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If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank 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 Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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# Real Good Food plc

*(Incorporated and registered in England and Wales with registered number 04666282)*

## Proposed disposal of Brighter Foods Limited and Notice of General Meeting

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**This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.**

finnCap Ltd ("**finnCap**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any other person for providing the protections afforded to clients of finnCap or for advising any other person in respect of the matters set out in this document or any transaction, matter or arrangement referred to in this document. finnCap's responsibilities as the Company's nominated adviser and broker are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Spayne Lindsay & Co. LLP, which is authorised and regulated in the United Kingdom by the FCA, itself and/or through one or more of its subsidiaries (together and individually "**Spayne Lindsay**"), is acting as financial adviser to the Company in connection with matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any other person for providing the protections afforded to clients of Spayne Lindsay or for advising any other person in respect of the matters set out in this document or any transaction, matter or arrangement referred to in this document.

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**Notice of the General Meeting of Real Good Food plc, to be held at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF at 10.00 a.m. on 10 May 2021, is set out at the end of this document. To be valid, 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 Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, by not later than 10.00 a.m. on 6 May 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not prevent a Shareholder from attending the GM and voting in person (should this be permitted under applicable COVID-19 restrictions) if a Shareholder wishes to do so.**

**Shareholders who hold their Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Link Group (ID RA10) by no later than 10.00 a.m. on 6 May 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not prevent a Shareholder from attending the GM and voting in person (should this be permitted under applicable COVID-19 restrictions) if a Shareholder wishes to do so.**

A copy of this document will be made available on the Company's website, [www.realgoodfoodplc.com](http://www.realgoodfoodplc.com). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Existing Group’s or the Continuing Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Existing Group’s or the Continuing Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Existing Group’s and the Continuing Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

### Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

### Interpretation

Certain terms used in this document are defined in the section of this document under the heading “Definitions”.

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021

Publication of this document	22 April
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	10.00 a.m. on 6 May
General Meeting	10.00 a.m. on 10 May
Expected completion date of the Disposal	11 May

*Note:*

Each of the above times and/or dates is subject to change at the absolute discretion of the Company. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service (if appropriate).

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Mike Holt, <i>Executive Chairman</i> Maribeth Keeling, <i>Chief Financial Officer</i> Jacques d'Unienville, <i>Non-Executive Director</i> Gail Lumsden, <i>Non-Executive Director</i> Judith Mackenzie, <i>Non-Executive Director</i> Anthony Ridgwell, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Maribeth Keeling
<b>Nominated Adviser and Broker</b>	finnCap Ltd 1 Bartholomew Close London EC1A 7BL
<b>Financial Adviser to the Company</b>	Spayne Lindsay & Co. LLP 55 Strand London WC2N 5LR
<b>Legal Adviser to the Company</b>	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
<b>Registrars</b>	Link Group Central Square 29 Wellington Street Leeds LS1 4DL

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies and guidance notes published by the London Stock Exchange from time to time;
<b>“Brighter”</b>	Brighter Foods Limited, a company incorporated and registered in England and Wales with registered number 08815259;
<b>“Company” or “RGF”</b>	Real Good Food plc, a company incorporated and registered in England and Wales with registered number 04666282;
<b>“Completion”</b>	completion of the sale of the whole of the issued share capital of Brighter in accordance with the SPA;
<b>“Condition”</b>	the condition to the Disposal, being the passing of the Resolution;
<b>“Continuing Group”</b>	the Company and its subsidiary undertakings immediately following Completion;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended);
<b>“Directors” or “Board”</b>	the directors of the Company whose names are set out on page 8 of this document, or any duly authorised committee thereof;
<b>“Disposal”</b>	the proposed disposal by NBF of all of its shares in Brighter pursuant to the SPA;
<b>“Downing”</b>	certain funds managed by Downing LLP;
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Existing Group”</b>	the Company and its subsidiary undertakings as at the date of this document (including, without limitation, Brighter);
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“finnCap”</b>	finnCap Ltd, the Company’s nominated adviser and broker;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting which accompanies this document;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“General Meeting”</b>	the extraordinary general meeting of the Company to be held at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF at 10.00 a.m. on 10 May 2021, notice of which is set out at the end of this document;

