

14 January 2022

Logistics Development Group plc

(or "LDG" or the "Company")

Publication of Circular and Notice of General Meeting

LDG is pleased to announce that it has today published a circular (the "**Circular**") containing details of the proposed amendment of the Company's investing policy, a proposed court-approved capital reduction, a proposed on-market purchase of the Company's ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") and the related proposed approval of a waiver under Rule 9 of the City Code on Takeovers and Mergers (together the "**Proposals**"), and includes a notice of a general meeting of the Company (the "**General Meeting**"). The General Meeting will be held at 10:00 a.m. on 31 January 2022 at the offices of DBAY UK Ltd at 5th Floor, 1 Albemarle Street, London W1S 4HA.

On 8 November 2021, the Company announced that it had to date received a total net cash inflow of £127.5 million from the disposal of its indirect interest in Greenwhitestar Acquisitions Limited, the holding company of Eddie Stobart Limited, The Pallet Network, iForce, Eddie Stobart Europe and The Logistics People businesses, to Culina Group Limited (the "**Disposal**"). Following completion of the Disposal, the Company, in conjunction with its investment manager, DBAY Advisors Limited ("**DBAY**"), has reviewed the investment opportunities currently available to the Company and believes that there will be more attractive opportunities to create shareholder value outside the parameters of the Company's existing investing policy.

Following the Disposal, trading in the Ordinary Shares has been at a significantly discounted level to the amount of available cash per Ordinary Share, thus the Company is seeking shareholder approval to acquire up to 20 per cent. of the Voting Share Capital (the "**Share Buyback**"), to reduce the observed discount to net asset value per Ordinary Share and provide an exit opportunity for shareholders who do not wish to retain their investment in the Company following the change of the Company's investing policy.

The Share Buyback is to be financed by the cancellation of the entire creditable amount in the Company's share premium account, which will also create flexibility to make future distributions of profits in cash or in specie to shareholders and/or make future purchases of its own Ordinary Shares.

The expected timetable of principal events and the Chairman's statement from the Circular are set out below. Unless otherwise indicated, all defined terms in this announcement shall have the same meaning as described in the Circular.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

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

Notes

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

LETTER FROM THE CHAIRMAN OF LOGISTICS DEVELOPMENT GROUP PLC

(Registered in England and Wales with registered number 08922456)

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

Directors

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

14 January 2022

Dear Shareholder

Proposed Revised Investing Policy
Proposed Capital Reduction by Cancellation of Share Premium Account
Proposed General Authority for On-Market Share Purchases
Approval of Waiver of Rule 9 of the City Code on Takeovers and Mergers
and
Notice of General Meeting

1. Introduction

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

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

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

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

DBAY, which represents the Company's largest shareholder (with certain of its managed funds (the "**DBAY Shareholder Funds**") holding approximately 26.98 per cent. of the Company's issued share capital), and certain associates presumed to be acting in concert with DBAY (together with DBAY, the "**Concert Party**") together hold in aggregate approximately 32.90 per cent. of the Company's issued share capital. Given the Concert Party holds interests in Ordinary Shares, in aggregate, between 30 and 50 per cent. of the Voting Share Capital, any increase in the Concert Party's aggregate percentage voting rights as a result of the Share Buyback would require the Concert Party to make an offer for the Ordinary Shares not owned by the Concert Party in accordance with Rule 9 of the Takeover Code. Accordingly, the Company's ability to commence the Share Buyback programme will be conditional on Independent Shareholders passing the Whitewash Resolution approving a waiver of the obligation for the Concert Party to make a general offer pursuant to Rule 37 of the Takeover Code.

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

2. Proposed Change of Investing Policy

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

The key features of the proposed Revised Investing Policy include:

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

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

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

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

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

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

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

(b) *Related Party Transaction*

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

3. Share Buyback

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

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

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

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

The Board reserves the right to decide how much of the Voting Share Capital the Company will buy back under Share Buyback Authority, and may decide to discontinue the Share Buyback entirely in the event that the Board decides that it would not be in the best interests of the Company and its Shareholders as a whole for the Company to undertake or continue the Share Buyback, at the relevant time.

