

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this Circular 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 the transferee. If you have sold or transferred only part of your holding of Existing Ordinary Shares, please retain these documents and immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. Please note that this Circular should not be sent or transmitted in or into any Restricted Jurisdiction.

None of the Placing, the Subscription nor the Retail Offer constitutes an offer to the public requiring the Company to issue an approved prospectus under section 85 of FSMA, and, accordingly, this Circular does not constitute a prospectus within the meaning of section 85 of FSMA, has not been drawn up in accordance with the Prospectus Regulation Rules and has not been reviewed or approved by or filed with the FCA, the London Stock Exchange or any other authority or regulatory body. This Circular does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise and has not been approved for the purposes of section 21 of FSMA. In addition, this Circular does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

**The contents of this Circular are not to be construed as legal, financial or tax advice. Each investor should consult their own legal, financial or tax adviser for legal, financial or tax advice.**

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Mercantile Ports  
& Logistics Limited

## **Mercantile Ports & Logistics Limited**

*(Incorporated and registered in Guernsey with registered number 52321)*

**Proposed Placing of 101,949,999 Placing Shares at 3 pence per share**  
**Proposed Subscription for 195,000,000 Subscription Shares at 3 pence per share**  
**Proposed Retail Offer of 40,000,000 Retail Shares at 3 pence per share**  
**Approval of waiver of obligations under Rule 9 of the Takeover Code**

and

**Notice of General Meeting**  
**Nominated Adviser and Broker**



**Cenkos Securities plc**

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This Circular should be read as a whole and in its entirety. Your attention is drawn to the letter from the Chairman which is set out in *Part V – Letter from the Chairman* of this Circular and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting. In addition, your attention is drawn to *Part VI – Risk Factors* of this Circular which contains certain general and specific risks and uncertainties in relation to the Group that should be considered by prospective investors when considering whether or not to make an investment in the Ordinary Shares.

The General Meeting is scheduled to be held at the Registered Office of the Company at Beauvoir Trust Limited, 1<sup>st</sup> Floor, Tudor House, Le Bordage Road, Guernsey GY1 1DB at 11.00 a.m. on

27 June 2023, and the Notice of General Meeting is set out at the end of this Circular. A paper proxy form is not enclosed with this Circular. Shareholders are able to vote online by logging on to <https://www.signalshares.com> and following the instructions provided or, in the case of CREST members, by using the CREST electronic proxy appointment service set out in notes 9 to 11 to the Notice of General Meeting. A hard copy proxy form can be requested from the Registrars, further details of which are set out in note 15 to the Notice of General Meeting.

Proxy votes must be received no later than 11.00 a.m. on 23 June 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned General Meeting). Completion and return of proxy votes will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, that Admission of the New Ordinary Shares will become effective and that dealings will commence at 8.00 a.m. on 28 June 2023. The New Ordinary Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the FCA has examined or approved the contents of this Circular. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List.**

Cenkos Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Equity Fundraising and the other arrangements described further in this Circular. The responsibility of Cenkos Securities, as the Company's nominated adviser, under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company or the Directors or any other person. Persons receiving this Circular should note that Cenkos Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for advising any other person on the arrangements described in this Circular. No representation or warranty, expressed or implied, is made by Cenkos Securities as to any of the contents of this Circular and Cenkos Securities has not authorised the contents of, or any part of, this Circular and no liability whatsoever is accepted by Cenkos Securities for the accuracy of any information or opinions contained in this Circular or for the omission of any information.

#### **NOTICE TO OVERSEAS SHAREHOLDERS**

The distribution of this Circular and/or the transfer of any entitlements to participate in the Equity Fundraising, in jurisdictions other than the UK, including any Restricted Jurisdiction, may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the New Ordinary Shares have been or will be registered under the US Securities Act or under the applicable securities laws of the United States, Australia, Canada, Japan, Singapore, the Republic of South Africa or of any other Restricted Jurisdiction.

Subject to certain exceptions, none of the New Ordinary Shares may be offered, sold, taken up, delivered or transferred in or into the United States (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the US Securities Act), Australia, Canada, Japan, Singapore, the Republic of South Africa or any other Restricted Jurisdiction.

It is the responsibility of persons receiving a copy of this Circular outside of the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory or jurisdiction in connection with it and the implications of the Equity Fundraising, including obtaining any governmental or other consents which may be required or observing any other

formalities required to be observed in such territory or jurisdiction and paying any other issue, transfer or taxes due in such other territory or jurisdiction. Persons (including, without limitation, nominees and trustees) receiving this Circular should not distribute or send this Circular into any jurisdiction when to do so would, or might, contravene local security laws or regulations.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Equity Fundraising in their particular circumstances.

This Circular does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended.

Outside of the United States, the New Ordinary Shares are being offered in reliance on Regulation S under the US Securities Act. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, Japan, Singapore, the Republic of South Africa or any other Restricted Jurisdiction, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, any regulator or authority in Australia, Canada, Japan, Singapore, the Republic of South Africa or any other Restricted Jurisdiction.

Subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

This Circular does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from any Restricted Jurisdiction.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this Circular or confirmed the accuracy or adequacy of the information contained in this Circular. Any representation to the contrary is a criminal offence in the US.

## **FORWARD-LOOKING STATEMENTS**

This Circular includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this Circular and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, *inter alia*:

- the Group's objectives, acquisition, financing and business strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of securities and dividends; and
- future deal flow and implementation of active management strategies, including with regard to acquisitions and hedging of foreign currency exposures.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Group's actual performance, results of operations, financial condition, distributions to holders of securities and the development of its financing strategies may differ materially from the forward-looking statements contained in this Circular. In addition, even if the Group's actual performance, results of operations, financial condition, distributions to holders of securities and the development of its financing and hedging strategies are consistent with the forward-looking statements contained in this Circular, those results or developments may not be indicative of results or developments in subsequent periods.

These forward-looking statements speak only as at the date of this Circular. The Company, Cenkos Securities and the Directors expressly disclaim any obligation or undertaking to disseminate any

updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the Product Governance Requirements and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a Target Market Assessment.

Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Equity Fundraising. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Cenkos Securities will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or Company of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

### **PRESENTATION OF FINANCIAL INFORMATION**

Certain data in this Circular, including financial information, has been rounded. As a result of the rounding, the totals of data presented in this Circular 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%.

### **NO PROFIT FORECAST OR PROFIT ESTIMATE**

No statement in this Circular is intended to constitute a profit forecast or profit estimate for any period.

### **TIMES**

All times referred to in this Circular are, unless otherwise stated, references to the time in London, United Kingdom.

### **CURRENCY**

Unless otherwise indicated, all references in this Circular to:

- "Pounds Sterling", "pence", "£" or "p" is to the lawful currency of the United Kingdom; and
- "Indian Rupee", "INR", "Rs" are to the lawful currency of India.

Where relevant in this Circular, unless otherwise stated, Indian Rupee amounts have been converted into Pounds Sterling at Rs. 102.53 : £1.00.

The Group's consolidated financial statements are presented in Pounds Sterling, the Company's functional currency.

### **INTERPRETATION**

For the purpose of this Circular, "subsidiary" and "subsidiary undertaking" have the meanings given by the Companies Law save that such terms shall be deemed to include "overseas companies" (as

defined in the Companies Law), references to a “company” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders

## **GOVERNING LAW**

This Circular has been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside of England. All references to legislation or regulation in this Circular are to the legislation of England unless the contrary is indicated. Any reference to any provision of any legislation or regulation in this Circular shall include any amendment, modification, supplement, re-enactment or extension thereof. The Company is domiciled in Guernsey and subject to the Takeover Code.

## **NO INCORPORATION OF WEBSITES**

Neither the content of the Company’s website (<https://www.mercpl.com>), the Group’s other websites nor any website accessible by hyperlinks to such websites has been incorporated in, or forms part of, this Circular. The information on such websites has not been verified nor has it been authorised or approved by the FCA, the London Stock Exchange or any other authority or regulatory body, and investors should not rely on such information.

## **GENERAL**

No person has been authorised to give any information or to make any representation other than those contained in this Circular in connection with the Equity Fundraising and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Group, or its respective associates, Directors, officers or advisers.

The value of securities and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell any securities of the Company which you have invested in, you may get back less than you originally invested. All of the value of an investor’s investment in the securities of the Company will be at risk. Past performance is not a guide to future performance and the information in this Circular or any other documents relating to the matters described therein cannot be relied upon as a guide to future performance.

Copies of this Circular will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the Registered Office of the Company at Beauvoir Trust Limited, 1<sup>st</sup> Floor, Tudor House, Le Bordage Road, Guernsey, GY1 1DB for a period of one month from the date of this Circular and on the Company’s website at <https://www.mercpl.com>.

This Circular is dated 9 June 2023.

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## PART I – DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Jay Mehta Jeremy Warner Allen Nikhil Gandhi Lord Howard Flight John Fitzgerald Karanpal Singh Amit Dutta Dmitri Tsvetkov	<i>Managing Director</i> <i>Chairman</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
	The business address of each of the Directors is at the Registered Office.	
<b>Company Secretary</b>	Beauvoir Trust Limited 1 <sup>st</sup> Floor, Tudor House Le Bordage Road Guernsey GY1 1DB	
<b>Registered Office</b>	Beauvoir Trust Limited 1 <sup>st</sup> Floor, Tudor House Le Bordage Road Guernsey GY1 1DB	
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6, 7, 8 Tokenhouse Yard London EC2R 7AS United Kingdom	
<b>Lawyers to the Company as to English Law</b>	Orrick, Herrington & Sutcliffe (UK) LLP 9 <sup>th</sup> Floor 107 Cheapside London EC2V 6DN United Kingdom	
<b>Lawyers to the Company as to Guernsey Law</b>	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey GY1 4BZ	
<b>Lawyers to the Nominated Adviser and Broker</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF United Kingdom	
<b>Registrars</b>	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH	

## PART II – EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Time and date (as applicable)</b>
Announcement of the Equity Fundraising	4.30 p.m. on 8 June 2023
Announcement of the result of the Placing and Subscription	7.00 a.m. on 9 June 2023
Announcement of the result of the Retail Offer	7.00 a.m. on 13 June 2023
Latest Practicable Date	7 June 2023
Publication and posting of this Circular	9 June 2023
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	11.00 a.m. on 23 June 2023
General Meeting	11.00 a.m. on 27 June 2023
Announcement of results of the General Meeting	27 June 2023
Expected date when Admission is effective and unconditional dealings in the New Ordinary Shares on AIM commence	8.00 a.m. on 28 June 2023
Expected date for crediting of the New Ordinary Shares in uncertificated form to CREST members' accounts	28 June 2023
Expected date of dispatch of share certificates in respect of the New Ordinary Shares in certificated form	Within 10 Business Days of Admission

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to the Shareholders by announcement through an RIS.
2. A paper proxy form is not enclosed with this Circular. Shareholders are able to vote online by logging on to <https://www.signalshares.com> and following the instructions provided or, in the case of CREST members, by using the CREST electronic Form of Proxy appointment service set out in notes 9 to 11 to the Notice of General Meeting. A hard copy Form of Proxy can be requested from the Registrars, further details of which are set out in note 15 to the Notice of General Meeting. If you have questions on how to complete the Form of Proxy, please contact the Registrars on 0371 664 0300 or, if phoning from outside the UK, on +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales).



## PART III – KEY STATISTICS

Number of Existing Ordinary Shares in issue as at the Latest Practicable Date	41,499,699
Issue Price	3 pence
Number of Placing Shares to be issued by the Company pursuant to the Placing <sup>(1)</sup>	101,949,999
Number of Subscription Shares to be issued by the Company pursuant to the Subscription	195,000,000
Number of Retail Shares to be issued by the Company pursuant to the Retail Offer <sup>(2)</sup>	40,000,000
Total number of New Ordinary Shares to be issued by the Company <sup>(2)</sup>	336,949,999
Gross proceeds of the Placing and Subscription	£8,908,500
Gross proceeds of the Retail Offer <sup>(2)</sup>	£1,200,000
Maximum Gross Proceeds of the Equity Fundraising <sup>(2)</sup>	£10,108,500
Estimated Expenses payable by Company in connection with Equity Fundraising <sup>(2) (3)</sup>	£800,000
Estimated maximum Net Proceeds of the Equity Fundraising <sup>(2)</sup>	£9,308,500
Enlarged Share Capital at Admission <sup>(2)</sup>	378,449,698
Total number of New Ordinary Shares as a percentage of the Enlarged Share Capital <sup>(2)</sup>	89%
Market capitalisation of the Company at Admission at the Issue Price <sup>(2)</sup>	approximately £11,400,000
ISIN for Existing Ordinary Shares and, following Admission, the New Ordinary Shares	GG00BKSH7R87
SEDOL for Existing Ordinary Shares and, following Admission, the New Ordinary Shares	BKSH7R8
LEI	213800UT113BW8VXV311
TIDM	MPL

(1) Includes 13,359,166 Placing Shares to be allotted and issued to Cenkos Securities in satisfaction of certain fees to Cenkos Securities under the Placing Agreement.

(2) This figure assumes completion of the Placing and the Subscription and full take up of the Retail Offer.

(3) Expenses will be borne by the Company in full and be deducted from the Gross Proceeds of the Equity Fundraising, and no Expenses will be charged to any investor by the Company.

## PART IV – DEFINITIONS

The following definitions apply throughout this Circular (unless the context requires otherwise):

<b>“2021 Circular”</b>	the shareholder circular of the Company entitled “Placing of 1,365,711,111 New Ordinary Shares at 0.45 pence per share, Subscription for 767,622,222 New Ordinary Shares at 0.45 pence per share, PrimaryBid Offer of 111,614,477 New Ordinary Shares at 0.45 pence per share, Proposed Share Capital Consolidation and Notice of Extraordinary General Meeting” dated 20 August 2021.
<b>“2021 Launch Announcement”</b>	the RIS announcement entitled “Proposed Placing and Subscription to raise minimum £9.5 million by way of accelerated bookbuild, PrimaryBid offer at a price of 0.45 pence per share, Share Consolidation and Notice of Extraordinary General Meeting” issued by the Company on 19 August 2021.
<b>“Admission”</b>	the admission of the New Ordinary Shares to trading on AIM in accordance with the AIM Rules for Companies.
<b>“affiliate”</b>	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange.
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies and guidance notes as published by London Stock Exchange from time to time.
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers issued by the London Stock Exchange setting out the eligibility, ongoing responsibilities and certain disciplinary matters in relation to nominated advisers, as amended or re-issued from time to time.
<b>“Announcement”</b>	the RIS announcement issued by the Company on 8 June 2023 in relation to the Equity Fundraising.
<b>“Articles”</b>	the articles of incorporation of the Company in force from time to time.
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this Circular.
<b>“BookBuild”</b>	BB Technology Ltd, a private limited company incorporated in England and Wales with registered number 13508012.
<b>“Business Day”</b>	any day on which the London Stock Exchange is open for business and banks are open for business in London; excluding Saturdays and Sundays.
<b>“CAGR”</b>	compounded annual growth rate.
<b>“Cenkos Securities”</b>	Cenkos Securities plc.
<b>“Companies Law”</b>	Companies (Guernsey) Law, 2008 (as amended from time to time).
<b>“Company”</b>	Mercantile Ports & Logistics Limited.
<b>“control”</b>	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the

Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50% of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with an acquisition.

<b>“COVID-19”</b>	disease caused by the respiratory virus SARS-CoV-2 and its variants.
<b>“CREST” or “CREST system”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations.
<b>“CREST Manual”</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since).
<b>“CREST member”</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations).
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations).
<b>“CREST Proxy Instruction”</b>	an appropriate CREST message, for a proxy appointment or instruction to be validly made by means of CREST.
<b>“CREST Regulations”</b>	Uncertificated Securities (Guernsey) Regulations 2009.
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor.
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member.
<b>“Debt Facility”</b>	the term loan facility of INR 480 crores entered into between KTLPL and four Indian public sector banks pursuant to a loan agreement dated 28 February 2014, as restructured by KTLPL and the banks in July 2021.
<b>“Deed of Lease”</b>	the lease entered into between Karanja Infrastructure Private Limited and MMB on 31 August 2009 with an effective date of 7 August 2009 in respect of the Project Land with a concession to develop on a BOOT basis: (i) the Facility; and (ii) a ship repair facility, as novated to KTLPL via a deed of confirmation entered into between Karanja Infrastructure Private Limited, KTLPL and MMB on 28 September 2010 and varied by a letter from MMB dated 11 May 2017 to extend the term of the lease to 50 years.
<b>“Enlarged Share Capital”</b>	the entire issued share capital of the Company following completion of the Equity Fundraising on Admission, assuming that there is a full take up of the Retail Offer.
<b>“Equity Fundraising”</b>	together, the Placing, the Subscription and the Retail Offer.
<b>“Euroclear”</b>	Euroclear UK & International Limited, a company incorporated in England & Wales, being the operator of CREST.
<b>“Executive Directors”</b>	Director(s) discharging executive responsibilities.