<b>“Loan Note Holders”</b>	Downing, NB and Omnicane International, being the holders of various convertible loan notes issued by the Company;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Managers”</b>	Robin Williams, Carwen Jones and Lyn Regan;
<b>“NB”</b>	NB. Ingredients Limited, a company incorporated and registered in England and Wales with registered number 03180749, which, for the avoidance of doubt, is not a member of the Existing Group;
<b>“NBF”</b>	N Brown Foods Limited, a company incorporated and registered in England and Wales with registered number 04824736, a member of the Existing Group;
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out at the end of this document;
<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 Pletvitz Street, Port Louis, Mauritius;
<b>“Ordinary Shares”</b>	the ordinary shares of 2 pence each in the capital of the Company;
<b>“Purchaser”</b>	The Hut.com Limited, a company incorporated and registered in England and Wales with registered number 05016010;
<b>“Rainbow Dust Colours”</b>	Rainbow Dust Colours Limited, a company incorporated and registered in England and Wales with registered number 06661578, a member of the Existing Group;
<b>“Renshaw”</b>	JF Renshaw Limited a company incorporated and registered in England and Wales with registered number 01665672, a member of the Existing Group;
<b>“Resolution”</b>	the ordinary resolution set out in the Notice of General Meeting;
<b>“Sellers”</b>	the sellers of the issued shares in Brighter pursuant to the terms of the SPA, being NBF and the Managers;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“SPA”</b>	the conditional sale and purchase agreement dated 22 April 2021 between the Company, NBF, the Managers and the Purchaser;
<b>“THG”</b>	THG plc, a company incorporated and registered in England and Wales with registered number 06539496, and its subsidiary undertakings;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland; and
<b>“uncertificated form” or “in uncertificated form”</b>	an Ordinary Share recorded on the Company’s share register 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.

## PART 1: LETTER FROM THE CHAIRMAN OF REAL GOOD FOOD PLC

# Real Good Food plc

*(Incorporated in England and Wales with registered number 04666282)*

*Directors:*

Mike Holt, *Executive Chairman*  
Maribeth Keeling, *Chief Financial Officer*  
Jacques d'Unienville, *Non-Executive Director*  
Gail Lumsden, *Non-Executive Director*  
Judith Mackenzie, *Non-Executive Director*  
Anthony Ridgwell, *Non-Executive Director*

*Registered office:*

61 Stephenson Way  
Wavertree  
Liverpool  
L13 1HN

22 April 2021

### **Proposed disposal of Brighter Foods Limited and Notice of General Meeting**

*To holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares*

Dear Shareholder,

#### **1. Introduction**

The Company has today announced that its subsidiary NBF and the Managers have conditionally agreed to sell the entire issued share capital of Brighter for an aggregate consideration of £43.0 million on a cash free/debt free basis. The Existing Group, through the Company's subsidiary, NBF, has an interest in 84.334 per cent. of the issued share capital of Brighter.

The consideration due to the Sellers is subject to customary adjustments for (amongst other things) the actual working capital at Completion against an agreed target level.

The Board believes that the Disposal provides the Company with the opportunity to crystallise an attractive return on invested capital with respect to Brighter, reduce net debt, make a material contribution towards the Continuing Group's pension deficit and also to provide additional financial flexibility to support the operation and growth of the Continuing Group. Following the Disposal, the Continuing Group will consist of the Company's Cake Decorations businesses being Renshaw and Rainbow Dust Colours.

As mentioned above, it has been agreed with the pension trustee that £8.5 million of the aggregate net consideration receivable by the Continuing Group will be paid to its pension scheme (the Napier Brown Retirement Plan) (the "Plan"), which is broadly equivalent to the Plan's low dependency technical provisions basis. As such, it is expected that the Continuing Group will not have to pay further deficit contributions, which currently amount to £1.0 million per annum, until a new schedule of contributions is agreed based on a valuation to be agreed as at 31 March 2021 for the Plan which would take into account this cash injection, which may result in payments of up to £1.5 million (in aggregate) being paid between 1 January 2023 and 30 June 2025 to close the gap towards a buy-out basis. The Continuing Group has also agreed to pay £23.1 million to the Loan Note Holders, reducing the amount repayable from £45.6 million to £22.5 million in respect of the loan notes held by them. As a result, total net debt is expected to reduce from £47.6 million to £21.2 million taking into account cash of £6.1 million (which includes approximately £3.0 million of net proceeds receivable by the Continuing Group which will be retained to provide working capital to support Renshaw and Rainbow Dust Colours).