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

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

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

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

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

4. The Takeover Code

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

(a) *Information on the Concert Party*

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

Name of ultimate beneficial owner	Number of Ordinary Shares held	Percentage of the issued share capital of the Company (%)
DBAY Fund II	27,025,969	3.85
DBAY Fund II Cayman	8,419,779	1.20
DBAY Fund III	153,996,143	21.93
Colin Kingsnorth	11,838,807	1.69
Alex Paiusco	9,722,790	1.38
David Morrison	5,000,000	0.71

Saki Riffner	4,532,339	0.65
William Stobart	3,889,844	0.55
Mike Branigan	2,745,072	0.39
Andrew Pegge	1,838,807	0.26
Mike Haxby	1,290,347	0.18
Peter Nixon	706,467	0.10
Total	231,006,364	32.90

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

(b) *Application of the Takeover Code*

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

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

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

(c) *Panel Waiver*

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

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

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

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

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

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

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

The individual members of the Concert Party have each confirmed to the Company that they are not proposing, following any increase in their percentage interests in the Voting Share Capital as result of the Share Buyback, and save for the Company's proposed amendment of its investing policy, to seek any change in the general nature of the Company's business. The Concert Party has further confirmed that it has no intention to change the Company's plans with respect to: (i) the composition of the Board, nor the Company's plans with respect to the continued employment of employees and management of

the Company and its subsidiaries (including any material change in conditions of employment) or any material change to the balance of skills and functions of the employees and management; (ii) the Company's future business and its strategic, research and development plans; (iii) the location of the Company's headquarters or headquarter functions or the location of the Company's place of business; (iv) employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; (v) redeployment of the Company's fixed assets; or (vi) the continuation of the Ordinary Shares being admitted to trading on AIM.

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

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

5. Capital Reduction

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

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

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

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

(a) Shareholder approval

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

(b) *Court approval*

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

Before it confirms the Capital Reduction, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the proposed Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the proposed Capital Reduction and/or the Company giving an undertaking to the Court to create a special non-distributable reserve, with any such reserve to remain until the relevant creditors of the Company (who are not protected at that date by any other means) have been otherwise protected or the relevant liability discharged.

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

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

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

6. General Meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Action to be taken

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

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

8. Recommendation

(a) The Whitewash Resolution

The Independent Directors, being Adrian Collins, David Facey and Stephen Harley, who have been so advised by Strand Hanson, consider the proposals to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolution to be proposed as Resolution 3 at the General Meeting.

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

(b) Other Resolutions

The Directors consider the amendment to the Company's investing policy, the Capital Reduction and the Share Buyback to be fair and reasonable and in the best interests of the Company as a whole and accordingly unanimously recommend that Shareholders vote in favour of Resolutions 1, 2 and 4 at the General Meeting.

Stephen Harley, Adrian Collins and Peter Nixon, the Directors who hold Ordinary Shares, intend to vote in favour of Resolutions 1, 2, and 4, in respect of the in aggregate 2,726,467 Ordinary Shares held by them, representing approximately 0.39 per cent. of Voting Share Capital as at the Latest Practicable Date.

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

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

DEFINITIONS

The following definitions apply, unless the context requires otherwise:

"£"	pounds sterling, the lawful currency of the UK;
"AIM"	the market of that name operated by the London Stock Exchange;
"Board"	the board of Directors of the Company from time to time, or a duly constituted committee thereof;