<b>“Existing Ordinary Shares”</b>	the issued ordinary share capital of the Company at the date of this Circular, being 41,499,699 Ordinary Shares.
<b>“Expenses”</b>	an estimated £800,000 (including commissions and expenses, Admission fees, professional advisory fees, including legal fees, and any other applicable expenses, and any applicable VAT) of costs associated with the Equity Fundraising.
<b>“Facility”</b>	the completed logistics park and multi-purpose terminal developed by the Group on the Project Land.
<b>“FCA”</b>	the UK Financial Conduct Authority acting in its capacity as the competent authority under Part VI of FSMA.
<b>“Form of Proxy”</b>	the electronic form of proxy for use in connection with the General Meeting (a hard-copy of which may be requested from the Registrar).
<b>“FSMA”</b>	Financial Services and Markets Act 2000.
<b>“GDP”</b>	gross domestic product.
<b>“General Meeting”</b>	a general meeting of the Shareholders or a class of Shareholders, or, as the context requires, the general meeting of the Company, convened for 11.00 a.m. on 27 June 2023 or at any adjournment thereof.
<b>“Gross Proceeds”</b>	the estimated maximum gross proceeds of the Equity Fundraising being £10,108,500.
<b>“Group”</b>	the Company and its subsidiaries from time to time.
<b>“Hunch Concert Party”</b>	Hunch Ventures, Karanpal Singh and Amit Dutta.
<b>“Hunch Loan Addendum”</b>	the extension to the unsecured loan facility provided by an affiliate of Hunch Ventures to KTLPL, further details of which are set out in paragraph 9.4 of Part VII – <i>Additional Information</i> of this Circular.
<b>“Hunch Subscription”</b>	the subscription by Hunch Ventures for 125,000,000 Subscription Shares pursuant to the Hunch Subscription Agreement.
<b>“Hunch Subscription Agreement”</b>	The subscription and relationship agreement entered into on or around 8 June 2023 between Hunch Ventures, the Company and Cenkos Securities in respect of both the Hunch Subscription and the relationship between the Company and Hunch Ventures following completion of the Subscription.
<b>“Hunch Ventures”</b>	Hunch Ventures and Investment Private Limited, a company incorporated in India, with company registration number 289161 and whose registered office is at 5 Ground Floor, Plot No. 09 Copia Corporate Suites, Jasola New Delhi, South Delhi DL 110044, India.
<b>“Independent Directors”</b>	Nikhil Gandhi, John Fitzgerald and Dmitri Tsvetkov.
<b>“Independent Shareholders”</b>	the Shareholders, excluding any Shareholder which is participating in the Subscription or the Placing.
<b>“India”</b>	the Republic of India.
<b>“intermediary”</b>	broker or wealth manager to an eligible retail Shareholder in the Retail Offer.
<b>“ISIN”</b>	International Securities Identification Number.
<b>“Issue Price”</b>	3 pence per New Ordinary Share.
<b>“JNPT”</b>	Jawaharlal Nehru Port Trust.
<b>“km”</b>	kilometer.

<b>“KTLPL”</b>	Karanja Terminal and Logistics Private Limited, a company incorporated under the provisions of the Companies Act, 1956 of India, having its registered office at Hermes Atrium, Office No. 411, 04 <sup>th</sup> Floor, A-Wing, Plot No. 57, Sector No. 11, CBD, Belapur, Navi Mumbai, Thane – 400614, and being a subsidiary of the Company.
<b>“Latest Practicable Date”</b>	7 June 2023, being the latest practicable date prior to the publication of the Announcement.
<b>“LEI”</b>	legal entity identifier.
<b>“London Stock Exchange”</b>	London Stock Exchange plc.
<b>“Main Market”</b>	main market for listed securities of the London Stock Exchange.
<b>“Major Port”</b>	each of the 12 ports located in India designated as ‘Major Ports’ by India’s Ministry of Shipping.
<b>“MiFID II”</b>	EU Directive 2014/65/EU on markets in financial instruments, as amended.
<b>“Minor Port”</b>	any port located in India which is not a Major Port.
<b>“MMB”</b>	Maharashtra Maritime Board.
<b>“MT”</b>	metric tonne.
<b>“Mumbai Trans-Harbour Link”</b>	the proposed 22 km freeway grade road bridge connecting Mumbai with Navi Mumbai, its satellite city.
<b>“New Ordinary Shares”</b>	up to 336,949,999 new Ordinary Shares to be issued pursuant to the Equity Fundraising.
<b>“Net Proceeds”</b>	the net proceeds of the Equity Fundraising following the deduction of the Expenses from the Gross Proceeds.
<b>“Non-Executive Director(s)”</b>	Director(s) discharging non-executive responsibilities.
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting as set out in Part VIII – <i>Notice of General Meeting</i> of this Circular.
<b>“Official List”</b>	the official list maintained by the FCA pursuant to Part VI of FSMA.
<b>“Ordinary Shares”</b>	ordinary shares of no par value each in the Company.
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories or jurisdictions other than the United Kingdom.
<b>“Placees”</b>	subscribers for Placing Shares pursuant to the Placing.
<b>“Placing”</b>	the proposed placing by the Company of the Placing Shares with the Placees pursuant to the Placing Agreement.
<b>“Placing Agreement”</b>	the placing agreement entered into between the Company and Cenkos Securities in respect of the Placing dated 8 June 2023.
<b>“Placing Shares”</b>	101,949,999 new Ordinary Shares, which are the subject of the Placing, and which includes 13,359,166 new Ordinary Shares to be issued and allotted to Cenkos Securities in satisfaction of the Company’s obligations to pay certain fees to Cenkos Securities under the Placing Agreement.
<b>“Product Governance Requirements”</b>	together: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures of MiFID II and Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, each as they form part of the law of England and Wales by virtue of European Union (Withdrawal) Act 2018.

<b>“Project Land”</b>	the c.1.62 million square metre (approximately 400 acres) of land with a sea frontage of approximately 2,000 metres at Karanja Creek, Chanje Village, Taluka Uran, District Raigad, Maharashtra, India as described in the Deed of Lease.
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA.
<b>“RBI”</b>	Reserve Bank of India.
<b>“Registered Office”</b>	the registered office of the Company at Beauvoir Trust Limited, 1 <sup>st</sup> Floor, Tudor House, Le Bordage Road, Guernsey GY1 1DB.
<b>“Registrars”</b>	Link Market Services (Guernsey) Limited.
<b>“Resolutions”</b>	the ordinary resolutions and special resolutions to be proposed at the General Meeting, as set out in the Notice of the General Meeting.
<b>“Restricted Jurisdiction”</b>	the United States, Australia, Canada, Japan, Singapore, the Republic of South Africa or any other jurisdiction where release, publication or distribution of this Circular or any offer, invitation or solicitation in relation to the securities referred to in this Circular is or would be unlawful or may lead to a breach of any applicable legal or regulatory requirements.
<b>“Retail Announcement”</b>	the RIS announcement issued by the Company on 8 June 2023 in relation to the Retail Offer.
<b>“Retail Clients”</b>	retail clients, as defined by the FCA in the FCA Handbook of Rules and Guidance.
<b>“Retail Offer”</b>	the proposed offer for subscription to Retail Clients of BookBuild who are located and resident in the UK of the Retail Shares at the Issue Price conducted through the BookBuild online platform and mobile application.
<b>“Retail Offer Coordinator”</b>	Cenkos Securities, in its capacity as the retail offer coordinator in relation to the Retail Offer.
<b>“Retail Shares”</b>	up to 40,000,000 new Ordinary Shares to be issued pursuant to the Retail Offer at the Issue Price.
<b>“RIS”</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA.
<b>“Rule 9 Waiver”</b>	the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for the Hunch Concert Party to make an offer to Shareholders for the Company under Rule 9 of the Takeover Code which would otherwise arise as a result of the issue of the Subscription Shares to Hunch Ventures under the Hunch Subscription Agreement, such waiver being conditional upon the approval by the Independent Shareholders of the Rule 9 Waiver Resolution on a poll.
<b>“Rule 9 Waiver Resolution”</b>	resolution 1 to be proposed at the General Meeting as set out in the Notice of General Meeting to approve the Rule 9 Waiver.
<b>“Sapphire”</b>	Sapphire Pacific FZE a company incorporated in the United Arab Emirates, with company registration number 10887 and whose registered office is at Office Q1 09 038/c Sharjah Airport International Free Zone, Sharjah, United Arab Emirates.
<b>“SEDOL”</b>	Stock Exchange Daily Official List, a list of security identifiers used in the UK and Ireland for clearing persons.

<b>“Shareholder Directors”</b>	Nikhil Gandhi, Lord Howard Flight, John Fitzgerald, Jeremy Warner Allen and Jay Mehta, being the Directors who hold Ordinary Shares as at the Latest Practicable Date.
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares.
<b>“Subscribers”</b>	Hunch Ventures, Sapphire, Trans Global and Jay Mehta who are participating in the Subscription.
<b>“Subscription”</b>	the proposed subscription for Subscription Shares pursuant to the terms of the Subscription Agreements.
<b>“Subscription Agreements”</b>	the Hunch Subscription Agreement and the Subscription Letters.
<b>“Subscription Letters”</b>	the subscription letters entered into on or around 8 June 2023 between each of Sapphire, Trans Global and Jay Mehta who are subscribing for Subscription Shares and the Company.
<b>“Subscription Shares”</b>	the aggregate of 195,000,000 new Ordinary Shares to be issued by the Company pursuant to the Subscription.
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers, administered by the Takeover Panel.
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers.
<b>“Target Market Assessment”</b>	a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
<b>“Trans Global”</b>	Trans Global LLC, a company incorporated in the Department of Economic Development Dubai, United Arab Emirates, with company registration number 1868686 and whose registered office is at Lot No. 451, 1703 King Mohammed Idris Shakur, Bur Dubai, Business Bay, Office No. 024, Dubai.
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>“United States” or “US”</b>	the United States of America, its possessions or territories, any State of the United States of America and the district of Columbia or any area subject to its jurisdiction or any political subdivision thereof.
<b>“US Securities Act”</b>	US Securities Act of 1933, as amended.
<b>“VAT”</b>	(i) within the EU, any tax imposed by any EU member state in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.

## PART V – LETTER FROM THE CHAIRMAN

# MERCANTILE PORTS & LOGISTICS LIMITED

*(Incorporated in Guernsey with registered number 52321)*

### **Directors:**

Jay Mehta	<i>Managing Director</i>
Jeremy Warner Allen	<i>Chairman</i>
Nikhil Gandhi	<i>Non-Executive Director</i>
Lord Howard Flight	<i>Non-Executive Director</i>
John Fitzgerald	<i>Non-Executive Director</i>
Karanpal Singh	<i>Non-Executive Director</i>
Amit Dutta	<i>Non-Executive Director</i>
Dmitri Tsvetkov	<i>Non-Executive Director</i>

### **Registered Office:**

Beauvoir Trust Limited  
1<sup>st</sup> Floor, Tudor House  
Le Bordage Road  
Guernsey GY1 1DB

*For the attention of Shareholders*

9 June 2023

Dear Shareholder

**Proposed Placing of 101,949,999 Placing Shares at 3 pence per share  
Proposed Subscription for 195,000,000 Subscription Shares at 3 pence per share  
Proposed Retail Offer of 40,000,000 Retail Shares at 3 pence per share  
Approval of waiver of obligations under Rule 9 of the Takeover Code  
and  
Notice of General Meeting**

### **1. Introduction**

On 8 June 2023, the Company announced a conditional Equity Fundraising comprising a Placing, Subscription and Retail Offer to raise £10,108,500 before Expenses by the issue of up to 336,949,999 New Ordinary Shares at the Issue Price of 3 pence per New Ordinary Share.

The Placing will raise £3,058,500 (before applicable Expenses) by the issue by the Company of 101,949,999 Placing Shares to new and existing institutional investors at the Issue Price. The Company is undertaking the Placing by way of an accelerated bookbuild, which is not underwritten. Further details on the terms of the Placing are set out at paragraph 4 of this *Part V – Letter from the Chairman* of this Circular.

Under the Subscription:

- (a) Hunch Ventures, the Company's India-based strategic investor, has conditionally agreed to subscribe for, and the Company has agreed to issue, 125,000,000 Subscription Shares at the Issue Price on Admission, representing gross subscription proceeds of £3,750,000;
- (b) Sapphire and Trans Global, investors that have knowledge of the Company through the Company's customers Esquire Shipping and Rudra Marine Services, have conditionally agreed to subscribe for, and the Company has agreed to issue, 50,000,000 Subscription Shares and 16,666,667 Subscription Shares (respectively) at the Issue Price on Admission, representing gross subscription proceeds of £2,000,000; and
- (c) Jay Mehta, managing Director, has also conditionally agreed to subscribe for, and the Company has agreed to issue, 3,333,333 Subscription Shares at the Issue Price, representing gross subscription proceeds of £99,999.99.

The aggregate gross proceeds of the Subscription amount to approximately £5,850,000. Further details on the terms of the Subscription are set out at paragraph 5 of this *Part V – Letter from the Chairman* of this Circular.

Hunch Ventures, Karanpal Singh (the ultimate beneficial owner of Hunch Ventures and a Non-Executive Director) and Amit Dutta (nominee of Hunch Ventures and a Non-Executive Director) are



members of the Hunch Concert Party, being persons who are acting in concert for the purposes of the Takeover Code. Following completion of the Subscription, the Hunch Concert Party's shareholding in the Company will increase from 11,819,712 Existing Ordinary Shares, representing 28.48% of the Existing Ordinary Shares, to 136,819,712 Ordinary Shares, representing 40.4% of the Enlarged Share Capital (assuming completion of the Placing and the Subscription and no take up under the Retail Offer). Accordingly, the Hunch Concert Party will therefore be interested in Ordinary Shares carrying 30% or more of the voting rights of the Company following the allotment and issue of the Subscription Shares to Hunch Ventures pursuant to the Hunch Subscription Agreement.

The Company has consulted the Takeover Panel, and the Takeover Panel has agreed to waive the requirement for the Hunch Concert Party to make an offer under Rule 9 of the Takeover Code in cash for Ordinary Shares in the Company which might otherwise arise as a result of the issue and allotment of the Subscription Shares to Hunch Ventures, subject to the Rule 9 Waiver Resolution (as set out in the Notice of General Meeting) being passed on a poll of the Independent Shareholders. To be passed, a simple majority of the votes cast by the Independent Shareholders must be in favour of the Rule 9 Waiver Resolution.

In addition, in order to provide Shareholders who have not taken part in the Placing or Subscription with an opportunity to participate in the Equity Fundraising, there will be a separate conditional Retail Offer via the Bookbuild platform to raise gross proceeds of up to £1.2 million at the Issue Price. The Company has made a separate announcement regarding the Retail Offer and its terms. Those Shareholders who subscribe for Retail Shares, will do so pursuant to the terms and conditions of the Retail Offer contained in that announcement. Further details on the terms of the Retail Offer are set out at paragraph 6 of this *Part V – Letter from the Chairman* of this Circular.

The Equity Fundraising is conditional, *inter alia*, upon the Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to issue the New Ordinary Shares and the power to disapply pre-emption rights set out in the Articles in respect of the New Ordinary Shares. The Resolutions are contained in the Notice of General Meeting at Part VIII – *Notice of General Meeting* of this Circular.

Application will be made to the London Stock Exchange for Admission of the New Ordinary Shares to trading on AIM. It is expected that Admission will occur no later than 8.00 a.m. on 28 June 2023 or such later time and/or date as Cenkos Securities and the Company may agree. The New Ordinary Shares will, upon issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

The Issue Price represents a discount of approximately 29.4% to the closing middle market price of 4.25 pence per Existing Ordinary Share on 7 June 2023 (being the Latest Practicable Date).

The purpose of this Circular is to explain the background to and reasons for the Equity Fundraising, the use of proceeds, the details of the Equity Fundraising and to recommend that you vote in favour of the Resolutions (including the Rule 9 Waiver Resolution). The Company has received irrevocable undertakings from Hunch Ventures and the Shareholder Directors and a letter of intention from M&G Investment Management Limited to vote (or to procure the voting) in favour of the Resolutions at the General Meeting, as further detailed in paragraph 15 this *Part V – Letter from the Chairman* of this Circular.

## **2. Current status of the Facility and the Group**

### ***Business overview***

The Group operates and continues to develop a port and logistics facility in Navi Mumbai, Maharashtra, India. The Group has proven its capability as a facility for bulk materials, break-bulk cargo, and project cargo, and continues to grow its order book, evidenced by recent contract wins with Rudra Marine Services for the handling of liquid commodities, and the signing of a memorandum of understanding with an operator of a terminal at the major international gateway port, JNPT.