Should surplus cash be generated over the coming six months, or the required level of working capital investment is lower than forecast, additional payments may be made to the Loan Note Holders and to the Plan.



The Disposal is of sufficient size relative to that of the Existing Group to constitute a disposal resulting in a fundamental change of business pursuant to Rule 15 of the AIM Rules and Completion is, therefore, conditional upon the approval of Shareholders at a general meeting of the Company.

Accordingly, your approval of the Disposal is being sought at the General Meeting to be held at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF at 10.00 a.m. on 10 May 2021. The notice convening the General Meeting and setting out the Resolution to be considered at it is set out at the end of this document. A summary of the action you should take is set out in paragraph 11 below and on the Form of Proxy which accompanies this document.

Further details of the SPA are set out below and in Part 2 of this document.

The purpose of this document is to give you details of the Disposal, including the background to and reasons for it, and to explain why the Directors consider it to be in the best interests of the Company and its Shareholders as a whole and therefore recommend that you vote in favour of the Resolution.

Certain Shareholders have irrevocably undertaken to vote in favour of the Resolution in respect of, in aggregate, 51,001,232 Ordinary Shares, representing approximately 51.2 per cent. of the current issued ordinary share capital of the Company.

## **2. Background to and reasons for the Disposal**

Brighter is one of the largest developers and manufacturers of snack bars in the UK and has grown rapidly since it was acquired by the Continuing Group in April 2017. It has proven to be resilient during the current COVID-19 pandemic, albeit sales and profits for the current year have naturally been affected. Given the high level of indebtedness of the Continuing Group, due to some poor acquisitions in the past, the current Board has been minded to dispose of Brighter at the right value. The timing of the sale is appropriate in the view of the Board as it also coincides with the end of the lock-in period of the current CEO and founder of Brighter. The offer from THG broadly equates to 8.6 times annualized FY20 EBITDA and 11.7 times (unaudited) EBITDA for the last 12 months ended 31 March 2021.

### ***Information on Brighter***

Brighter is an award-winning company which develops and manufactures snack bars, principally as a contract manufacturer for large branded companies. From its factory in Tywyn, Gwynedd in mid-Wales it produces snack bars which are targeted at markets such as diet control, gluten free, lactose free, low or no added sugar, sports nutrition, organic and fair trade. In addition to being a contract manufacturer to large branded companies, it produces its own brand Wild Trail, which is stocked in retailers and health food stores, and also develops and manufactures for innovative small and medium sized companies.

In the Existing Group's financial year ended 31 March 2020, Brighter contributed £25.3 million of revenue, £5.0 million EBITDA and a profit before non-recurring items and tax of £2.9 million, and a pre-tax profit of £2.9 million. As at 28 March 2021, the net assets of Brighter amount to £17.3 million. The Continuing Group expects to report an accounting profit on disposal of Brighter of approximately £20.4 million.

### ***Principal terms of the Disposal***

Pursuant to the terms of the SPA, the Sellers have conditionally agreed to sell the entire issued share capital of Brighter to the Purchaser for an aggregate consideration of £43.0 million on a cash free/debt free basis and subject to their being a normal level of working capital in the Company at Completion. NBF's share of that consideration, as a 84.334 per cent. shareholder in Brighter, is approximately £35.6 million before transaction costs.

Completion is conditional on the Resolution being passed by the requisite majority at the General Meeting (or any adjournment thereof).

Further details of the SPA are set out in Part 2 of this document.

#### **4. Information on the Purchaser**

The Purchaser is an indirect subsidiary of THG plc. THG is a vertically integrated, digital-first consumer brands group, retailing its own brands predominantly in beauty and nutrition, plus third-party brands, via its proprietary, end-to-end, e-commerce technology, infrastructure and brand-building platform (THG Ingenuity) to an online and global customer base.

#### **5. Financial effects of the Disposal and use of the proceeds**

The Board will continue to evaluate opportunities to enhance Shareholder value from the Continuing Group. As noted above, it has been agreed that £23.1 million of the net proceeds will be used to partially repay Loan Note Holders and £8.5 million will be paid to the Plan so that it is fully funded on an ongoing basis. Leumi ABL Limited ("Leumi"), which provides the Company with a term loan of £1.3 million, a plant and machinery loan of £2.1 million and an invoice discounting facility of up to £5.45 million, has confirmed that it will continue to provide funding to the Continuing Group following Completion.

