<b>“Omnicane Whitewash Resolution”</b>	Resolution 2
<b>“Open Offer”</b>	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part IV of this document and, where relevant, in the Application Form
<b>“Open Offer Entitlement”</b>	the basic entitlement of Qualifying Shareholders to subscribe for Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
<b>“Ordinary Shares”</b>	ordinary shares of £0.02 each in the capital of the Company
<b>“Overseas Shareholders”</b>	a Shareholder with a registered address outside the United Kingdom or who is a citizen of, or incorporated, registered or otherwise resident in, a country outside the United Kingdom
<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“Prospectus Rules”</b>	the prospectus rules published by the FCA under section 73A of the FSMA, as amended from time to time
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Existing Shares in un-certificated form
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Existing Shares in certificated form
<b>“Qualifying Shareholders”</b>	holders of Existing Shares on the register of members of the Company at the Record Date (but excluding, subject to certain exceptions, any Overseas Shareholder who is located or resident or who has a registered address in, or who is a citizen of, the United States of America or any other Restricted Jurisdiction)
<b>“Record Date”</b>	the record date for the Open Offer, being 6.30 p.m. on 13 July 2018
<b>“Receiving Agents”</b>	Link Asset Services, a trading name of Link Market Services Limited
<b>“Registrar”</b>	Link Market Services Limited
<b>“Regulation S”</b>	Regulation S promulgated under the Securities Act
<b>“Remuneration Committee”</b>	the remuneration committee of the Company’s board of directors from time to time
<b>“Replacement CLN Shares”</b>	the up to 236,640,000 new Ordinary Shares to be issued to the CLN Holders in the event that they exercise all of their rights to convert the Replacement CLNs into Ordinary Shares
<b>“Replacement CLNs”</b>	the convertible loan notes to be issued by the Company to the Major Shareholders in consideration for the cancellation of the May 2018 Loan Notes conditional upon, amongst other things, the passing of the Whitewash Resolutions
<b>“Relevant Company Securities”</b>	Ordinary Shares (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof, including, for the avoidance of doubt, the Ordinary Shares
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of GM, and each a <b>“Resolution”</b>

<b>“Restricted Jurisdictions”</b>	United States of America, Canada, Australia, Japan, the Republic of South Africa and the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
<b>“Rule 9 Waivers”</b>	the waiver by the Panel of any requirement under Rule 9 of the Takeover Code for each of the NB Concert Party and Omnicane to make a general offer to Shareholders that would otherwise arise as a result of conversion of their respective Replacement CLNs
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“Shareholder(s)”</b>	holder(s) of Ordinary Shares
<b>“Shareholder Loans”</b>	up to £8.7 million in new financing arrangements from the Major Shareholders by means of the May 2018 Loan Notes.
<b>“Takeover Code” or “Code”</b>	the City Code on Takeovers and Mergers
<b>“UKLA”</b>	the United Kingdom Listing Authority, being the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“uncertificated” or “uncertificated form”</b>	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions and the District of Columbia
<b>“voting rights”</b>	means all voting rights attributable to the share capital of the Company which are currently exercisable at a general meeting
<b>“Whitewash Resolutions”</b>	the NB Whitewash Resolution and/or (as the context requires) the Omnicane Whitewash Resolution, and each a <b>“Whitewash Resolution”</b> .

# REAL GOOD FOOD PLC

## (the “Company”)

(Incorporated in England and Wales with registered no. 04666282)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at 11.00 a.m. on 13 August 2018 at finnCap, 60 New Broad Street, London, EC2M 1JJ to consider and, if thought fit, pass the following resolutions: (i) resolution 1 as an ordinary resolution, which will be taken on a poll on which only shareholders who are considered independent for the purposes of Rule 9 of The City Code on Takeovers and Merger are entitled to vote; (ii) resolution 2 as an ordinary resolution, which will be taken on a poll on which only shareholders who are considered independent for the purposes of Rule 9 of The City Code on Takeovers and Merger are entitled to vote; (iii) resolution 3 as a special resolution, on which all shareholders are entitled to vote; and (iv) resolution 4 as a special resolution, on which all shareholders are entitled to vote.

For the purposes of this notice, capitalised terms shall have the meaning ascribed to them in the circular to shareholders of which this notice forms part (“**Circular**”) (unless the context otherwise requires, or they are otherwise defined).

#### ORDINARY RESOLUTIONS

1. **THAT** the waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of The City Code on Takeovers and Mergers for the NB Concert Party to make a general offer to shareholders of the Company as a result of any future conversion of the Replacement CLNs into Ordinary Shares by NB, as more fully described in the Circular, be and is hereby approved by Independent Shareholders on a poll.
2. **THAT** the waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of The City Code on Takeovers and Mergers for Omnicane to make a general offer to shareholders of the Company as a result of any future conversion of the Replacement CLNs into Ordinary Shares by Omnicane, as more fully described in the Circular, be and is hereby approved by Independent Shareholders on a poll.