The Group is pleased with the progress made in developing a modern logistics complex spread over approximately 100 acres of land. On completion, the Facility will be uniquely positioned to capitalise on the growing levels of commerce in the Maharashtra region, and will include a container

freight station, cold chain facility, reefer container zone and logistics facility dedicated to handling perishable commodities.

### ***Business update***

The Group experienced its first full year of uninterrupted operations at the Facility in 2022, handling over 1.2 million MTs of bulk cargo (an increase from approximately 0.2 million MTs in 2021) including coal, steel, cement, olivine flux and project cargo through both contracted agreement and spot market demand. The Group is further pleased with the performance of its four-year contract with the Tata Projects and Daewoo Engineering through a joint venture to construct the Mumbai Trans-Harbour Link, underpinning the Group's ability to deliver value to large infrastructure projects.

In addition, the Group has signed several other contracts, including:

- a 10-year contract with one of the largest regional coal transfers, which is expected to produce volumes of 1 million MTs, 1.5 million MTs and 2 million MTs in the first, second and third years of operation, respectively; and
- a 20-year contract with one of the largest cement companies in India for the retail handling of cement and the development of a dedicated cement terminal at the Facility for customers.

Having secured customers that wish to utilise the Facility, the Directors' focus continues to centre on increasing margins by providing additional volume and higher-margin services to new and existing customers.

In addition to the Mumbai Trans-Harbour Link, several significant infrastructure projects are taking place in the region, such as the construction of the Navi Mumbai International Airport (located 20 km from the Facility), and the development of the fourth terminal at JNPT. Each of these projects will require vast quantities of steel, cement and other materials, and the Directors expect the Facility to play an important role in the logistics for the construction of some of these projects.

The Group has successfully received the necessary governmental permissions to handle cargo containers at the Facility, and this is expected to become the dominant revenue stream for the Group in the medium term. The government permissions allow the Facility to receive containers directly from JNPT, enabling customers to avoid lengthy delays in transportation bottlenecks. Services will include the stuffing and de-stuffing of containers, groupage and other logistical operations. This is an important development for the Group, not only in accordance with the Group's plans to service the container market that is significantly bigger than bulk cargo, but also in improving the revenue mix of the Group towards higher-margin container business. The Group undertook trial shipments of containers in March 2023 and Directors expect that the Group will derive its first revenues from the handling and movement of container cargo over the next six to eight months.

The Group is delighted with the continued support that it has received from the MMB. Whilst the Directors' focus continues to be on completing the build-out and utilisation of the Facility to 200 acres, permission remains to extend the Facility to 400 acres, with 2,000 metres of sea frontage, which the Directors intend to pursue when aligned with capacity requirements. The Directors believe that strong support from the government across the local, regional, and national level will reaffirm the Facility's position as a long-life strategic asset.

The Federal Government of India has initiated a new logistics policy and has announced the development of Multimodal Logistics Parks (MMLPs) at 35 strategic locations across the State of Maharashtra in partnership with the State of Maharashtra government at a capital cost of approximately US\$ 6 billion. The Directors believe that the strategic location of the Facility is well suited for developing a profitable MMLP and is actively pursuing a partnership with the State of Maharashtra.

### ***FY21 debt restructuring***

On 16 June 2021, the Company announced that it had successfully restructured the Debt Facility after an extensive due diligence process conducted by its banking consortium. The INR 475.57 crores debt (approximately £46.4 million) is at a reduced interest rate (from 13.45% to 9.5% per annum), and KTLPL also benefitted from a moratorium on interest payments until February 2022 (in recognition of the severity of the COVID-19 pandemic in India) and the extension of the commencement of amortisation of the principal loan by 24 months from October 2020 to

October 2022. The Directors considered this event to be a clear endorsement of the Company's strategy and recognition of the status and viability of the Facility.

Given the progress that the Company has made, the Directors believe that the Company can secure more favourable terms, which are better suited to the growth profile of the business. As such, the Company is in advanced discussion with its banking consortium and is confident that it will be able to achieve an extension to the term of the debt from seven years to fourteen years and for the amortisation of the principal loan until March 2025. In addition, the Company has discussed opportunities to completely refinance its debt on more favourable terms with an international lender. The strengthening of the Company's balance sheet by the Equity Fundraising is expected to assist the Company in these negotiations.

The unsecured loan facility of approximately £4.4 million that was provided by an affiliate of Hunch Ventures to KTLPL at the time of the 2021 Launch Announcement remains undrawn by the Group and has been extended to 15 June 2025 by way of an addendum dated 8 June 2023.

### ***Trading update and outlook***

The Board will announce its results for the year ended 31 December 2022 next month, and expects to report an increase in revenue of 161% year-on-year to not less than £4.7 million; adjusted EBITDA loss is expected to be £0.3 million (2021: £3.7 million loss); and net debt is expected to be £43.7 million at year end. Each figure announced above hereby remains subject to audit. Trading so far this calendar year is in line with management's expectations, with volumes levels increasing and the Facility looking forward to handling container cargo.

### **3. Background and reasons for the Equity Fundraising**

The Company intends to raise £10,108,500 by way of the Equity Fundraising. The Net Proceeds of the Equity Fundraising are expected to be approximately £9,308,500. The key objective of the Equity Fundraising is to enable the Group to repay £750,000 of the accrued but unpaid interest under the Debt Facility, to fund capital expenditure relating to the Group's business and to provide working capital for the Group.

The Directors believe that the Group will benefit strongly from positioning the Group's debt profile to match the long-term, back-ended cash flow generation curve that is typical of infrastructure projects such as the Facility. The Equity Fundraising will strengthen the Group's balance sheet and place it in a strong position to negotiate a new debt facility on more preferable terms. As stated above, the Group is in discussions with its existing and new debt providers to refinance the Group's existing debt.

The Directors believe that the Equity Fundraising will unlock significant free cashflow generation through increased utilisation of the Facility and enable management to pursue the strategic shift to container handling, resulting in higher operating margins.

The Directors gave careful consideration to the structure of the Equity Fundraising and concluded that the Placing, together with the Subscription and the Retail Offer, is the most suitable option available to the Company and its Shareholders at this time.

### **4. The Placing**

The Company has conditionally raised £3,058,500 before applicable Expenses by the conditional Placing of 101,949,999 Placing Shares at the Issue Price to the Placees. Jeremy Warner Allen and Lord Howard Flight, who are Non-Executive Directors, have agreed to participate in the Placing.

The Placing Shares are not being offered to the public in any jurisdiction, and none of the Placing Shares are being offered or sold in any jurisdiction, where it would be unlawful to do so, including any Restricted Jurisdiction.

Cenkos Securities, as agent for the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Issue Price by way of an accelerated bookbuild process on and subject to the terms of the Placing Agreement. Placees who applied to subscribe for the Placing Shares did so on the basis of the terms and conditions of the Placing set out in Appendix II to the Announcement. The Placing is not underwritten.

The Placing is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions at the General Meeting;
- (b) each of the Placing Agreement and the Subscription Agreements becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 29 December 2023 or such later time and/or date as Cenkos Securities and the Company may agree.

If any of the conditions are not satisfied, the Placing Shares will not be issued and all monies received from the Placees will be returned to the Placees (at the Placees' risk and without interest) as soon as possible thereafter.

The Placing Shares are not subject to clawback.

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

Application will be made to the London Stock Exchange for Admission of the Placing Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 28 June 2023 at which time it is also expected that the Placing Shares will be enabled for settlement in CREST.

In accordance with the terms of the Placing Agreement, the Company shall issue and allot 13,359,166 Placing Shares to Cenkos Securities in satisfaction of the Company's obligation to pay certain fees to Cenkos Securities under the Placing Agreement.

## **5. The Subscription**

Hunch Ventures, Sapphire, Trans Global and Jay Mehta have agreed to subscribe for an aggregate 195,000,000 Subscription Shares at the Issue Price. The aggregate subscription monies payable by the Subscribers in respect of the Subscription Shares amounts to £5,850,000.

Hunch Ventures must pay its subscription monies by close of business on the date being two Business Days prior to the intended date for Admission, and Jay Mehta must pay his subscription monies by close of business on the date being three Business Days prior to the intended date for Admission. Sapphire and Trans Global must pay their respective subscription monies by 15 June 2023.

The Subscription is conditional on:

- (a) the passing of the Resolutions at the General Meeting; and
- (b) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 31 December 2023 or such later date as the Company, Cenkos Securities and Hunch Ventures, Sapphire or Trans Global (as applicable) may agree in writing.

If any of the conditions are not satisfied, the Subscription Shares will not be issued to the Subscriber.

The Subscription Shares are not subject to clawback. The Subscription is not being underwritten.

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

Further details of the terms of the Subscription Agreements are set out in paragraph 9.2 of *Part VII – Additional Information* of this Circular.

Application will be made to the London Stock Exchange for Admission of the Subscription Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 28 June 2023, at which time it is also expected that the Subscription Shares will be enabled for settlement in CREST.

## 6. The Retail Offer

The Company values its Shareholder base and believes that it is appropriate to provide eligible retail Shareholders in the United Kingdom the opportunity to participate in the Retail Offer. The Retail Offer will allow retail Shareholders to participate in the Equity Fundraising by subscribing for Retail Shares at the Issue Price via Bookbuild.live.

Cenkos Securities will be acting as the Retail Offer Coordinator in relation to the Retail Offer.

Eligible retail Shareholders can contact their intermediary to participate in the Retail Offer. In order to participate in the Retail Offer, each intermediary must be on-boarded onto the BookBuild platform, have an active trading account with the Retail Offer Coordinator and have been approved by the Retail Offer Coordinator as an intermediary in respect the Retail Offer, and agree to the final terms and the Retail Offer terms and conditions, which regulate the conduct of the Retail Offer on market standard terms and provide for the payment of commission to any intermediary that elects to receive a commission and/or fee (to the extent permitted by the FCA Handbook Rules) from the Retail Offer Coordinator (on behalf of the Company).

Any expenses incurred by any intermediary are for its own account. Eligible retail Shareholders who wish to participate in the Retail Offer should confirm separately with any intermediary whether there are any commissions, fees or expenses that will be applied by such intermediary in connection with any application made through that intermediary pursuant to the Retail Offer.

The Retail Offer will be open to eligible retail Shareholders in the United Kingdom at 4.35 p.m. on 8 June 2023 on the following website: <https://www.bookbuild.live/deals/DX72E1/authorised-intermediaries>. The Retail Offer is expected to close by no later than 4.30 p.m. on 12 June 2023. Eligible retail Shareholders should note that financial intermediaries may have earlier closing times. The Retail Offer may close early if it is oversubscribed.

To be eligible to participate in the Retail Offer, applicants must meet the following criteria before they can submit an order for Retail Shares: (i) be a customer of one of the participating intermediaries listed on the above website; (ii) be resident in the United Kingdom; and (iii) be a Shareholder (which may include individuals aged 18 years or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations and includes persons who hold their Ordinary Shares directly or indirectly through a participating intermediary).

The Company reserves the right to scale back any order at its discretion. The Company reserves the right to reject any application under the Retail Offer without giving any reason for such rejection.

It is vital to note that once an application for Retail Offer Shares has been made and accepted via an intermediary, it cannot be withdrawn.

The Retail Offer is an offer to subscribe for transferable securities, the terms of which ensure that the Company is exempt from the requirement to issue a prospectus under Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018. The aggregate total consideration for the Retail Offer will not exceed €8 million (or the equivalent in Pounds Sterling) and therefore the exemption from the requirement to publish a prospectus, set out in section 86(1) FSMA, will apply.

The Retail Shares are not being offered generally in the UK or elsewhere. It is expected that the proceeds of the Retail Offer due to the Company will be received by it soon after Admission.

The Retail Announcement was made at 4.35 p.m. on 8 June 2023 and contains further information on how investors can participate in the Retail Offer.

The Retail Offer remains conditional on, *inter alia*:

- (a) the passing of the Resolutions at the General Meeting;
- (b) the Placing being or becoming wholly unconditional; and
- (c) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 29 December 2023 or such later time and/or date as Cenkos Securities and the Company may agree.

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

Application will be made to the London Stock Exchange for Admission of the Retail Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 28 June 2023, at which time it is also expected that the Retail Shares will be enabled for settlement in CREST.

## **7. Admission, Settlement and CREST**

The Placing, the Subscription and the Retail Offer are conditional, *inter alia*, on:

- (a) the passing of the Resolutions at the General Meeting; and
- (b) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 28 June 2023 or such later time and/or date as Cenkos Securities and the Company may agree.

Application will be made to the London Stock Exchange for Admission of the Placing Shares, the Subscription Shares and Retail Shares to trading on AIM. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been, or will be, made for the New Ordinary Shares or the Existing Ordinary Shares to be admitted to trading on any other recognised trading exchange. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 28 June 2023, at which time it is also expected that the New Ordinary Shares will be enabled for settlement in CREST.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the New Ordinary Shares will also be eligible for settlement in CREST. CREST is a voluntary system and participants who wish to retain certificates will be able to do so upon request. The New Ordinary Shares due to uncertificated holders are expected to be delivered in CREST on 28 June 2023.

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

## **8. Effects of the Equity Fundraising**

Upon Admission, and assuming that there is full take up of the Retail Offer, the Enlarged Share Capital is expected to be 378,449,698 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 89.0% of the Enlarged Share Capital, as follows:

- the Placing Shares will represent approximately 26.9% of the Enlarged Share Capital;
- the Subscription Shares will represent approximately 51.5% of the Enlarged Share Capital; and
- the Retail Shares will represent approximately 10.6% of the Enlarged Share Capital.

## **9. Market and Macroeconomic Dynamics**

### ***Indian Macroeconomic Environment***

On December 6, 2022, the World Bank revised its GDP growth outlook for India for 2022-23 from 6.5% to 6.9%, on the back of the economy's strong performance in Q2. The World Bank went on to say that the nation was "well placed" to steer through any potential global headwinds in 2023. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023-24 and by an average rate of 6.1% over the next five years.

There have been numerous predictions of consumption-driven growth in India, given the country's large, young, and rising upper middle-income population (with a high propensity to spend). Alongside this, the Directors believe that investment (both domestically and from outside India), particularly in logistics and infrastructure, will play an important role in encouraging sustained, domestic, demand-led, growth for decades to come. In summary, the Directors believe that the Indian economy remains an attractive place for investors.

## **Indian Shipping and Port Industry**

India's economic strength is placing substantial stress on its port and logistics infrastructure, an aspect in which India lags behind its counterparts (ranked 38<sup>th</sup> globally in World Bank 'International Logistics Ranking' 2022).

During the financial year ended 31 March 2021, cargo traffic at major ports in the country was reported at 672 million tonnes. India's vast coast line (c.7,500 km) and inland water ways (c.14,500 km) offer substantial opportunities for domestic cargo transportation. The Directors consider Karanja to be well positioned, both in location and berth size, to accommodate ships used for domestic cargo transportation.

The cost per tonne per km of moving cargo by sea or inland waterway routes can be 60 to 80% lower than by road or rail. However, India's maritime logistics sector is under-utilised when compared to its road and railway logistics sectors.

Despite the under-utilisation of ports as a transportation method, India's Major Ports continue to be heavily congested. This results in inefficiencies, an average turnaround time, being the time in which a vessel can be loaded or discharged of cargo, of 2.3 days compared to only 1 day and 1.2 days in China and the United States respectively, which the Indian government fears could hamper India's potential for wider economic growth.

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. In November 2020, the Prime Minister, Mr. Narendra Modi renamed the Ministry of Shipping as the Ministry of Ports, Shipping and Waterways.

India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth-largest maritime country in the world with a coastline of about 7,517 kms. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

The Directors believe that this further validates the Group's investment in the Facility to date and represents opportunities now that the Facility is fully operational.

JNPT is located twelve nautical miles via sea and 8 km via road from Karanja. The proximity of the Facility to JNPT is a key factor that the Directors believe will contribute to the Company's success. JNPT is India's largest container handler by volume and is the primary gateway for container shipments in India. JNPT accounts for approximately 50% of India's container traffic. Congestion issues have been a recent problem at JNPT, with poor evacuation infrastructure leading to high levels of congestions and resulting in an inability to grow volumes through the port. The Directors believe that the Facility can play an important role in relieving congestion at JNPT.

The JNPT port facility is expected to have further expansion, and the Directors expect that the continued expansion of JNPT will represent significant opportunities for the Company. In particular, the Directors believe that the Company will benefit from the Facility being able to:

- offer coastal movement of cargos, servicing end users along the industrialised west coast of India
- ease congestion issues in the road network around Mumbai and JNPT.

The Directors continue to believe that the Facility will have limited direct competition from surrounding Minor Ports due to the Facility's proximity to JNPT and that the Facility will also benefit from the proposed closure of Mumbai Port, which is planned to be developed as prime real estate.