The Board intends to retain £3.0 million from the aggregate net proceeds of the sale to provide working capital to support the needs of Renshaw and Rainbow Dust Colours. Should the required level of working capital investment be lower than forecast, additional payments may be made to the Loan Note Holders and to the Plan.

#### **6. Strategy for the Continuing Group**

Following the Disposal, the Continuing Group will consist of the Cake Decorations business, being Renshaw and Rainbow Dust Colours. For the year ended 31 March 2020, revenue of the Continuing Group was £41.2 million, EBITDA was £1.8 million and profit before non-recurring items and tax was £0.3 million (excluding Head Office and share option costs). The Continuing Group will be operated out of Crown Street and Wavertree in Liverpool and, immediately following Completion, will have approximately 310 employees.

Whilst the Board will seek to accelerate the improvement initiatives within the Continuing Group, it will also continue to explore and consider carefully all appropriate options to grow the businesses, further improve operational efficiency and reduce costs. Continuing Group costs within Head Office will also be reduced where possible and the Continuing Group will explore further opportunities to refinance and restructure, including the possibility of putting a proposal to Shareholders to approve the cancellation of the admission of the Shares to AIM.

#### ***Renshaw***

Renshaw has a leading position in the UK cake decorating market, with a renowned and respected heritage brand. It is a multi-channelled business with a broad range of branded and private label products, well known for superior quality. During the last 18 months, a new business unit CEO and several new managers have been recruited to drive value within the business. A number of operational improvement initiatives are underway to improve and sustain margins and reduce overhead costs. There is also a real focus on new product and service innovations to expand into adjacent and growing market segments, as the core market of sugar paste is a mature market and volumes of certain products are in gradual decline. New products and markets recently developed include caramels and frostings. Renshaw is also successfully winning new business and broadening its customer base in retail and wholesale channels.

#### ***Rainbow Dust Colours***

Rainbow Dust Colours is a market leader in the UK cake colours and edible decorations market. Its products are listed in all major sugarcraft outlets and specialist retailers, such as Hobbycraft and Lakeland. Its products include edible colours, glitters, paint, confetti, powders, sugar crystals and lustres. The aim is to continue to innovate and maintain its leading position in the growth sugarcraft segment as well as expanding sales into the other markets which Renshaw supplies.

#### **7. Current trading**

As reported on 26 January 2021, the impact of COVID-19 was most severe in Q1 (April to June 2020), during the first lockdown. However, as lockdown restrictions eased, trading in both divisions improved during the second half of the year ended 31 March 2021. For Q3, Existing Group revenues were 2.4 per cent.

ahead of FY20 and revenues for Q4 ended 31 March 2021 were £13.5 million compared to £15.1 million last year; revenues within Cake Decoration were marginally ahead of last year's Q4, but revenues within Brighter lower, mainly due to a particularly strong Q4 in the prior year. Total net debt as at 31 March 2021 was £47.6 million. Looking further ahead to the upcoming financial year, it is expected that the Cake Decorations division will be back to FY20 levels of revenue and in terms of EBITDA at a similar level to FY19.

## 8. Irrevocable undertakings

Irrevocable undertakings to vote in favour of the Resolution have been received by the Company in respect of, in aggregate, 51,001,232 Ordinary Shares, representing approximately 51.2 per cent. of the Company's current issued share capital as follows:

<i>Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>% of current issued share capital</i>
Downing	7,844,924	7.9%
NB	22,139,998	22.2%
Patrick Ridgwell	362,356	0.4%
Omnican International	20,653,954	20.7%
<b>Total</b>	<u>51,001,232</u>	<u>51.2%</u>

## 9. General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held on 10 May 2021 at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF at 10.00 a.m. at which the Resolution will be proposed.

The Resolution, which will be proposed at the General Meeting as an ordinary resolution, is to approve the Disposal and to authorise the Directors to take all steps necessary or desirable to complete the Disposal.

A simple majority (being more than 50 per cent.) of votes cast must be in favour of the Resolution in order for it to be passed.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolution and for further details about the General Meeting.

## 10. Arrangements for the General Meeting

**Given the uncertainty, in light of the COVID-19 pandemic, around whether Shareholders will be able to attend the General Meeting it is recommended that all Shareholders appoint the chairman of the General Meeting as their proxy to vote in accordance with their instructions. This will ensure that their vote will be counted even if attendance is restricted or they are unable to attend in person.**

The results of the General Meeting will be available on the Company's website shortly after the General Meeting has closed.