#### SPECIAL RESOLUTIONS

3. **THAT**, subject to and conditional upon the passing of Resolutions 1 and 2 and in addition to and not in substitution for all other existing authorities and powers under sections 551 and 570 of the Act:
  - (i) the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise all powers of the Company to allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company in accordance with (and as provided for in) the Replacement CLNs up to an aggregate nominal amount of £4,732,800.00, provided that this authority shall expire on 30 September 2021, unless such authority shall have been previously renewed, revoked or varied by the Company in a general meeting, and save that the Company be and is hereby authorised to make prior to the expiry of the authority granted by this sub-paragraph (i) any offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot such shares, or grant such rights, in pursuance of such an offer or agreement as if the authority conferred by this sub-paragraph (i) had not expired; and
  - (ii) the Directors be and are empowered in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred upon them by sub-paragraph (i) above as if section 561 of the Act did not apply to such allotment provided this power shall be limited to the allotment of equity securities in accordance with (and as provided for in) the Replacement CLNs up to an aggregate nominal amount of £4,732,800.00, provided that this power shall expire on

30 September 2021, unless such power shall have been previously renewed, revoked or varied by the Company in a general meeting, save that the Company be is and is hereby empowered to make prior to the expiry of the power granted by this sub-paragraph (ii) any offer or agreement which would or might require such securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this sub-paragraph (ii) had not expired.

4. **THAT**, subject to and conditional upon the passing of Resolutions 1, 2 and 3 and in addition and not in substitution for all existing authorities and powers under sections 551 and 570 of the Act (including the authority and power granted by Resolution 3):
- (i) the Directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise all powers of the Company to allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £402,304.00 in connection with the proposed Open Offer, provided that this authority shall expire on 31 October 2018, unless such authority shall have been previously revoked, renewed or varied by the Company in a general meeting, and save that the Company be and is hereby authorised to make prior to the expiry of the authority granted by this sub-paragraph (i) any offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot such shares, or grant such rights, in pursuance of such an offer or agreement as if the authority conferred by this sub-paragraph (i) had not expired; and
  - (ii) the Directors be and are empowered in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred upon them by sub-paragraph (i) above as if section 561 of the Act did not apply to such allotment provided this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £402,304.00 in connection with the Open Offer provided that this power shall expire on 31 October 2018, unless such power shall have been previously renewed, revoked or varied by the Company in a general meeting, save that the Company be is and is hereby empowered to make prior to the expiry of the power granted by this sub-paragraph (ii) any offer or agreement which would or might require such securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this sub-paragraph (ii) had not expired.

*BY ORDER OF THE BOARD*

**Harveen Rai**  
*Company Secretary*

Date: 18 July 2018

*Registered Office:*  
61 Stephenson Way  
Wavertree Technology Park  
Liverpool  
L13 1HN

## Notes:

### Quorum

1. The quorum for the meeting shall be two Shareholders present in person or by proxy. If, within 15 minutes from the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned to such other day (not being less than 10 nor more than 28 days later) and at such time and place as the Chairman may decide. The Company shall give not less than seven clear days' notice in writing of any such adjournment and the notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

### Entitlement to attend and vote

2. Only those Shareholders registered on the Company's register of members at 6:30 p.m. on 9 August 2018 (or, in the case of any adjourned meeting, Shareholders registered on the Company's register of members at 6.30 p.m. on the day two days prior to the adjourned meeting) shall be entitled to attend and vote.

### Appointment of proxies

3. Shareholders entitled to attend, speak and vote at the meeting (in accordance with note 2 above) are entitled to appoint a proxy to exercise all or any rights to attend, speak and vote at the meeting. If you wish to appoint a proxy please use the form of proxy enclosed with this document. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The completion and return of the form of proxy will not stop you attending and voting in person at the meeting should you wish to do so. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies, use a separate copy of the form of proxy (which you may photocopy) for each proxy and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope.
6. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

### Appointment of proxy using hard copy form

7. The notes to the form of proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.  
To appoint a proxy using the form of proxy, the form must be:
  - completed and signed;
  - sent or delivered to the Company's Registrars, Link Asset Services Limited, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; this is all you need to write on the envelope and no other details are required; and
  - received by the Registrar no later than 11.00 a.m on 9 August 2018.
8. A company incorporated in England and Wales or Northern Ireland should execute the form of proxy under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the form of proxy.

### Appointment of proxies through CREST

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Asset Services Limited (CREST Participant ID: RA10), no later than 11.00 a.m. on 9 August 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host)



from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

11. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

#### **Changing proxy instructions**

13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

14. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. In the case of a member which is a company incorporated in England and Wales or Northern Ireland, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

In either case, the revocation notice must be received by Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than before the date and time of the meeting (or any adjourned meeting).

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

#### **Corporate representatives**

15. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
  - (i) if a corporate member has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the meeting, then, on a poll, those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
  - (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives — [www.icsa.org.uk](http://www.icsa.org.uk) — for further details of this procedure. The guidance includes a sample form of representation letter to appoint the chairman as a corporate representative as described in (i) above.

#### **Issued shares and total voting rights**

16. As at 6:30 p.m. on 17 July 2018, the Company's issued share capital comprised 78,449,241 ordinary shares of 2 pence each. Each ordinary share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.30 p.m. on 17 July 2018 is 78,449,241.