Domestic waterways have been found to be a cost-effective and environmentally sustainable mode of freight transportation. The government aims to have 23 waterways operational by 2030. As part of the Sagarmala project, more than 574 projects worth ₹6 lakh crore (US\$ 82 bn) have been planned for implementation between 2015 and 2035.

At the Maritime India Summit 2021, the Ministry of Ports, Shipping and Waterways identified a total of 400 projects worth ₹2.25 lakh crore (US\$ 31 bn) investment potential.

## 10. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The New Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear at 33 Cannon Street, London EC4M 5SB, United Kingdom or by telephone on +44 (0) 20 7849 0000.

## 11. Related Party Transactions

### **Directors**

Jay Mehta has agreed to subscribe for 3,333,333 Subscription Shares in the Subscription for an aggregate subscription price of £99,999.99.

The following Directors have agreed to participating in the Placing by subscribing for Placing Shares as follows:

<b>Director</b>	<b>Number of Placing Shares to be subscribed for in the Placing</b>	<b>Total price (£)</b>
Jeremy Warner Allen	3,333,333	99,999.99
Lord Howard Flight	400,000	12,000
<b>TOTAL</b>	<b>3,733,333</b>	<b>111,999.99</b>

As each such Director is a related party of the Company pursuant to the AIM Rules for Companies, their participation in the Subscription or the Placing (as applicable) will be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. In respect of each subscription by the Directors above for Subscription Shares or Placing Shares (as applicable), the Directors who are independent of that Subscription or Placing (as applicable), having consulted with the Company's nominated advisor, Cenkos Securities, consider that the participation in the Subscription or Placing by the Directors set out in the table above is fair and reasonable insofar as the Shareholders are concerned.

### **Hunch Ventures**

Hunch Ventures, an undertaking controlled by Karanpal Singh (a Non-Executive Director of the Company) and his wife Ms. Himangini Singh, is a substantial Shareholder in the Company as it holds 28.48% of the Existing Ordinary Shares. Consequently, Hunch Ventures is considered to be a related party of the Company for the purposes of Rule 13 of the AIM Rules for Companies.

Hunch Ventures is subscribing for 125,000,000 Subscription Shares under the Hunch Subscription, representing 36.9% of the Enlarged Share Capital (assuming completion of the Placing and the Subscription and no take up under the Retail Offer). In addition, an affiliate of Hunch Ventures is providing an extension to the existing unsecured loan facility made available to KTLPL at the time of the 2021 Launch Announcement by way of the Hunch Loan Addendum. The Hunch Subscription and the Hunch Loan Addendum constitute related party transactions for the purposes of the AIM Rules for Companies. The Directors who are independent of these transactions, being Nikhil Gandhi, Jay Mehta, Jeremy Warner Allen, Lord Howard Flight, John Fitzgerald, and Dmitri Tsvetkov, having consulted with the Company's nominated advisor, Cenkos Securities, consider that the Hunch Subscription and the Hunch Loan Addendum are fair and reasonable insofar as the Shareholders are concerned.

## 12. Rule 9 of the Takeover Code

### **12.1 Application of the Takeover Code**

The Company has its Ordinary Shares admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company. The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies.



Under Rule 9.1 of the Takeover Code any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares. Similarly, Rule 9.1 of the Takeover Code also provides that when any person, together with persons acting in concert that person, is interested in shares which in aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

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

The Company has agreed with the Takeover Panel that the following persons are acting in concert in relation to the Company:

- Hunch Ventures, the Company's India-based strategic investor;
- Karanpal Singh, the ultimate beneficial owner of Hunch Ventures and a Non-Executive Director; and
- Amit Dutta, nominee of Hunch Ventures and a Non-Executive Director.

The Hunch Concert Party currently holds 11,819,712 Existing Ordinary Shares, representing 28.48% of the Existing Ordinary Shares, which are held entirely by Hunch Ventures.

Following completion of the Hunch Subscription on Admission, the Hunch Concert Party will be interested in 136,819,712 Ordinary Shares, representing 40.4% of the voting rights of the Company following Admission (assuming completion of the Placing and the Subscription and no take up under the Retail Offer). A table showing the respective individual interests in Ordinary Shares of the members of the Hunch Concert Party on Admission and following the completion of the Hunch Subscription is set out below:

Hunch Concert Party member	Existing Ordinary Shares	Percentage of the issued share capital of the Company at the Latest Practicable Date	Subscription Shares	Total Ordinary Shares following Admission	Percentage of the Enlarged Share Capital <sup>(1)</sup>
Hunch Ventures	11,819,712	28.48%	125,000,000	136,819,712	40.4%
Karanpal Singh	—	—	—	—	—
Amit Dutta	—	—	—	—	—
<b>TOTAL</b>	<b>11,819,712</b>	<b>28.48%</b>	<b>125,000,000</b>	<b>136,819,712</b>	<b>40.4%</b>

(1) Assuming completion of the Placing and the Subscription and no take up under the Retail Offer.

Following completion of the Hunch Subscription on Admission, the Hunch Concert Party will be interested in Ordinary Shares carrying more than 30% of the voting rights of the Company but will not hold shares carrying more than 50% of the voting rights of the Company. For so long as they continue to act in concert, any increase in their aggregate interests in shares will be subject to the provisions of Rule 9 of the Takeover Code.

## 12.2 Rule 9 Waiver and the Rule 9 Waiver Resolution

The issue and allotment by the Company of 125,000,000 Subscription Shares to Hunch Ventures pursuant to the Hunch Subscription would normally trigger an obligation for an offer to be made under Rule 9 of the Takeover Code. The Company has consulted with the Takeover Panel and the Takeover Panel has agreed to waive the requirement for an offer to be made in respect of the subscription by Hunch Ventures for Subscription Shares pursuant to the Hunch Subscription, subject

to the approval by a vote of Independent Shareholders of the Company on a poll at the General Meeting. The Rule 9 Waiver Resolution seeks this approval. Hunch Ventures, Subscribers and Placees are not considered to be independent and will not be entitled to vote on the Rule 9 Waiver Resolution. Accordingly, should Independent Shareholders approve the Rule 9 Waiver Resolution, the Takeover Panel has agreed to waive the requirement for the Hunch Concert Party to make an offer under Rule 9 of the Takeover Code as a result of the allotment and issue of Subscription Shares by the Company pursuant to the Hunch Subscription. In the event that the Rule 9 Waiver Resolution is approved by the Independent Shareholders, no member of the Hunch Concert Party will be restricted from making an offer under Rule 9 of the Takeover Code.

### **13. Risk factors**

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in *Part VI – Risk Factors* of this Circular.

### **14. General Meeting**

The Directors do not currently have sufficient authority to issue all of the New Ordinary Shares pursuant to the Equity Fundraising and, accordingly, the Board is seeking the approval of Shareholders to issue the New Ordinary Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at registered office of the Company at 1<sup>st</sup> Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1DB at 11.00 a.m. on 27 June 2023, is set out in Part VIII – *Notice of General Meeting* of this Circular. At the General Meeting, the Resolutions will be proposed to authorise the Directors to issue relevant securities pursuant to the Placing, the Subscription and the Retail Offer, and to issue such relevant securities on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the General Meeting of the Company to be held in 2023 or the date falling six months from the date of the passing of the relevant Resolutions (unless renewed, varied or revoked by the Company prior to or on that date), and shall be in addition to any existing Directors' authorities to issue relevant securities and dis-apply statutory pre-emption rights. You should read the Resolutions in full as set out in Part VIII – *Notice of General Meeting* of this Circular.

The Resolutions proposed will facilitate the completion of the Equity Fundraising. The Company will receive 3 pence per New Ordinary Share, which the Directors consider to be a fair and reasonable amount per share on the basis that the closing market price on 7 June 2023 (being the Latest Practicable Date) was 4.25 pence per Existing Ordinary Share.

### **15. Irrevocable undertakings**

The Company has received irrevocable undertakings from Hunch Ventures and the Shareholder Directors (other than Nikhil Gandhi and John Fitzgerald) to vote (or to procure the voting) in favour of the Resolutions (save for the Rule 9 Waiver Resolution) at the General Meeting in respect of their entire aggregate beneficial holdings of 12,832,158 Existing Ordinary Shares, representing approximately 30.9% of the Existing Ordinary Shares.

The Company has also received an irrevocable undertaking from John Fitzgerald to vote (or to procure the voting) in favour of the Resolutions (including the Rule 9 Waiver Resolution) at the General Meeting in respect of his entire aggregate beneficial holdings of 56,583 Existing Ordinary Shares, representing approximately 0.14% of the Existing Ordinary Shares.

In addition to the irrevocable undertakings, the Company has received a letter of intention from M&G Investment Management Limited to vote in favour of the Resolutions (including the Rule 9 Waiver Resolution) in respect of 3,970,000 Existing Ordinary Shares, representing approximately 9.57% of the Existing Ordinary Shares.

Therefore, the Company has received:

- (a) irrevocable undertakings, in aggregate, to vote in favour of the Resolutions (excluding the Rule 9 Waiver Resolution) in respect of 12,832,158 Existing Ordinary Shares, representing approximately 30.9% of the Existing Ordinary Shares;
- (b) an irrevocable undertaking to vote in favour of the Resolutions (including the Rule 9 Waiver Resolution) in respect of 56,583 Existing Ordinary Shares, representing approximately 0.14% of the Existing Ordinary Shares; and
- (c) a letter of intention from M&G Investment Management Limited to vote in favour of the Resolutions (including the Rule 9 Waiver Resolution) in respect of 3,970,000 Existing Ordinary Shares, representing approximately 9.57% of the Existing Ordinary Shares.

## **16. Action to be taken in respect of the General Meeting**

Shareholders will not receive a hard-copy Form of Proxy for the General Meeting. Instead, you will find instructions in the section entitled “Notes” in the Notice of General Meeting to enable you to vote electronically and how to register to do so. To register, you will need your “Investor Code”, which can be found on your share certificate.

Shareholders may request a paper Form of Proxy from the Registrars if they do not have access to the internet. Proxy votes should be submitted as early as possible and in any event by no later than 11.00 a.m. on 23 June 2023 (or, in the case of an adjournment, no later than 48 hours (excluding non-working days) before the time fixed for holding of the adjourned meeting).

The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

## **17. Further information**

Shareholders should read the whole of this Circular, which provides additional information on the Company and the Equity Fundraising, and should not rely on summaries of, or individual parts only of, this Circular. Attention is drawn, in particular, to *Part VI – Risk Factors* and *Part VII – Additional Information* of this Circular.

## **18. Recommendation**

The Board believes that the Equity Fundraising and passing of the Resolutions (save for the Rule 9 Waiver Resolution) are in the best interests of the Company and the Shareholders, taken as a whole. Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the Resolutions (save for the Rule 9 Waiver Resolution).

The Takeover Code requires the Board to obtain competent independent advice regarding the Rule 9 Waiver which is the subject of the Rule 9 Waiver Resolution, the controlling position which it will create, and the effect it will have on the Shareholders generally. The Independent Directors, who have been so advised by Cenkos Securities, consider that the Hunch Subscription, the Rule 9 Waiver and the controlling position which it will create to be fair and reasonable so far as the Shareholders are concerned and in the best interests of the Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Rule 9 Waiver Resolution.

Shareholders should note that of the Independent Directors, only John Fitzgerald will vote on the Resolutions (including the Rule 9 Waiver Resolution). Dmitri Tsvetkov will not vote on the Resolutions (including the Rule 9 Waiver Resolution) as he does not hold any Existing Ordinary Shares and Nikhil Gandhi is unable to vote or procure the voting of the 983,512 Existing Ordinary Shares to which he was beneficially entitled as SKIL Global Ports & Logistics Limited, the entity wholly-owned by Mr. Gandhi which held such Existing Ordinary Shares, was dissolved by way of Guernsey registrar compulsory strike-off order on or around 4 June 2021 and such Existing Ordinary Shares are currently held by His Majesty’s Receiver General in the Bailiwick of Guernsey.

In accordance with the requirements of the Takeover Code, Shareholders who are participating in the Subscription or the Placing (including the Shareholder Directors) are not considered Independent Shareholders for the purpose of the Rule 9 Waiver Resolution and will not vote their interests in the Existing Ordinary Shares in respect of the Rule 9 Waiver Resolution.

The Equity Fundraising is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Equity Fundraising will not proceed.

Yours faithfully

**Jeremy Warner Allen**

Chairman

9 June 2023

## PART VI – RISK FACTORS

**Any investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Group’s business strategy, risks relating to taxation and risks relating to the Ordinary Shares.**

The risks referred to below are those risks that the Company and the Directors consider to be the material risks relating to the Group. However, there may be additional risks that the Group and the Directors do not currently consider to be material or of which the Group and the Directors are not currently aware that may adversely affect the Group’s business, financial condition, results of operations or prospects.

Investors should review this Circular carefully and in its entirety and consult with their professional advisers before participating the Equity Fundraising. If any of the risks referred to in this Circular were to occur, the results of operations, financial condition and prospects of the Group could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

### PART A – RISK FACTORS SPECIFIC AND MATERIAL TO THE GROUP

#### RISKS RELATING TO THE GROUP

##### ***The Group expects to continue to incur losses***

The Group expects to continue to incur losses as the Facility had its first uninterrupted year of operations in 2022 and is not yet generating sufficient revenues to fund its continuing operations and the development of future operations. The development of the Facility will require the commitment of substantial resources to fund construction projects and further develop the Facility. There can be no assurance that the Group will generate sufficient revenues or achieve profitability.

Furthermore, the Group has no assets other than the Facility. An investment in the Company is, therefore, highly speculative in that it is based upon the future prospects of the Facility and the ability of the Directors and the Group management to execute on their plans to develop the Facility and similar future projects in order to generate revenue. No assurances can be given that the Facility will be able to generate sufficient revenues and the failure to achieve sufficient revenues may result in a loss of an investment in the Company.

Although the Group has signed contracts with a number of customers to handle significant volumes of cargo over the next two decades, there is a risk that those customers will not pay the invoices issued by the Group in full, in a timely manner or at all. No assurances can be given that these customers will have the demand for the quantities agreed in the contracts with the Group. Furthermore, while a number of significant infrastructure projects are taking place in the region, there can be no assurance that the Group will secure projects to participate in the logistics for the construction of any of these projects.

While the Group has successfully received the necessary governmental permissions to handle cargo containers at the Facility, there is no guarantee that the Group will be able to secure contracts or generate sufficient revenues from handling cargo containers at the Facility. The development of the Group’s cargo container capabilities will also require substantial further investment by the Group.

If the expected revenues from these trading arrangements are not received by the Group and the Group does not find alternative customer demand, the Group may need additional funding, which may not be available on satisfactory terms or at all. In such circumstances, the Group’s business and the value of any investment in the Company could be worthless.

##### ***The Equity Fundraising is conditional upon Shareholder approval which, if not forthcoming, may have a significant detrimental effect on the future prospects of the Group.***

The Equity Fundraising is conditional, *inter alia*, upon the Resolutions being passed at the General Meeting. In the event that the Resolutions are not passed, the Equity Fundraising will not be able to proceed and the Company will need to seek alternative sources of funding to secure the additional amount required in order to service its existing debt and fund the development of the Facility. Alternative sources of funding may not be available on terms acceptable to the Company, or at all, and if not available, the Group may not be able to execute its plans to develop the Facility and the

Group may default on the terms of its Debt Facility and the terms of the Deed of Lease. In such circumstances, the Group's business and the value of any investment in the Company could be worthless.

#### ***Reliance on the Deed of Lease***

The Facility was developed on a 'build, own, operate and transfer' basis and will be transferred free of charge to the MMB at the end of the fifty- year lease period set out in the Deed of Lease, being 7 August 2059. The Facility is currently the only business activity of the Group and, therefore, the Group's only current source of income will be from the operation of the Facility. If the Deed of Lease is terminated early due to default by the Group, whether for failure to pay rent or other charges, or for breach by the Group of the terms and conditions of the Deed of Lease, it would have a material adverse effect on the Group's business, financial condition and results of business.

#### ***No limitation on rent increases***

The Deed of Lease provides that the initial rent for the land for the Facility shall be INRs. 1,70,85,952 per annum (£165,118). However, the Deed of Lease provides that the rent may be increased by the State Government of Maharashtra, or by the MMB with the approval of the State Government of Maharashtra, from time to time.

#### ***No limit on increases to charges***

The Deed of Lease requires the Group to pay cargo and all vessel related charges to MMB in accordance with a scale of rates fixed by MMB. These rates may be increased at MMB's discretion. In addition, the Group is required to pay MMB a minimum guaranteed annual revenue for cargo and all vessel related charges regardless of the actual amount of cargo handled at the Multi-purpose Terminal. A failure to meet these targets may result in the termination of the Deed of Lease.