### ***If you would like to raise questions concerning the business of the General Meeting***

In light of the uncertainty as to whether Shareholders will be able to attend the General Meeting, Shareholders are encouraged to participate at the General Meeting by raising any questions in advance of the meeting by emailing our Company Secretary, Maribeth Keeling, at RGFplc@realgoodfoodplc.com by 10.00 a.m. on 5 May 2021. Answers to questions on key themes will be provided via a 'Questions and Answers' document which will be available to view on the Company's website from or about the date of the General Meeting.

***If you would like to participate in the General Meeting via electronic means***

If you would like to participate in the General Meeting via electronic means you will need to email RGFplc@realgoodfoodplc.com by 3.00 p.m. on 5 May 2021 to confirm this, giving details of your name and Shareholder reference number. We are asking Shareholders to do this so that we can engage with those Shareholders and provide them with the required details of how to access the General Meeting via electronic means. To participate via electronic means Shareholders will need access to an internet enabled device that allows the business of the General Meeting to be heard by them and for the Shareholder to be heard, when wishing to address the General Meeting. Shareholders should note that the only place at which the General Meeting is being held is at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF.

***If you plan to seek to physically attend the General Meeting***

If you plan to seek to physically attend the General Meeting, we would ask that you email RGFplc@realgoodfoodplc.com by 3.00 p.m. on 5 May 2021 to confirm your intention to attend, giving details of your name and Shareholder reference number. We are asking Shareholders to do this so that we can engage with those Shareholders about the likely running of the General Meeting and the Board's expectation concerning whether Shareholders will be permitted to attend and also to enable the Company to comply with the then current Government COVID-19 restrictions.

The Board continues to follow advice issued by Government with respect to the COVID-19 pandemic and will issue further guidance if necessary. Up to date information and any changes to the General Meeting arrangements contained in this document will be available on the website at <http://www.realgoodfoodplc.com>. Please continue to check that website for updates.

**11. Action to be taken**

A Form of Proxy for use at the General Meeting accompanies this document.

**Given the uncertainty, in light of the COVID-19 pandemic, around whether Shareholders will be able to attend the General Meeting it is recommended that all Shareholders appoint the chairman of the General Meeting as their proxy to vote in accordance with their instructions. This will ensure that their vote will be counted even if attendance is restricted or they are unable to attend in person.**

The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Link Group, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 6 May 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Link Group (ID RA10) by no later than 10.00 a.m. on 6 May 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The return of a completed Form of Proxy or the appointment of a proxy using the CREST Proxy Voting Service will not prevent a Shareholder from attending the General Meeting and voting in person (should this be permitted under applicable COVID-19 restrictions) if a Shareholder wish to do so (such Shareholders are referred to paragraph 7 above, which should be read and considered carefully).

## **12. Recommendation**

The Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the General Meeting.

Certain Shareholders have irrevocably undertaken to vote in favour of the Resolution in respect of, in aggregate, 51,001,232 Ordinary Shares, representing approximately 51.2 per cent. of the current issued ordinary share capital of the Company.

Yours faithfully,

**Mike Holt**

*Executive Chairman*

## **PART 2: SUMMARY OF THE PRINCIPAL TERMS OF THE SPA**

### **1. General**

The SPA was entered into on 22 April 2021 between: (i) NBF; (ii) the Managers; (iii) the Purchaser; and (iv) RGF. Pursuant to the terms of the SPA, each Seller has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase its entire interest in the issued share capital of Brighter, such that the entire issued share capital of Brighter is being sold and purchased.

NBF has an interest in 84.334 per cent. of the issued share capital of Brighter, with the balance being held by the Managers.

### **2. Condition**

Completion of the SPA is conditional upon the Resolution being passed by the requisite majority at the General Meeting. If this condition is not satisfied by 11.59 p.m. on 19 May 2021 (or such later date as may be agreed in writing between the Sellers and the Purchaser), then the SPA will automatically terminate.

### **3. Pre-Completion obligations**

At all times during the period from (and including) the date of the SPA up to (and including) Completion, each Seller has agreed, amongst other things, to use all reasonable endeavours to procure that the business of Brighter is carried on in the ordinary and usual course.

### **4. Consideration**

The aggregate enterprise value of the entire issued share capital of Brighter is £43.0 million (subject to customary adjustments for cash, debt and working capital).