"Business Day"	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London;
"Capital Reduction Resolution"	the resolution numbered 4 set out in the Notice of General Meeting to approve the Capital Reduction;
"Capital Reduction"	the proposed cancellation of the Company's share premium account as described in the Circular;
"Companies House"	the registrar of companies in England and Wales;
"Company"	Logistics Development Group plc, a public limited company incorporated in England & Wales with registered number 08922456;
"Concert Party"	the DBAY Shareholder Funds and those acting, or deemed to be acting, in concert with it;
"Court Hearing"	the final hearing by the Court to confirm the proposed Capital Reduction;
"Court Order"	the order of the Court confirming the proposed Capital Reduction;
"Court"	the High Court of Justice in England and Wales;
"DBAY"	DBAY Advisors Limited, a company incorporated in the Isle of Man (company number 126150C) whose registered office is at 3rd Floor, Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD;
"DBAY Fund II Cayman"	DouglasBay Capital II Cayman Fund LP;
"DBAY Fund II"	DouglasBay Capital II Fund LP;
"DBAY Fund III"	DouglasBay Capital III Fund LP;
"DBAY Funds"	certain funds advised by DBAY (including DBAY Fund II, DBAY Fund II Cayman and DBAY Fund III);
"DBAY Investment Funds"	certain funds managed by DBAY into which it is proposed that the Company would invest pursuant to the Revised Investing Policy;
"DBAY Shareholder Funds"	DBAY Fund II, DBAY Fund II Cayman and DBAY Fund III;
"Directors"	the directors of the Company as at the date of the Circular;
"Disposal"	the disposal of the Company's indirect interest in GWSA, the holding company for ESL, The Pallet

	Network, iForce, Eddie Stobart Europe and The Logistics People businesses, to Culina Group Limited;
"ESL"	Eddie Stobart Limited;
"Existing Investing Policy"	the existing Investing Policy approved by Shareholders at the extraordinary general meeting of the Company held on 29 December 2020;
"Existing Investment Management Agreement"	the existing investment management agreement between the Company and DBAY which was approved by Shareholders at the extraordinary general meeting of the Company held on 29 December 2020;
"Form of Proxy"	the form of proxy accompanying the Circular for use by Shareholders in relation to the General Meeting;
"General Meeting"	the general meeting of the Company, convened for 31 January 2022 or any adjournment, therefore;
"GWSA"	Greenwhitestar Acquisitions Limited, a limited company incorporated in England and Wales under company number 08922540;
"Independent Directors"	those directors of the Company other than Peter Nixon or such other director being an appointee or associate of DBAY;
"Independent Shareholders"	Shareholders excluding members of the Concert Party;
"Investing Policy Resolution"	the resolution numbered 1 set out in the Notice of General Meeting to approve the Revised Investing Policy;
"Latest Practicable Date"	the latest practicable date prior to the publication of the Circular, being 12 January 2022;
"London Stock Exchange"	London Stock Exchange plc;
"Manager"	DBAY, acting as manager of the Company;
"NAV"	net asset value;
"Notice of General Meeting"	the notice of the General Meeting;
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company;

"Panel Waiver"	the waiver granted by the Takeover Panel, conditional on the approval by Independent Shareholders of the Panel Waiver Resolution, of any obligation which would otherwise be imposed on members of the Concert Party, either individually or collectively, to make a general offer to all Shareholders under Rule 9 of the Takeover Code, as a result of market purchases made pursuant to the exercise of the Share Buyback Authority;
"Resolutions"	the resolutions 1 to 4 set out in the Notice of General Meeting;
"Revised Investing Policy"	the Investing Policy proposed to be adopted by the Company;
"Share Buyback Authority"	the general authority for the Company to make on-market purchases of up to 20 per cent. of its Voting Share Capital implemented by way of share buyback;
"Share Buyback Resolution"	the resolution numbered 2 set out in the Notice of General Meeting to approve the Share Buyback Authority;
"Shareholder(s)"	holder(s) of Ordinary Shares;
"Strand Hanson"	Strand Hanson Limited of 26 Mount Row, London, W1K 3SQ;
"Takeover Code"	the City Code on Takeovers and Mergers published by the Takeover Panel (as amended from time to time);
"Takeover Panel"	the Panel on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"Voting Share Capital" or "Voting Shares"	702,205,900 Ordinary Shares, comprising the entire issued share capital of the Company; and
"Whitewash Resolution"	the resolution numbered 3 set out in the Notice of General Meeting to approve the Panel Waiver.