A material increase in the scale of rates payable for cargo and vessel related charges could have a material adverse effect on the Group's financial condition and results of operations. In addition, if the actual cargo handled at the Multi-purpose Terminal is less than that projected by the Group, it could have a material adverse effect on the Group's financial condition and results of operations.

#### ***Risks associated with the Hunch Subscription Agreement***

Due to the requirement of the RBI to approve the movement of material amounts of cash outside of India, the Company has agreed with Hunch Ventures, pursuant to the terms of the Hunch Subscription Agreement, that Hunch Ventures shall pay the subscription monies under such agreements in cash to the Indian bank account of KTLPL. Following receipt of such monies by KTLPL, the Company may require Hunch Ventures to use all reasonable endeavours to procure the remittance of all or part of such subscription monies to the bank account of the Company in Guernsey, including Hunch Ventures procuring the prior approval of the RBI for such remittance.

In order to facilitate the remittance, the Company must procure that KTLPL transfers the amount to be remitted to the bank account of Hunch Ventures, following which Hunch Ventures will use all reasonable endeavours to procure the approval of RBI to remit such funds to the Company's Guernsey bank account within six months of the date on which the Company gave Hunch Ventures notice to procure the remittance of such funds.

There is no guarantee that Hunch Ventures will be able to procure the prior approval of the RBI in relation to remittance of such funds.

The Hunch Subscription Agreement provides a number of protections for the Group in connection with any such remittance.

Firstly, Hunch Ventures shall be required to issue a corporate guarantee to KTLPL in respect of the full amount of any funds transferred to Hunch Ventures in connection with the remittance, which KTLPL can call upon at any time after the execution and delivery of such corporate guarantee.

Secondly, if the approval of RBI is not obtained or if the Company gives written notice to Hunch Ventures, Hunch Ventures shall be obliged to transfer the relevant funds back to the Indian bank account of KTLPL.

Also, the Company could claim for damages in the event that Hunch Ventures fails to remit the relevant amounts to the Company's Guernsey bank account following receipt of the RBI approval, or

if Hunch Ventures fails to return the relevant amounts to the bank account of KTLPL if the RBI approval is not obtained or if the Company gives Hunch Ventures written notice to return such fund.

The Hunch Subscription Agreement is governed by English law and contains provisions relating to any disputes being resolved via arbitral proceedings in London ensuring that any enforcement award is more readily enforceable against Hunch Ventures in India. However, any such legal or arbitral proceedings would have no guarantee of success and the related costs could have an adverse impact on the Group's financial condition and prospects.

The Board is of the opinion that Hunch Ventures will continue to be a long-term strategic investor following completion of its Subscription, which will promote the success of the Group for the benefit of the members as a whole and, as such, any inherent risks of the Subscription are acceptable.

### ***Environmental factors***

The construction and development of the Facility is subject to environmental regulation (including regular environmental impact assessments and permitting). Such regulation covers a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under the location of the Facility or which may be produced as a result of its operations. Environmental legislation and permitting in India are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments and a heightened degree of responsibility for companies and their directors and employees.

### ***Construction contracts***

The Group is reliant on the provision of contracting services in relation to the Facility from third parties. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the ability of the Group to complete the Facility which will be detrimental to the future business, operating results and/or profitability of the Group. To the extent that the Group cannot engage contractors according to its plans and budgets, its financial and operational performance may be impaired.

Contractors in India are increasingly reluctant to enter into fixed fee contracts that do not provide for price increases based on increases in the cost of materials or increases in the cost of labour. As such, the Group expects that it will be exposed to the risk of such cost increases. Therefore, any material increase in the actual cost of materials and labour for the construction of the Facility compared to the estimated or contracted costs for materials and labour may have a material adverse effect on the Group's financial condition and results of operations.

### ***Actions of contractors and partners***

In certain circumstances, the Group may be liable for the acts or omissions of its contractors or partners. If a third party pursues a claim against the Group as a result of the acts or omissions of the Group's contractors or partners, the Group's ability to recover from such contractors or partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Group's financial performance and condition.

### ***Debt Facility***

The terms of the Debt Facility contain restrictive covenants which require the prior approval of lenders, for, among of other things, any reorganisation of the Group, amalgamation or merger, incurrence of additional indebtedness, declaring or making any restricted payments, making any investments by way of deposits, loans and share capital, revaluing assets, the disposition of assets beyond permissible limits and expansion of or change in the Group's financing or business plan. There can be no assurance that such approvals will be granted.

In addition, the lenders under the Debt Facility have the right to appoint nominee directors on the Board, to convert at their option the whole or part of any defaulted amount into fully paid up shares of KTLPL or to seek early repayment of the Debt Facility.

The Group may require funding in excess of its existing cash resources to repay its outstanding debt obligations under the Group's existing financing arrangements. In the future, the Group may restructure its outstanding debt obligations or enter into a new debt facility to meet this cash demand. Any failure to restructure existing financing arrangements, enter into a new facility or return to the market to raise additional funds to repay any existing debt obligations could delay the development of the Facility and expansion efforts, and if continued, could result in losses to the Group and the potential cessation of operations. Any failure to service the Group's indebtedness, maintain the required security interests, comply with requirements to obtain consents or otherwise perform the Group's obligations under its financing arrangements could lead to termination of the facility, enforcement of security over the Group's assets (including the ownership of KTLPL), trigger cross-default provisions, or result in penalties of amounts due under the facility (which will include liquidated damages), which could have a material adverse effect on the Group's business, financial condition and results of operations.

#### ***Tax risk***

The current tax law (including any double taxation agreements or treaties) and practice of the tax authorities of India (where KTLPL and all of the Group's current assets are held), Guernsey (where the Company is incorporated) and the UK (where the New Ordinary Shares are to be admitted to trading) is subject to change, and any such change could have an adverse effect on the Group's financial condition and results of operations. Changes to the tax residency of the Company and other members of the Group or changes to the intra-group arrangements could adversely affect the Company's financial condition and results of operations.

#### ***Maintenance of tax residency in Guernsey***

The Company is incorporated, and tax resident, in Guernsey and currently pays tax at a rate of 0% in Guernsey. In order to ensure the Company does not become tax resident in any jurisdiction other than Guernsey, the Company is required to be controlled and managed in Guernsey. The composition of the Board, the place of residence of individual members of the Board and the location(s) in which the Board makes decisions will be important in ensuring that the Company does not become tax resident in any jurisdiction other than Guernsey. While the Company is incorporated in Guernsey, continued attention must be addressed to ensure that management and control decisions are made in Guernsey (and not made, for example, in the United Kingdom or India), or the Company may become a tax resident in a jurisdiction other than Guernsey which could have a material adverse effect on the Company's business, financial condition, results of operations, value of the Ordinary Shares and the after-tax return to Shareholders.

#### ***Insurance coverage***

The Group may not be fully protected from certain liabilities under its insurance coverage or indemnities covering liabilities, and its premiums may increase in the event of operational incidents or events beyond the Group's control. There are significant operating risks associated with the construction and development of the Facility, including adverse weather conditions and environmental risks, all of which can result in injury to persons as well as damage to or destruction of the plant, equipment, production facilities and other property in relation to the Facility. In addition to losses caused by human errors and accidents, the Group may also be subject to losses resulting from war, terrorist activities, piracy, political instability, business interruption, strikes and weather events, and liability for environmental risks such as pollution and abuse of the environment. Any of these events could result in the Group experiencing direct losses and liabilities, loss of income, increased costs and reputational damage or litigation against or by third parties. Although the Group exercises due care in the conduct of its business and maintains what it believes to be customary insurance for companies in similar operations, the Group is not fully insured against all risk in its business. The occurrence of a significant event against which the Group is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

#### ***Retention and hiring of key personnel risk***

The Group's future success depends in part on a small number of key individuals, in particular the Directors and senior management employed, and to be employed, by the Group, as well as on its ability to attract employees with relevant expertise. The Group's business may be negatively affected



by the departure of any of these individuals. There can be no assurance that the Group will be able to attract and retain personnel on acceptable terms.

### ***Competition***

The Facility will primarily compete for business with ports and logistics parks located on the west coast of India. Some of these businesses are owned by companies that have greater financial resources, marketing and other capabilities than those of the Group. There can be no guarantee that the Group will be able to compete successfully against current or future competitors or that increased competitive pressures on the Group will not have a material adverse effect on the Group's business, financial condition and results of operations.

### ***Supply and demand imbalances***

Supply and demand in the container shipping industry are depressing freight rates and could lead to a prolonged period of challenging market conditions for global shipping carriers, which may have an impact on the Group's business. The container shipping industry has historically exhibited highly cyclical economic conditions, with high volatility in freight rates, primarily due to fluctuations in both the demand for container shipping services and the global supply of container shipping capacity. This can lead to periods of significant overcapacity, intense competition among carriers and depressed freight rates. The Facility's profitability is strongly impacted by changes in freight rates, and such changes in freight rates can have a material effect on the Group's financial performance. Changes in the demand for container shipping are difficult to predict and are generally beyond the Group's control, but are influenced by, among other factors, global and regional economic growth, inventory levels, exchange rates, the shift in manufacturing away from centers of consumption, changes in the regulatory regimes affecting shipping, including tariff regimes and trade disputes. Any increases in capacity, weak or lower-than-anticipated demand for container shipping services or technological disruption could have a material adverse effect on the Group's business, financial condition and results of operations. A prolonged period of subdued demand and overcapacity in the container shipping industry could be a significant challenge for the Group, and the Group may experience substantial difficulties in operating the Facility at full capacity and generating sufficient revenues. Imbalances in the container shipping industry may also make it difficult for the Group to accurately project supply and demand for the Group's services over the long term.

### ***Exposure to international trade and markets***

Political developments may exacerbate current uncertainties surrounding future global economic stability, and increase the likelihood of expanded tariff and non-tariff barriers to international trade and retaliatory countermeasures by regional or global trading partners. There is a risk that countries could, in the wake of the global financial and economic crisis or in response to real or perceived currency manipulations or trade imbalances, resort to protectionist measures or make changes to the regulatory regimes in which the Group operates in order to protect and preserve domestic industries. Such measures could include raising import tariffs, providing subsidies to domestic industries, restrictions on currency repatriation and the creation of other trade barriers. Any introduction of regional or international trade barriers, changes in taxation which inhibit similar effects, or withdrawal from or renegotiation of trade agreements could diminish international trade activity and thereby harm the integrated transport and logistics services offered by the Facility. As the Group's business success hinges on, among other things, global trade volumes, the stated protectionist policies and regulatory regimes could have a material adverse effect on the Group's business, financial condition and results of operations. Further changes in economic conditions in the United Kingdom, the United States, India, Asia and elsewhere, including, for example, interest rates, fluctuations in currency exchange rates, rates of inflation, industry conditions, political, public health and diplomatic events and trends, tax laws, gross domestic product levels, credit conditions and other factors could have an adverse effect on the financial performance and prospects of the Group.

### ***Doing business in India***

The Group's assets and operations are located in India which exposes it to risks over which it has no, or limited, control. These may include economic, social or political instability or change, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, exchange control and customs duties as well as

government control over domestic production which could adversely affect the Group's financial condition and results of operations.

Whilst the Indian economy has sustained growth over the last several years and, therefore the Group's business plan in relation to the Facility is based in part on continued economic growth, any slowdown in the growth of the Indian economy could have an adverse effect on the Group's results of operations and financial condition.

The legal system in India is different to that of the UK. This could result in risks such as: (i) difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters; and (vi) agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed, the occurrence of any of which could have an adverse effect on the Group's results of operations and financial condition.

#### ***Approvals, licences and permits in India***

Government approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Group must comply with known standards, existing laws and regulations in India which may entail greater or lesser costs and delays depending on the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition.

Furthermore, any failure to obtain or maintain such approvals, licences and permits could result in the Deed of Lease being terminated or other sanctions being imposed which may have a material adverse effect on the Group's operations and financial condition.

#### ***Congestion and structural challenges***

Container ship capacities have increased in recent years, leading to overload, congestion and structural challenges in certain ports. In recent years, container ship capacities, including those of the Group, have increased globally at a faster rate than the rate at which some container ports have increased their capacities. Consolidation in the container shipping industry has compounded with this increasing prevalence of larger container vessels, leading to fewer liner services, fewer, but larger, calls at terminals, more containers to exchange and longer load and unload times. Such strains on terminal facilities also necessitate ongoing upgrades to terminal infrastructure, equipment, manning and planning capabilities, and corresponding increases in capital expenditures and operational costs despite lower utilisation. As a result of these structural pressures, further increases in container ship capacities could lead to further port congestion, which could have a material adverse effect on container shipping traffic and therefore on the operations of the Facility.

#### ***Infrastructure and utilities***

The Group must use public infrastructure and public utilities such as electricity and water in India for its operations. There is a risk that some of the infrastructure required by the Group may not be available at times required as much of the public infrastructure in India is in a dilapidated or poor condition.

#### ***Terrorist attacks, civil unrest or war in or involving India***

Terrorist attacks, civil unrest or war in or involving India could have a negative impact on the Indian economy by disrupting communications and making travel more difficult, and such events could create a perception that investments in Indian companies or India-based projects involve a higher degree of risk. In addition, the Deed of Lease provides that in the event that the Facility is required by the MMB or the State Government of Maharashtra due to exigencies of war operations connected with national security, the Group is required to hand over control of the Facility until cessation of the circumstances requiring such control. Events of this nature could have an adverse effect on the Group's business, financial condition and results of operations, as well as the price of the Ordinary Shares.

### ***General economic, political and financial market risks***

The Group and its operations will be susceptible to any economic downturn, the impact of governmental policy, increased interest rates, exchange rate fluctuations, geo-political conditions (including the Ukraine-Russia conflict), volatility and/or price increases in the UK, the US and India and volatility in world financial markets. Furthermore, the business of contractors, suppliers and/or other commercial partners could suffer a downturn as a result of an economic downturn, a deterioration of geo-political conditions, or throughout a prolonged and significant outbreak of COVID-19, which may result in such third party being unable to satisfy its payment or other obligations to the Group in a timely manner or at all. Global capital markets are seeing significant downturns and extreme volatility as both the Ukraine-Russia conflict and COVID-19 continue to have a sustained impact on business across the world. Such volatility and downturn could have an impact on the liquidity of the Ordinary Shares. Investors should be aware that if any of these issues continue for a sustained period of time, and should any of the risks identified above materialise, it could have a material adverse effect on the performance of the Group, the Group's earnings, and returns to Shareholders.

### ***Litigation***

The Group may be subject to litigation that, if not resolved in the Group's favour and not sufficiently insured against could have a material adverse effect on the operations of the Group. The Group may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, shareholder litigation, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, property casualty claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although the Group intends to defend these matters vigorously, the Group cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on the Group.

## **PART B – RISK FACTORS SPECIFIC AND MATERIAL TO THE ORDINARY SHARES**

### ***Dilution***

Existing Shareholders' proportionate ownership and voting interest in the Company will be significantly reduced pursuant to the Placing, the Subscription and/or the Retail Offer (whether or not they participate in the Placing, Subscription or Retail Offer or otherwise). The holders of the Existing Ordinary Shares as at the Latest Practicable Date will experience on Admission:

- (a) 71.1% dilution on the issue and allotment of the Placing Shares only;
- (b) 87.7% dilution on the issue and allotment of the Subscription Shares together with the Placing Shares; and
- (c) 89.0% dilution on the issue and allotment of the maximum number of New Ordinary Shares, comprising the Placing Shares, Subscription Shares and maximum number of Retail Offer Shares, assuming full take up of the Retail Offer.

### ***Possible volatility in the price of the Ordinary Shares***

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them), including, in particular, in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors. In recent times, stock markets have experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares.

### ***Dividends***

The Company has never declared or paid any dividends. The Company currently intends to retain earnings, if any, for use in the Group's future business operations and expansion. The Company will

only pay dividends to the extent that to do so is in accordance with the Companies Law and all other applicable laws. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

In addition to the foregoing, the Company's ability to institute and pay dividends now or in the future may be limited by covenants contained in the agreements governing Group indebtedness that the Group may incur in the future, including the terms of any credit facilities the Company may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends (excluding stock dividends) to any of its Shareholders or returning any capital (including by way of dividend) to any of its Shareholders. As a result of the foregoing factors, purchasers of Ordinary Shares may not receive any return on an investment in Ordinary Shares unless they sell such Ordinary Shares for a price greater than that which they paid for them.

### ***Application of Guernsey legislation***

The Company is a non-cellular company limited by shares incorporated under the Companies Law. Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company are not provided for under Guernsey law. The rights of Shareholders will be governed by the Companies Law and the Articles. While the Company has inserted provisions in its Articles and adopted certain procedures to make the Company's governance closer to that of a UK listed company, these do not cover all the differences between applicable law in the UK and in Guernsey. The Company is subject to the Takeover Code which provides certain protections to Shareholders in the event of a takeover bid. Should the Ordinary Shares cease to trade on AIM, or should the place of central management and control alter from Guernsey, investors may not however be afforded the protections of the Takeover Code.