### **5. Termination**

The Purchaser may terminate the SPA if, amongst other things: (i) the Purchaser becomes aware of any fact, matter, event or circumstance which constitutes or might reasonably be expected to constitute (or would or might reasonably be expected on Completion to constitute) a breach of any of the 'fundamental' warranties; (ii) the Sellers (or any of them) materially breach any of their obligations referred to in paragraph 3 above; or (iii) the Sellers (or any of them) fail to comply with their obligations to deliver certain documents and take certain action at Completion.

The Sellers may terminate the SPA if the Purchaser fails to comply with its obligations to deliver certain documents and take certain action at Completion (including payment of the consideration then due).

### **6. Warranties, indemnities and tax covenant**

The SPA contains, amongst others: (i) 'fundamental' warranties given by each Seller; (ii) warranties in relation to Brighter and its business (including Brighter's tax affairs) given by each Manager; (iii) warranties given by all Sellers in relation to Brighter's stock; and (iv) a tax covenant given by each Manager, in each case in favour of the Purchaser and in a customary form for a transaction such as the Disposal. In addition, the SPA contains: (i) an indemnity given by RGF and NBF in favour of the Purchaser in relation to the surrender to Brighter of certain tax related reliefs (the "Relief Indemnity"); and (ii) an indemnity in favour of the Purchaser given by each Seller in relation to penalties and costs arising in connection with certain historical payments made to the Managers (the "Historical Payments Indemnity").

The 'fundamental' warranties are given on the date of the SPA and repeated on Completion. The other warranties are given only on the date of the SPA and the tax covenant, Relief Indemnity and Historical Payments Indemnity only become effective on Completion.

In relation to caps on liability (save in the case of fraud): (i) the Sellers' aggregate cap on liability: (A) for all claims under the warranties (save for the stock related warranties) and the tax covenant is capped at £1.00; (B) under the stock related warranties is £750,000; and (C) under the Historical Payments Indemnity in

respect of penalties is approximately £230,000; and (ii) RGF's and NBF's aggregate cap on liability under the Relief Indemnity is approximately £2.26 million (plus any interest or penalties imposed on Brighter by HMRC) and is for a period ending on the fourth anniversary of the filing of the latest tax return of Brighter in which these reliefs are claimed (therefore not being later than 31 March 2026). Each Seller's aggregate cap on liability under the SPA is capped at their share of the consideration.

The Purchaser has given certain warranties to the Sellers, including as to its capacity to enter into and perform the SPA.

## **7. Restrictive Covenants**

The SPA contains certain customary restrictions on RGF and each Seller, including not to carry on, engage in or be interested in any business carried on in the UK in direct competition with the business of manufacturing snack bars, balls, cookies, brownies or flapjacks for the convenience snacking and/or sports nutrition markets and not to solicit certain key employees. These restrictions are for a period of 24 months, in the case of RGF, NBF and Robin Williams (one of the Managers), and 12 months, in the case of the other Managers.

## **8. Governing law**

The SPA is governed by English law.

# Real Good Food plc

(Incorporated in England and Wales with registered number 04666282)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an **Extraordinary General Meeting** of Real Good Food plc (“**Company**”) will be held at 10.00 a.m. on 10 May 2021 at the offices of J F Renshaw Limited at Crown Street, Liverpool L8 7RF, for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

**THAT:** the disposal (the “**Disposal**”) by N Brown Foods Limited of its entire interest in the issued share capital of Brighter Foods Limited on the terms and subject to the conditions set out in a sale and purchase agreement dated 22 April 2021 (the “**SPA**”) between (1) N Brown Foods Limited, (2) the Company, (3) the Managers (as defined therein), and (4) The Hut.com Limited and related documentation to be entered into pursuant to the SPA, be and is hereby approved with such minor amendments as the directors of the Company from time to time (the “**Directors**”) may approve, and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete the Disposal.