### ***Hunch Ventures holds a significant interest in the Company and its interests may differ from those of the other Shareholders***

Hunch Ventures holds approximately 28.48% in aggregate of the Existing Ordinary Shares. Following the Equity Fundraising, and assuming that the Independent Shareholders approve the Rule 9 Waiver Resolution, Hunch Ventures will hold 40.4% of the Enlarged Share Capital (assuming that there is a full take-up of the Placing, the Subscription and the Retail Offer). Hunch Ventures possesses sufficient voting power to maintain significant influence over all matters requiring the approval of Shareholders, including the election of Directors and approval of significant corporate transactions. The sale of a substantial number of Ordinary Shares by Hunch Ventures in the public market, or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

### ***The Ordinary Shares are traded on AIM and are not admitted to the Official List***

An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List or admitted to trading on the Main Market. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment especially since the market in the Ordinary Shares on AIM may have limited liquidity. The price at which investors may dispose of Ordinary Shares may be influenced by a number of factors some of which may pertain to the Company and others which are extraneous. Investors may realise less than the original amount invested.

### ***Taxation***

The Group's business model assumes that the tax treatment of the Group remains consistent with the manner in which the Group has accounted for such taxes as at the date of this Circular. Any changes to the tax regime in the countries it is operating in could have a material adverse effect on the Group's financial performance. The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. Tax assessments are increasingly based on a system of self-declaration under which tax authorities may open enquiries or investigations several years after the period to which the tax charge relates. Tax charges and liabilities may also therefore be subject to change retrospectively.

The taxation of an investment in the Company depends on the specific circumstances of the relevant investor. Investors should consider carefully whether an investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them. This list should not be considered an exhaustive statement of all potential risks and uncertainties.

## PART VII – ADDITIONAL INFORMATION

### 1. Responsibility

The Company and the Directors, whose names are set out on page 1 of this Circular, accept responsibility for the information (including any expressions of opinion) contained in this Circular, other than information relating to the Hunch Concert Party and the Independent Directors' recommendation in relation to the Rule 9 Waiver Resolution to be proposed at the General Meeting. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Takeover Code requires the Board to obtain competent independent advice regarding the Rule 9 Waiver which is the subject of the Rule 9 Waiver Resolution, the controlling position which it will create, and the effect it will have on the Shareholders generally. The Independent Directors, who have been so advised by Cenkos Securities, consider that the Hunch Subscription, the Hunch Loan Addendum, the Rule 9 Waiver and the controlling position which it will create to be fair and reasonable so far as the Shareholders are concerned and in the best interests of the Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Rule 9 Waiver Resolution. The Independent Directors accept responsibility for their recommendation (including any expressions of opinion) in relation to the Rule 9 Waiver Resolution to be proposed at the General Meeting.

Shareholders should note that of the Independent Directors, only John Fitzgerald will vote on the Resolutions (including the Rule 9 Waiver Resolution). Dmitri Tsvetkov will not vote on the Resolutions (including the Rule 9 Waiver Resolution) as he does not hold any Existing Ordinary Shares and Nikhil Gandhi is unable to vote or procure the voting of the 983,512 Existing Ordinary Shares to which he was beneficially entitled as SKIL Global Ports & Logistics Limited, the entity wholly-owned by Mr. Gandhi which held such Existing Ordinary Shares, was dissolved by way of Guernsey registrar compulsory strike-off order on or around 4 June 2021 and such Existing Ordinary Shares are currently held by His Majesty's Receiver General in the Bailiwick of Guernsey. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the responsible persons of each member of the Hunch Concert Party accepts responsibility for the information (including any expressions of opinion) contained in this Circular relating to the Hunch Concert Party. To the best of the knowledge and belief of the responsible persons of the Hunch Concert Party (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Details of the members of the Hunch Concert Party

#### 2.1 Hunch Ventures

Founded in 2016 and based in New Delhi, India, Hunch Ventures is a multi-stage sector-agnostic investment company, focusing on investments across a range of sectors including aviation, ports & logistics, health, retail, food, hospitality, education, luxury and lifestyle, media and technology, with its typical investment size being between US\$ 5 million and US\$ 10 million.

Hunch Ventures first invested in the Company in November 2018. Hunch Ventures is currently the largest Shareholder, with 11,819,712 Existing Ordinary Shares comprising 28.48% of the Company's issued shares.

Further information on Hunch Ventures can be found at <https://www.hunchventures.com/>.

#### (a) Responsible persons

Karanpal Singh (*Founder and Director*)

Himangini Singh (*Director and wife of Karanpal Singh*)

Rajeev Varma (*Director*)

*(b) Incorporation and registered office*

Hunch Ventures and Investment Private Limited was incorporated under the laws of India on 1 January 2016 with registered number 289161 and has its registered office at 005 Ground Floor, Plot No.09 Copia Corporate Suites, Jasola New Delhi, South Delhi, DL 110044, India.

*(c) Ultimate ownership of Hunch Ventures*

Hunch Ventures is 100% owned by Karanpal Singh, Founder and Managing Partner of Hunch Ventures and a Non-Executive Director and his wife Ms. Himangini Singh. Karanpal Singh oversees portfolio and investment management, including the direct investments of Hunch Ventures. Further details of Karanpal Singh are set out in paragraph 2.2 below.

Hunch Ventures does not have a holding company.

## **2.2 Karanpal Singh**

Mr. Karanpal Singh serves as a Founder of Hunch Ventures. Mr. Singh is an Indian-based entrepreneur with a successful background in real estate, hospitality, mining and construction and is among a new generation of self-made entrepreneurs investors who are changing the landscape of startups in India engaged in technology, marketing and services. He is well-connected and engaged with the businesses he has invested into and has an aggressive vision for his group of companies. Mr. Singh was appointed as a Non-Executive Director on 7 December 2018. Mr. Singh also serves as a director of vMobo, Inc., and has previously served at Essential Resources Pvt. Ltd and KJS Concrete Pvt. Ltd.

## **2.3 Amit Dutta**

Mr. Amit Dutta serves as nominee of Hunch Ventures. Amit Dutta has over 21 years' experience in a corporate career with leading companies such as Unilever, Reliance Infocom, General Motors and American Express. He is currently serving as Managing Director of BLADE India, a JV between Hunch Ventures and BLADE USA. Mr. Dutta is also a member of the Board of Directors of Comprehensive Healthcare Systems, USA, a participant in the healthcare technology platform market in the United States and Canada. Amit holds an MBA from the Indian Institute of Management, Lucknow and a Bachelor's Degree in Civil Engineering from Jadavpur University, India. Mr. Dutta was appointed as a Non-Executive Director on 11 January 2022.

## **2.4 Financial Information on Hunch Ventures**

Hunch Ventures is required to file its audited accounts and balance sheet for every financial year (1 April to 31 March) with the Registrar of Companies in India, which is accessible on payment of a nominal fee from the Ministry of Corporate Affairs of India at <https://www.mca.gov.in/>.

## **3. Interests and dealings in relevant securities of the Company**

For the purposes of this paragraph 3 and paragraph 4 and 5:

**“acting in concert”** has the meaning attributed to it in the Takeover Code;

**“arrangement”** includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

**“connected person”** has the meaning attributed to it in section 252 of the UK Companies Act 2006;

**“control”** means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;

**“dealing”** or **“dealt”** includes the following: (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities; (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities; (c) subscribing or agreeing to subscribe for relevant securities; (d) the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities); (e) the

acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he/she has a short position;

“**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“**interested**” in relevant securities includes where a person: (a) owns relevant securities; (b) has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them; (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

“**relevant securities**” includes: (a) shares and any other securities carrying voting rights; (b) equity share capital (or derivatives referenced thereto); and (c) securities carrying conversion or subscription rights (including traded options); and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

### 3.1 **Interests of the Directors in the Existing Ordinary Shares and the Subscription**

As at 7 June 2023 (being the Latest Practicable Date), the interests of the Directors, their immediate families and persons connected with the Directors in the Existing Ordinary Shares were as follows:

<b>Director</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of Existing Ordinary Shares (%)</b>
Nikhil Gandhi ( <i>Non-Executive Director</i> )	983,512 <sup>(1)</sup>	2.37
Lord Howard Flight ( <i>Non-Executive Director</i> )	230,538	0.56
John Fitzgerald ( <i>Non-Executive Director</i> )	56,583	0.14
Jeremy Warner Allen ( <i>Non-Executive Director</i> )	519,545	1.25
Karanpal Singh ( <i>Non-Executive Director</i> )	11,819,712 <sup>(2)</sup>	28.48
Jay Mehta ( <i>Managing Director</i> )	205,780	0.50

(1) Mr. Gandhi held Existing Ordinary Shares via SKIL Global Ports & Logistics Limited, which was wholly-owned by Mr. Gandhi, however SKIL Global Ports & Logistics Limited was dissolved by way of Guernsey registrar compulsory strike-off order on or around 4 June 2021. As far as Mr. Gandhi (in his personal capacity and for and on behalf of SKIL Global Ports & Logistics Limited in his capacity as a director thereof) or the Company is aware, the Existing Ordinary Shares held by SKIL Global Ports & Logistics Limited are currently held by His Majesty's Receiver General in the Bailiwick of Guernsey. Mr. Gandhi may apply to the Guernsey registry to have SKIL Global Ports & Logistics Limited restored to the register or Mr. Gandhi may apply for the assets previously held by SKIL Global Ports & Logistics Limited to be subject to a discretionary grant.

(2) Mr. Singh's Existing Ordinary Shares are held by Hunch Ventures, which is wholly-owned by Mr. Singh and his wife Ms. Himangini Singh.

Save as disclosed in this paragraph 3.1, none of the Directors has any beneficial or non-beneficial interest in any securities of the Company or its subsidiaries.



The following Directors and directors of certain Group companies or their related parties have agreed to subscribe for New Ordinary Shares in the Equity Fundraising:

Director or related party	Number of Placing Shares	Number of Subscription Shares	Percentage of Enlarged Share Capital (%) <sup>(1)</sup>
Hunch Ventures	—	125,000,000 <sup>(2)</sup>	36.9
Jay Mehta ( <i>Managing Director</i> )	—	3,333,333	1.0
Jeremy Warner Allen ( <i>Non-Executive Director</i> )	3,333,333	—	1.0
Lord Howard Flight ( <i>Non-Executive Director</i> )	400,000	—	0.1

(1) Assumes completion of the Placing and the Subscription and no take up of the Retail Offer .

(2) Mr. Singh will participate in the Hunch Subscription via Hunch Ventures, which is wholly-owned by Mr. Singh and his wife Ms. Himangini Singh.

Save as disclosed in this paragraph 3.1, none of the Directors has any beneficial or non-beneficial interest in any securities of the Company or its subsidiaries.

### 3.2 Interests of the Hunch Concert Party in the Ordinary Shares

#### (a) Interests of the Hunch Concert Party in the Existing Ordinary Shares

As at 7 June 2023 (being the Latest Practicable Date), the interests of the Directors, their immediate families and persons connected with the Directors in the Existing Ordinary Shares were as follows:

Hunch Concert Party member	Existing Ordinary Shares	Percentage of the issued share capital of the Company at the Latest Practicable Date (%)
Hunch Ventures	11,819,712 <sup>(1)</sup>	28.48
Karanpal Singh	—	—
Amit Dutta	—	—
<b>TOTAL</b>	<b>11,819,712</b>	<b>28.48</b>

(1) Mr. Karanpal Singh's Existing Ordinary Shares are held by Hunch Ventures, which is wholly-owned by Mr. Singh and his wife Ms. Himangini Singh.

(b) *Maximum potential percentage holdings of the members of the Hunch Concert Party in the Ordinary Shares*

The maximum potential percentage holdings of the members of the Hunch Concert Party in the Ordinary Shares following the Hunch Subscription, are as follows

<b>Hunch Concert Party member</b>	<b>Subscription Shares</b>	<b>Total Ordinary Shares following Admission</b>	<b>Percentage of the Enlarged Share Capital (%)<sup>(1)</sup></b>
Hunch Ventures	125,000,000 <sup>(2)</sup>	136,819,712	40.4
Karanpal Singh	—	—	—
Amit Dutta	—	—	—
<b>TOTAL</b>	<b>125,000,000</b>	<b>136,819,712</b>	<b>40.4</b>

(1) *Assumes completion of the Placing and the Subscription and no take up of the Retail Offer*

(2) *Mr. Singh will participate in the Hunch Subscription via Hunch Ventures, which is wholly-owned by Mr. Singh and his wife Ms. Himangini Singh.*

### **3.3 Interests of the Company concert parties in the Ordinary Shares**

As at 7 June 2023 (being the Latest Practicable Date), Cenkos Securities, which is acting in concert with the Company, was interested in no Existing Ordinary Shares.

In accordance with the terms of the Placing Agreement, the Company shall issue and allot 13,359,166 Placing Shares to Cenkos Securities in satisfaction of the Company's obligation to pay certain fees to Cenkos Securities under the Placing Agreement. Following Admission, and assuming completion of the Placing and the Subscription and full take up of the Retail Offer, Cenkos Securities will be interested in 13,359,166 Ordinary Shares, representing 3.5% of the Enlarged Share Capital.

### **3.4 General**

Save as disclosed in this Circular, as at 7 June 2023 (being the Latest Practicable Date) and during the 12 months prior to the Last Practicable Date, the members of the Hunch Concert Party confirm:

- (a) none of the members of the Hunch Concert Party had any interest in or a right to subscribe for, or had any short position in relation to, any relevant securities of the Company, nor had any such person dealt in any relevant securities of the Company;
- (b) none of the members of the Hunch Concert Party had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold or shares subject to rehypothecation by prime brokers);
- (c) none of the responsible persons of any member of the Hunch Concert Party (including any members of their respective immediate families, related trusts or connected persons) had any interest in or a right to subscribe for, or had any short positions in relation to any relevant securities of the Company, nor had any such person dealt in any relevant securities of the Company; and
- (d) none of the responsible persons of any member of the Hunch Concert Party (including any members of their respective immediate families, related trusts or connected persons) had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold).

## **4. Interests in the relevant securities of the Hunch Concert Party**

Save for Karanpal Singh, who (together with his wife Ms. Himangini Singh) is the 100% owner of Hunch Ventures, as at 7 June 2023 (being the Latest Practicable Date) and during the 12 months prior to the Last Practicable Date:

- (a) neither the Company, nor any of the Directors nor any member of their immediate families or related trusts or connected persons, nor any person acting in concert with the Company or the Directors had an interest in or a right to subscribe for, or had any short position in any relevant securities of any member of the Hunch Concert Party or has dealt in any relevant securities of any member of the Hunch Concert Party; and
- (b) neither the Company, nor any of the Directors nor any person acting in concert with the Company or the Directors had borrowed or lent any relevant securities of any member of the Hunch Concert Party (save for any borrowed shares which have either been on-lent or sold).

## **5. Additional disclosures required by the Takeover Code**

Save as disclosed in this Circular, none of the responsible persons of any member of the Hunch Concert Party have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.

No relationship (personal, financial or commercial), arrangement or understanding (including any compensation arrangement) exists between any member of the Hunch Concert Party and any of (i) the Directors, or recent directors (or their close relatives and related trusts), (ii) Shareholders or recent shareholders of the Company, or any person who is, or is presumed to be, acting in concert with such Shareholders or recent shareholders, (iii) Cenkos Securities or any person who is, or is presumed to be, acting in concert with Cenkos Securities, or (iv) any person interested or recently interested in the Ordinary Shares having any connection with or dependence upon the Rule 9 Waiver or the proposals set out in this Circular or which is conditional on the outcome of the consideration of the Rule 9 Waiver or the proposals set out in this Circular.

The legal interest of any Subscription Shares to be issued and allotted by the Company to Hunch Ventures pursuant to the Hunch Subscription will not be transferred to any other persons on Admission and there are no agreements, arrangements or understandings in relation to any such transfer. Hunch Ventures will be the ultimate owner of the Subscription Shares issued and allotted by the Company pursuant to the Hunch Subscription on Admission.

Save as disclosed in this Circular, as at 7 June 2023 (being the Latest Practicable Date) and during the 12 months prior to the Last Practicable Date:

- (a) the Company had undertaken no dealings in its own relevant securities;
- (b) the Company had not redeemed or purchased any of its own relevant securities;
- (c) neither the Company, nor any of the Directors nor any member of their immediate families or related trusts or connected persons, nor any person acting in concert with the Company or the Directors had an interest in or a right to subscribe for, or had any short position in any relevant securities of the Company or has dealt in any relevant securities of the Company; and
- (d) neither the Company or the Directors nor any person acting in concert with the Company or the Directors had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold).

## **6. Intentions of the Hunch Concert Party**

The Hunch Concert Party's long-term commercial justification for the Hunch Subscription is to support the Company's debt repayment and capital funding plan as described in paragraph 3 of Part V – *Letter from the Chairman* of this Circular. The Hunch Concert Party has confirmed to the Company that it is not proposing, following Admission, to seek any changes to the business of the Group beyond those described under paragraph 3 of Part V – *Letter from the Chairman* of this Circular.

The Hunch Concert Party has not entered into nor does it intend enter into or procure that the Company enters into any form of incentivisation arrangements with members of the Group's management who are interested in Ordinary Shares.

The Hunch Concert Party is not intending to seek any changes in respect of:

- (a) the future of the Group's business, including any research and development functions of the Group;

- (b) the continued employment of the employees and management of the Group, including the conditions of employment or the balance of skills and functions of the employees and management of the Group;
- (c) the strategic plans of the Group;
- (d) the location of the Group's places of business, including the Group's headquarters or headquarters functions;
- (e) employer contributions into the Group's pension scheme, the accrual of benefits for existing members or the admission of new members;
- (f) any redeployment of any fixed assets of the Group; or
- (g) the maintenance of any existing trading facilities for the relevant securities of the Company.

The Independent Directors note that the Hunch Concert Party does not intend to change any of the matters referred to above, and the Independent Directors agree with such intention.

Hunch Ventures also confirms that it does not intend to make any changes in connection with the Hunch Subscription in respect of:

- (a) the continued employment of the employees and management of Hunch Ventures or its subsidiaries, including the conditions of employment or the balance of skills and functions of the employees and management of Hunch Ventures or its subsidiaries;
- (b) the strategic plans of Hunch Ventures or its subsidiaries; or
- (c) the location of the Hunch Venture's or any of its subsidiaries' places of business, including their respective headquarters or headquarters functions.

The participation in the Hunch Subscription by Hunch Ventures is in the ordinary course of Hunch Venture's business and Hunch Ventures expects that the Hunch Subscription will not have any material effect on its future business nor have any material financial impact on its earnings, assets or liabilities.

## **7. Financial Information on the Company**

The following information is incorporated by reference into, and form part of, this Circular pursuant to Rule 24.15 of the Takeover Code and is available free of charge on the Company's website at <https://www.mercpl.com/article/investor-relations/financial-reports/10>. A Shareholder may request a copy of such information in hard copy form from the Registrars, Link Group, on tel: 0371 664 0300 or, if overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales). Hard copies will not be provided unless requested:

- interim results of the Company for the six-month period ended 30 June 2022;
- annual report and accounts of the Company for the year ended 31 December 2021;
- annual report and accounts of the Company for the year ended 31 December 2020; and
- annual report and accounts of the Company for the year ended 31 December 2019.

Set out below are the sections of these documents which are incorporated by reference into, and form part of, this Circular in accordance with Rule 24.15 of the Takeover Code:

<b>Information incorporated by reference into this Circular</b>	<b>Reference document</b>	<b>Page numbers in reference document</b>
<b><i>For the six month ended 30 June 2022</i></b>		
Interim results announcement	Announcement of the interim results for the six-month period ended 30 June 2022 dated 30 September 2022	—
<b><i>For the year ended 31 December 2021</i></b>		
Independent auditor's report	Annual report 2021	41 to 49
Consolidated Statement of Comprehensive Income	Annual report 2021	50
Consolidated Statement of Financial Position	Annual report 2021	51
Consolidated Statement of Cash Flows	Annual report 2021	52
Consolidated Statement of Changes in Equity	Annual report 2021	53
Notes to the Consolidated Financial Statements	Annual report 2021	54 to 85
<b><i>For the year ended 31 December 2020</i></b>		
Independent auditor's report	Annual report 2020	37 to 44
Consolidated Statement of Comprehensive Income	Annual report 2020	45
Consolidated Statement of Financial Position	Annual report 2020	46
Consolidated Statement of Cash Flows	Annual report 2020	47
Consolidated Statement of Changes in Equity	Annual report 2020	48
Notes to the Consolidated Financial Statements	Annual report 2020	49 to 80
<b><i>For the year ended 31 December 2019</i></b>		
Independent auditor's report	Annual report 2019	39 to 45
Consolidated Statement of Comprehensive Income	Annual report 2019	46
Consolidated Statement of Financial Position	Annual report 2019	47
Consolidated Statement of Cash Flows	Annual report 2019	48
Consolidated Statement of Changes in Equity	Annual report 2019	49
Notes to the Consolidated Financial Statements	Annual report 2019	50 to 76

## **8. Executive Directors' service contracts and Non-Executive Directors' letters of appointment**

Set out below are details of the service contracts entered into between the Company and the Executive Directors and the letters of appointment entered into between the Company and the Non-Executive Directors. Save as disclosed below, there are no service agreements in existence between any of the Directors and the Company and no service contracts have been entered into nor have existing service contracts been replaced or amended during the period of six months prior to the date of this Circular.

### **8.1 Executive Directors**

On 19 November 2010, Jay Mehta entered into an employment contract with KTLPL. Mr. Mehta's current annual salary is £89,000 which is subject to annual review. The employment contract is terminable by either party on three months' written notice.

### **8.2 Non-Executive Directors**

- (a) On 6 December 2018, Jeremy Warner Allen entered into a letter of appointment with the Company. Pursuant to such letter, Mr. Allen receives a fee of £40,000 per annum which is subject to annual review. No other benefits are conferred on Mr. Allen under the letter of appointment. The appointment has a term of three years, subject to annual reappointment by the Shareholders at each annual general meeting of the Company. The appointment may be terminated on three months' notice by either party.
- (b) On 1 July 2019, Nikhil Gandhi entered into a service agreement with KTLPL, being a subsidiary of the Company. Mr. Gandhi's received an annual salary of £180,000 for the year ended 31 December 2021, and an annual salary of £158,000 for the year ended 31 December 2022, but has not received any salary or other during 2023 to date. The employment contract is terminable by either party on three months' written notice.

- (c) On 20 July 2017, John Fitzgerald entered into a letter of appointment with the Company. Pursuant to such letter, Mr. Fitzgerald receives a fee of £45,000 per annum which is subject to annual review. No other benefits are conferred on Mr. Fitzgerald under the letter of appointment. The appointment has a term of three years, subject to annual reappointment by the Shareholders at each annual general meeting of the Company. The appointment may be terminated on three months' notice by either party.
- (d) On 31 January 2022, Dmitri Tsvetkov entered into a letter of appointment with the Company. Pursuant to such letter, Mr. Tsvetkov receives a fee of £35,000 per annum which is subject to annual review, and a further fee of £10,000 per annum in respect of his responsibility as the chair of the Company's audit committee. No other benefits are conferred on Mr. Tsvetkov under the letter of appointment. The appointment has a term of three years, subject to annual reappointment by the Shareholders at each annual general meeting of the Company. The appointment may be terminated on three months' notice by either party.
- (e) On 12 September 2016, Lord Howard Flight entered into a letter of appointment with the Company. Pursuant to such letter, Lord Flight receives a fee of £40,000 per annum which is subject to annual review. No other benefits are conferred on Lord Flight under the letter of appointment. The appointment has a term of three years, subject to annual reappointment by the Shareholders at each annual general meeting of the Company. The appointment may be terminated on three months' notice by either party.
- (f) Karanpal Singh was appointed as a Non-Executive Director on 6 December 2018, but has not entered into a formal letter of appointment with the Company. Mr. Singh does not receive any fees from the Company and no other benefits are conferred on Mr. Singh under the appointment. Mr. Singh is subject to annual reappointment by the Shareholders at each annual general meeting of the Company.
- (g) On 11 January 2022, Amit Dutta entered into a letter of appointment with the Company. Mr. Dutta does not receive any fees from the Company and no other benefits are conferred on Mr. Dutta under the letter of appointment. The appointment has a term of three years, subject to annual reappointment by the Shareholders at each annual general meeting of the Company. The appointment may be terminated on three months' notice by either party.

## **9. Material Contracts**

The contracts listed below have been entered into by the Company in connection with the Equity Fundraising and which are, or may be, material to the Company or any member of the Group. The contracts listed below do not include all contracts which are material to the business of the Group nor contracts entered into in the ordinary course of business:

### **9.1 Placing Agreement**

Please refer to the Announcement for details of the terms and conditions of the Placing Agreement.

### **9.2 Subscription Agreements**

Pursuant to the terms of the Subscription Agreements, each Subscriber has agreed to subscribe for the relevant Subscription Shares at the Issue Price per Subscription Share.

Hunch Ventures must pay its subscription monies by close of business on the date being two Business Days prior to the intended date for Admission, and Jay Mehta must pay his subscription monies by close of business on the date being three Business Days prior to the intended date for Admission. Sapphire and Trans Global must pay their respective subscription monies by 15 June 2023.

Each Subscription Agreement contains, *inter alia*, warranties given by both the relevant Subscriber and the Company, namely relating to their respective authority and capacity to enter into the Subscription Agreement.

#### ***Provisions specific to Hunch Ventures***

##### **Payment of the subscription monies**

Hunch Ventures shall pay the subscription monies under the Hunch Subscription Agreement in cash into the bank account of KTLPL. Following the receipt of such monies, the Company may, by

written notice to Hunch Ventures, require Hunch Ventures to use all reasonable endeavours to procure the remittance of all or part of such subscription monies to the bank account of the Company in Guernsey, including Hunch Ventures procuring the prior approval of the RBI for such remittance.

In order to facilitate the remittance, the Company must procure that KTLPL transfers the amount to be remitted to the bank account of Hunch Ventures, and Hunch Ventures shall issue a corporate guarantee to KTLPL in respect of the full amount of such transferred amounts. Following these steps, Hunch Ventures will use all reasonable endeavours to procure the approval of RBI to remit such funds to the Company's Guernsey bank account within six months of the date on which the Company gave Hunch Ventures notice to procure the remittance of such funds.

Within five Business Days of receipt of the RBI Approval, Hunch Ventures shall transfer the relevant amount to the bank account of the Company in Guernsey. If the approval of RBI is not obtained or if the Company gives written notice to Hunch Ventures, Hunch Ventures shall be obliged to transfer the relevant funds back to the Indian bank account of KTLPL. Following the remittance or return of such amounts, the Company shall procure that KTLPL returns the corporate guarantee to Hunch Ventures.

#### Relationship between the Company and Hunch Ventures

Given that if no Placees default on their obligations to subscribe for the relevant Placing Shares and if the Retail Offer is taken up in full, then following Admission, Hunch Ventures will hold 136,819,712 Ordinary Shares representing 36.2% of the Enlarged Share Capital, the Hunch Subscription Agreement also governs the relationship between the Company and Hunch Ventures by, *inter alia*, providing that:

- (a) Hunch Ventures shall have the right to appoint two Directors for so long as it holds more than 15% of the voting rights of the Company's issued share capital from time to time and the right to appoint one Director for so long as it holds more than 10% but less than 15% of the voting rights of the Company's issued share capital from time to time;
- (b) for a two year period from Admission, Hunch Ventures and its group of companies undertake not to be engaged in any competing business of the Company in India;
- (c) all transactions between Hunch Ventures and the Group shall be undertaken on an arms' length basis;
- (d) Hunch Ventures agrees not to dispose of any Subscription Shares without the prior consent of the Company and Cenkos Securities during the 12 month period following Admission, except in certain customary exceptions; and
- (e) Hunch Ventures agrees to dispose of any Subscription Shares via Cenkos Securities during the 36 month period following Admission so as to ensure an orderly market in the Enlarged Share Capital.

The Hunch Subscription Agreement and the obligations thereunder will cease to have effect on the earlier of: (i) the Ordinary Shares ceasing to be traded on AIM; or (ii) Hunch Ventures ceasing to hold at least 5% of the voting rights of Company's issued share capital from time to time.

The Hunch Subscription Agreement provides that the relevant Subscription Shares may be issued to Hunch Ventures or any member of Hunch Ventures' group of companies. The obligations thereunder will also apply to the member of Hunch Ventures' group of companies to whom the Subscription Shares are issued.

### **9.3 Material contracts in respect of the 2021 Equity Fundraising**

The following information is incorporated by reference into, and form part of, this Circular pursuant to Rule 24.15 of the Takeover Code and is available free of charge on the Company's website at <https://www.mercpl.com/article/investor-relations/financial-reports/10>. A Shareholder may request a copy of such information in hard copy form from the Registrars, Link Group, on tel: 0371 664 0300 or, if overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales). Hard copies will not be provided unless requested:

- the 2021 Circular; and
- the 2021 Launch Announcement.

Set out below are the sections of these documents which are incorporated by reference into, and form part of, this Circular in accordance with Rule 24.15 of the Takeover Code:

<b>Information incorporated by reference into this Circular</b>	<b>Reference document</b>	<b>Page numbers in reference document</b>
Subscription Agreement	2021 Circular	16
Unsecured Loan Facility	2021 Circular	16 to 17
Details of the Placing	2021 Launch Announcement	—
Participation in, and principal terms of, the Placing	2021 Launch Announcement	—
Conditions of Placing	2021 Launch Announcement	—
Right to terminate under the Placing Agreement	2021 Launch Announcement	—

#### **9.4 Hunch Loan Addendum**

In addition to the information incorporated by reference into this Circular as set out in paragraph 9.3, KTLPL and an affiliate of Hunch Ventures have entered into the Hunch Loan Addendum on 8 June 2023, pursuant to which the parties thereto have agreed to extend the unsecured loan facility of approximately £4.4 million that was provided by an affiliate of Hunch Ventures to KTLPL at the time of the 2021 Launch Announcement to 15 June 2025.

## **10. Ratings and outlooks**

### **10.1 Ratings and outlooks of Hunch Ventures**

There are no current public ratings or outlooks accorded to Hunch Ventures by ratings agencies.

### **10.2 Ratings and outlooks of the Company**

There are no current public ratings or outlooks accorded to the Company by ratings agencies.

## **11. Persons acting in concert with the Company**

Other than the Directors and members of the Group, Cenkos Securities plc, a public limited company incorporated in England and Wales with company number 05210733 and its registered address at 6, 7, 8 Tokenhouse Yard, London EC2R 7AS, United Kingdom (nominated advisor and broker to the Company) is acting in concert with the Company for the purposes of the Takeover Code.

## **12. Significant change**

There has been no significant change in the financial or trading position of the Company since the publication of the annual report and accounts of the Company for the year ended 31 December 2021.



### 13. Middle market quotations

Set out below are the closing middle-market quotations for the Ordinary Shares for the first dealing day of each of the six months immediately preceding the date of this Circular and for 7 June 2023 (being the Latest Practicable Date):

Date	Closing middle market quotation (pence)
1 November 2022	11.75
1 December 2022	8.75
3 January 2023	8.50
1 February 2023	6.25
1 March 2023	6.38
3 April 2023	5.25
2 May 2023	5.25
1 June 2023	3.25
7 June 2023	4.25

### 14. Independent advice provided to the Board

The Takeover Code requires the Board to obtain competent independent advice regarding the Rule 9 Waiver which is the subject of the Rule 9 Waiver Resolution, the controlling position which it will create, and the effect it will have on Shareholders generally. The Independent Directors, which have been so advised by Cenkos Securities, consider that the Hunch Subscription, Rule 9 Waiver and the controlling position which it will create to be fair and reasonable so far as Shareholders are concerned and in the best interests of Shareholders and the Company as a whole. In providing this advice, Cenkos Securities has taken into account the Independent Directors' commercial assessments.

Cenkos Securities has given and not withdrawn its written consent to the issue of this Circular with the inclusion herein of the references to its name and its advice to the Directors in the form and context in which they appear. Cenkos Securities confirms that it is independent of the Hunch Concert Party.

### 15. Documents available for inspection

Copies of the following document will be available for inspection free of charge at the registered office of the Company during normal business hours on any Business Day up to and including the date of the General Meeting and on the Company's website at <https://www.mercpl.com/article/investor-relations>:

- (a) this Circular and the accompanying Notice of General Meeting;
- (b) the Articles;
- (c) the financial information of the Company referred to in paragraph 7 of this Part VII – *Additional Information* of this Circular;
- (d) the Hunch Subscription Agreement;
- (e) the 2021 Circular and the 2021 Launch Announcement;
- (f) the irrevocable undertaking referred to in paragraph 15 of Part V – *Letter from the Chairman* of this Circular; and
- (g) the consent letter from Cenkos Securities regarding the inclusion of its name and its advice to the Directors as they appear in this Circular.

A Shareholder may request a copy of any document in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by written request to the Registrars, Link Group, on 0371 664 0300 or if overseas on +44 (0) 371 664 0300. Calls are charged at the

standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales).