By order of the Board

**Maribeth Keeling**  
Company Secretary

Dated: 22 April 2021

*Registered office*  
61 Stephenson Way  
Wavertree  
Liverpool  
L13 1HN

### Notes

#### General

1. Registered Shareholders are entitled to attend, speak, and vote, either in person or by proxy, at general meetings of the Company. **Given the uncertainty, in light of the COVID-19 pandemic, around whether Shareholders will be able to attend the extraordinary general meeting (the “GM”) it is recommended that all Shareholders appoint the chairman of the GM as their proxy to vote in accordance with their instructions. This will ensure that their vote will be counted even if attendance is restricted or they are unable to attend in person.**

**If you do plan to seek to physically attend the General Meeting, we would ask that you email RGFplc@realgoodfoodplc.com by 3.00 p.m. on 5 May 2021 to confirm your intention to attend, giving details of your name and Shareholder reference number. We are asking Shareholders to do this so that we can engage with those Shareholders about the likely running of the General Meeting and the Board’s expectation concerning whether Shareholders will be permitted to attend and also to enable the Company to comply with the then current Government restrictions.**

This notice is the formal notification to members of the GM, its place, date and time, and the matters to be considered. If Shareholders are in doubt as to what action to take they should consult an independent adviser.

The resolution will be proposed as an ordinary resolution. A simple majority (being more than 50 per cent.) of votes cast must be in favour of the resolution in order for it to be passed.

#### Entitlement to vote

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those members registered on the Company’s register of members at:
  - 8.00 p.m. on 6 May 2021; or
  - if the GM is adjourned, at 8.00 p.m. on the day two working days prior to the adjourned meeting, shall be entitled to attend (should this be permitted under applicable COVID-19 restrictions) and vote at the GM.

#### Appointment of proxies

3. A registered Shareholder at the time set out in note 2 above is entitled to attend and vote at the meeting and may appoint one or more proxies to exercise all or any of the member’s rights to attend and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member’s vote to be counted. **Shareholders are recommended to appoint the chairman of the GM as their proxy (and not any other person) to vote in accordance with their instructions. This will ensure that their vote will be counted even if attendance is restricted or they are (or, if they were to appoint someone other than the chairman of the GM as their proxy, that person was) unable to attend in person.** The return



of a completed proxy form in accordance with these notes will not prevent a Shareholder from attending the GM and voting in person (should this be permitted under applicable COVID-19 restrictions) if a Shareholder wishes to do so.

If a Shareholder appoints more than one proxy to attend and vote at the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that Shareholder. If a Shareholder wishes to appoint more than one proxy, they may do so at [www.signalshares.com](http://www.signalshares.com).

To be effective, the proxy vote must be submitted at [www.signalshares.com](http://www.signalshares.com) so as to have been received by the Company's Registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. By registering on the Signal shares portal at [www.signalshares.com](http://www.signalshares.com), a Shareholder can manage its shareholding, including cast its vote; change its dividend payment instruction; update its address; and select its communication preference.

Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL. If a paper form of proxy is requested from the Registrars, it should be completed and returned to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL to be received not less than 48 hours (excluding weekends and public holidays) before the time of the meeting.

#### **Appointment of proxies through CREST**

4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the GM and any adjournment(s) thereof by utilising 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment 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 ("EUI") 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 issuer's agent (RA10) by 10.00 a.m. on 6 May 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that EUI 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 has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) 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(s) or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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 (as amended).

#### **Appointment of proxy by joint members**

5. 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).

#### **Changing proxy instructions**

6. To change proxy instructions, a Shareholder should simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where a Shareholder has appointed a proxy using a hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

If a Shareholder submits 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**

7. In order to revoke a proxy instruction, the relevant Shareholder will need to inform the Company by sending a signed hard copy notice clearly stating their intention to revoke their proxy appointment to Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 48 hours before the date and time of the meeting. If a Shareholder attempts to revoke their proxy appointment but the revocation is received after the time specified, then their proxy appointment will remain valid.

Appointment of a proxy does not preclude a Shareholder from attending the GM and voting in person (should this be permitted under applicable COVID-19 restrictions) and, if a Shareholder has appointed a proxy and that Shareholder attends the GM in person, that Shareholder's proxy appointment will be terminated automatically.

**Voting online and requesting a proxy card**

8. If a Shareholder needs help with voting online, or requires a paper proxy form, please contact the Company's Registrars, Link Group, by email at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk), or a Shareholder may call Link Group on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

**Communication**

9. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or in any related or accompanying document (including any proxy form)) to communicate with the Company for any purposes other than those expressly stated (if any).

**Issued shares and total voting rights**

10. As at 6.30 p.m. on 21 April 2021, the Company's issued share capital comprised 99,564,430 ordinary shares of 2 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 21 April 2021 is 99,564,430.