## PART VIII – NOTICE OF GENERAL MEETING

### MERCANTILE PORTS & LOGISTICS LIMITED

*(Incorporated in Guernsey with registered number 52321)*

(the “Company”)

#### NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Company shall be held at the registered office of the Company at 1<sup>st</sup> Floor, Tudor House, Le Bordage, St Peter Port, Guernsey GY1 1DB on 27 June 2023 at 11.00 a.m. (London time) for the purpose of considering and, if thought fit, passing the resolutions set out below.

Terms used but otherwise not defined in this Notice of General Meeting or the explanatory notes hereto shall have the meanings given to them in the circular of the Company, dated 9 June 2023 (the “Circular”), which this Notice of General Meeting forms a part.

Resolution 1 shall be proposed as an ordinary resolution and will be taken on a poll on which only Independent Shareholders (as defined in the Circular) are entitled to vote. Resolution 2 shall be proposed as an ordinary resolution and resolution 3 shall be proposed as a special resolution.

#### SPECIAL BUSINESS IN RELATION TO THE EQUITY FUNDRAISING

##### ORDINARY RESOLUTION OF THE INDEPENDENT SHAREHOLDERS

1. **THAT** the waiver granted by the Takeover Panel of the obligation that would otherwise arise on the Hunch Concert Party, both individually and collectively, to make an offer to the shareholders of the Company pursuant to Rule 9 of the Takeover Code as a result of the Hunch Subscription, as described in the Circular, be and hereby is approved.

##### ORDINARY RESOLUTION

2. **THAT**, subject to and conditional upon the passing of resolution 1 and in accordance with article 4.15 of the Articles, the directors of the Company (the “**Directors**”) be authorised to exercise all powers of the Company to issue up to 336,949,999 ordinary shares of no par value (the “**New Ordinary Shares**”) (or grant rights to subscribe for or to convert any security into such shares), pursuant to or in connection with the Equity Fundraising and the Placing Agreement (as such terms are defined in the Circular) and such authority shall expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, at the end of the next annual general meeting of the Company (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may before such expiry make an offer or agreement which would or might require New Ordinary Shares to be issued (or require rights to subscribe for or to convert any security into shares to be granted) after such expiry and the Directors may issue shares (or grant such rights) in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired.

This authority is in addition to the authority conferred on the Directors set out in the resolutions passed at the annual general meeting of Shareholders held on 7 November 2022.

##### SPECIAL RESOLUTION

3. **THAT**, subject to and conditional upon the passing of resolutions 1 and 2 above and in accordance with article 4.5 of the Articles, the Directors be authorised to issue, sell from treasury or grant rights to subscribe for or to convert any security into, New Ordinary Shares for cash as if the pre-emption rights contained in article 4.3 of the Articles did not apply to such issue or grant provided that this authority shall be limited to the issue of up to 336,949,999 New Ordinary Shares provided that such authority shall expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, at the end of the next annual general meeting of the Company (unless previously renewed, revoked or varied by the

Company by special resolution) save that the Company may before such expiry make an offer or agreement which would or might require New Ordinary Shares to be issued (or require rights to subscribe for or to convert any security into shares to be granted) after such expiry and the Directors may issue shares (or grant such rights) in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired.

This authority is in addition to the authority conferred on the Directors set out in the resolutions passed at the annual general meeting of Shareholders held on 7 November 2022.

**BY ORDER OF THE BOARD**

**Jeremy Warner Allen**

Chairman

9 June 2023

**Registered Office:**

1<sup>st</sup> Floor

Tudor House

Le Bordage

St Peter Port

Guernsey GY1 1DB

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## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING AND PROXY

### Quorum

1. The quorum for the General Meeting shall be two shareholders present in person or by proxy. If, within fifteen minutes from the appointed time for the General Meeting, a quorum is not present, then the General Meeting will stand adjourned to the same day in the next week (or if that day is a public holiday in the Island of Guernsey to the next working day thereafter) at the same time and place or to such other day, time or place as the Directors may determine and no notice of such adjournment need be given. At an adjourned General Meeting, shareholders present in person or by proxy will form a quorum.

### Website address

2. Information regarding the General Meeting is available from <https://www.mercpl.com>.

### Entitlement to attend, vote and speak

3. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 23 June 2023 shall be entitled to attend, vote and speak at the General Meeting.
4. To comply with the Takeover Code, resolution 1 will be taken on a poll of the Independent Shareholders (as such term is defined in the Circular). Shareholders which are participating in the Placing or the Subscription (as such terms are defined in the Circular) will not be entitled to vote on resolution 1.
5. We will not be providing a paper Form of Proxy. Those members entitled to attend, speak and vote at the General Meeting are now able to vote online by logging on to <https://www.signalshares.com> and following the instructions to be effective, the proxy vote must be submitted at <https://www.signalshares.com> so as to have been received by the Registrars before the time appointed for the General Meeting or any adjournment of it. By registering on the Signalshares portal at <https://www.signalshares.com>, you can manage your shareholding, including:
  - cast your vote;
  - change your dividend payment instruction;
  - update your address; and
  - select your communication preference.

### Appointment of Proxies

6. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder.
  - 6.1 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).
  - 6.2 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the General Meeting.

### **Appointment of Proxy using Hard Copy Form**

7. You may request a hard copy Form of Proxy directly from the Registrars, Link Group, on tel: 0371 664 0300 or from overseas call +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales).
8. The Form of Proxy and any power of attorney or other authority under which the Form of Proxy is signed (or a notarially certified copy or other copy certified in some other way approved by the Directors) under which it is executed must be received by Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom by 11.00 a.m. on 23 June 2023 in respect of the General Meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Link Group no later than 48 hours (excluding days which are not working days) before the rescheduled General Meeting.

### **Appointment of Proxy via CREST**

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00 a.m. on 23 June 2023. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their 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 sponsors or voting system providers 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 34(1) of the Uncertificated Securities (Guernsey) Regulations 2009.

### **Termination of proxy appointments**

12. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom.

In the case of a shareholder which is an individual the revocation notice should be executed under the hand of the appointer or of their attorney duly appointed authorised in writing or in the case of a shareholder which is a company, the revocation should be executed under its common seal or under the hand of an officer or attorney duly authorised in that regard. Any

power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy or other copy certified in some other way approved by the Directors) must be included with the revocation notice.

If you attempt to revoke your proxy appointment but the revocation is received after the time of the General Meeting or the taking of the vote at which the proxy is used, then, subject to the paragraph directly below, your proxy will remain valid.

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

If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will be automatically terminated.

### **Effective constitution**

13. To allow effective constitutional of the General Meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in their stead for any other Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

### **Issued Ordinary Shares and total voting rights**

14. The total number of Ordinary Shares in issue in the Company at the date of this notice is 41,499,699 Ordinary Shares.

On a vote by a show of hands, every holder of Ordinary Shares who is present in person or by proxy shall have one vote. On a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for each Ordinary Share held by them.

### **Communication**

15. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- calling the Registrars' shareholder helpline (lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays):
  - (i) *from the UK: 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider); and*
  - (ii) *from outside the UK: +44 (0) 371 664 0300 (outside the United Kingdom will be charged at the applicable international rate); or*
- in writing to Link Group at PXS 1, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom.

You may not use any electronic address provided either:

- in this Notice of General Meeting; or
- any related documents (including the Form of Proxy for the General Meeting),

to communicate with the Company for any purposes other than those expressly stated.







The Directors  
Mercantile Ports & Logistics Limited  
Beauvoir Trust Limited  
1st Floor, Tudor House  
Le Bordage Road  
Guernsey GY1 1DB

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Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London EC2R 7AS

T 020 7397 8900  
F 020 7397 8901

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9 June 2023

Dear Sirs,

**Mercantile Ports & Logistics Limited (the “Company”) – Circular re: Takeover Panel Rule 9 waiver (the “Circular”)**

We, Cenkos Securities plc, give our consent to the issue by the Company of the “Circular”, expected to be dated on or around 9 June 2023, with the inclusion of our name and the references to it in the form and context in which they appear.

Yours sincerely

Stephen Keys

.....  
For and on behalf of Cenkos Securities plc

Jay Mehta



Mercantile Ports & Logistics Limited  
1<sup>st</sup> Floor, Tudor House,  
Le Bordage Road,  
Guernsey GY1 1DB

8 June 2023

Dear Sirs / Madams

## 1 INTRODUCTION

- 1.1 I, Jay Mehta (the "**Undertaking Party**", and "I" and "my" shall be construed accordingly) am an individual shareholder of Mercantile Ports & Logistics Limited (the "**Company**"). I refer to the proposed fundraising of up to £10,050,000 (before expenses) and the issue of up to 335,000,000 new ordinary shares ("**Ordinary Shares**") of no par value each in the Company (the "**Equity Fundraising**"), set out in the draft shareholder circular attached to this letter (the "**Undertaking**") at appendix 2 (the "**Circular**"), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the "**Code**"), the Panel on Takeovers and Mergers (the "**Panel**"), the directors of the Company (the "**Directors**"), the AIM Rules for Companies as published by London Stock Exchange plc and any applicable law or regulation.
- 1.2 Terms defined in the Circular shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 I understand that the Equity Fundraising will be explained in the Circular to be sent to shareholders of the Company ("**Shareholders**"). The Circular contains a notice to Shareholders ("**Notice**") convening a general meeting of the Company ("**GM**") to consider and if thought fit, pass ordinary and special resolutions: (1) to approve the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Hunch Ventures, Karanpal Singh and Amit Dutta (the "**Hunch Concert Party**") to make a general offer to Shareholders for the Company under Rule 9 of the Takeover Code (the "**Rule 9 Waiver**"); (2) to grant to the Directors the authority to issue the new Ordinary Shares in connection with the Equity Fundraising; and (3) to disapply pre-emption rights set out in the articles of incorporation of the Company in respect of such new Ordinary Shares (the "**Resolutions**").
- 1.4 I further understand, as detailed in the Circular, that:
- 1.4.1 the Equity Fundraising is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting (including the approval of the Rule 9 Waiver);
- 1.4.2 the Company has consulted the Panel, and the Panel has agreed, pursuant to the Rule 9 Waiver, to waive the requirement for the Hunch Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for ordinary shares of no par value each ("**Ordinary Shares**") in the Company which might otherwise arise as a result of the issue and allotment of the new ordinary shares issued by the Company to Hunch Ventures as part of the Equity Fundraising; and
- 1.4.3 the Rule 9 Waiver is subject to the resolution approving the Rule 9 Waiver being passed on a poll of independent Shareholders, meaning Shareholders who are not participating in the Placing or the Subscription (the "**Independent Shareholders**") (the "**Rule 9 Waiver Resolution**").

- 1.5 I am participating in the Subscription and therefore I am not an Independent Shareholder for the purposes of the Rule 9 Waiver Resolution and I will not be entitled to vote on the Rule 9 Waiver Resolution.
- 1.6 As detailed in the Circular, the Equity Fundraising is to be effected by way of:
- 1.6.1 the conditional placing of 100,000,000 new Ordinary Shares to new and existing institutional investors at the issue price of 3 pence per new Ordinary Share (the "**Issue Price**") to raise £3,000,000 (before expenses);
- 1.6.2 a conditional subscription of 195,000,000 new Ordinary Shares by Hunch Ventures, Sapphire Pacific Fze, Trans Global LLC and Jay Mehta at the Issue Price to raise £5,850,000 (before expenses); and
- 1.6.3 a retail offer to retail Shareholders using the BookBuild platform of up to 40,000,000 new Ordinary Shares at the Issue Price to raise up to £1,200,000 (before expenses).
- 1.7 I am beneficially interested in 205,780 Ordinary Shares (the "**Shares**"). I confirm that the Shares are all the shares in the Company in which I have an interest ("**interest**" having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 - 825 of the UK Companies Act 2006). Details of my current holdings are set out in appendix 1 to this Undertaking.
- 1.8 I am able and have any relevant rights, power and authority, and have obtained any necessary authorisations, approvals, consents and licences required by me (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## **2 UNDERTAKING TO SUPPORT THE RESOLUTIONS**

- 2.1 I hereby undertake to the Company that:
- (a) I shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the GM in favour of the Resolutions (other than the Rule 9 Waiver Resolution) and against any resolution or proposal to adjourn the GM;
- (b) I shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the Circular containing, *inter alia*, the notice of GM (and without prejudice to any right to attend and vote in person at the GM), either vote online or request and return a paper form of proxy in accordance with the instructions in the Circular (in each case voting in favour of the Resolutions (other than the Rule 9 Waiver Resolution)), as soon as possible and in any event within seven days after publication of the Circular;
- (c) I shall not revoke the terms of any online vote or proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or otherwise; and
- (d) I also undertake to procure that any registered holder of Ordinary Shares which are beneficially owned by myself signs and delivers to the Company an irrevocable undertaking in a form similar to this Undertaking.
- 2.2 By way of security for my obligations under this Undertaking I irrevocably appoint, severally the Company and any director of the Company to be my attorney to carry out in my name and on my behalf all or any of the actions specified in paragraph 2.1 above to the extent that I fail to comply with any of my obligations, and to sign, execute and deliver any documents, if relevant and do all acts and things in my name and on my behalf as may be necessary for or incidental to the actions specified in paragraph 2.1 and I irrevocably undertake to ratify and confirm whatever my attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.

- 2.3 My obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):
- (a) if the Circular in final form is not published by 31 August 2023; or
  - (b) if the GM is not held by 31 December 2023 (unless postponed or adjourned by the Company with the consent of Cenkos Securities).
- 2.4 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of any applicable law or regulation) nothing in this Undertaking shall oblige the Company to announce the Equity Fundraising, publish the Circular, or, if announced, to proceed with the Equity Fundraising.
- 2.5 I agree that, if I should fail to act in accordance with my obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 OTHER ACTION IN RELATION TO THE EQUITY FUNDRAISING AND RULE 9 WAIVER**

- 3.1 I agree:
- 3.2 not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission; and
- 3.3 to use my best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission.

### **4 CONSENT**

- 4.1 I consent to the inclusion of references to me and the registered holder of any of the Shares and particulars of this Undertaking and my holdings of relevant securities being included in the Announcement, the Circular and any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising.

### **5 SECRECY AND PUBLICITY**

- 5.1 I understand that until such time as the Equity Fundraising is announced, the information I have received from you in connection with the Equity Fundraising must be kept confidential. I undertake not to disclose to any third party (other than to my professional advisers):
- 5.2 the existence or subject matter of this Undertaking or the possibility of the Equity Fundraising and/or its proposed terms; or
- 5.3 details of our discussions relating to the Equity Fundraising (whether before or after the release of the Announcement),
- 5.4 except in each case to the extent that such matters have been made public through the issue of the Announcement, the Circular or any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising. The obligations in this paragraph 5 shall survive termination of this Undertaking.
- 5.5 I will comply with my obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310) ("UK MAR") and the Criminal Justice Act 1993 (the "CJA") in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to

engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

**6 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

**7 STATUS OF UNDERTAKING**

This Undertaking shall be legally binding on me and on my personal representatives.

**8 WARRANTY**

I warrant that:

- (a) I have been given a realistic opportunity to consider whether or not I should give this Undertaking;
- (b) I have received independent professional advice about the nature of this Undertaking; and
- (c) I have full power and authority to enter into this Undertaking and to perform my obligations contained in paragraph 2.

**9 NOTICES**

9.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given to the Company at its registered office or by email to jay@mercpl.com.

9.2 A communication sent according to paragraph 9.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 9.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

**10 GOVERNING LAW**

This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

**11 DISPUTE RESOLUTION**

11.1 Any dispute or claim arising out of or in connection with this Undertaking, including any question regarding its existence, validity or termination and any non-contractual claims, shall be referred to and finally resolved by arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.

11.2 The number of arbitrators shall be one.

- 11.3 The seat, or legal place, of arbitration shall be London.
- 11.4 The Parties expressly agree to exclude the application of Part I of The Arbitration and Conciliation Act 1996, as amended.
- 11.5 The language to be used in the arbitral proceedings shall be English.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

**EXECUTED** and **DELIVERED** as a **DEED** by )  
**JAY MEHTA**, in the presence of: )

)

Name of Witness

[Redacted]

[Redacted]

Signature of Witness:

[Redacted]

Address:

[Redacted]

Occupation:

[Redacted]

**APPENDIX 1  
Shares to which this deed relates**

The following represent my current holdings in the Company (and those of my spouse, minor children and related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/warrant	Registered holder*	Beneficial owner*
205,780 ordinary shares of no par value	Nil	<hr/> <hr/> <hr/> <hr/>	Jay Mehta

\* Where more than one, indicate number of shares attributable to each



**APPENDIX 2**  
**The Circular**

Hunch Ventures and Investment Private Limited  
5 Ground Floor  
Plot No. 09 Copia Corporate Suites  
Jasola New Delhi  
South Delhi DL 110044  
India

Mercantile Ports & Logistics Limited  
1<sup>st</sup> Floor, Tudor House,  
Le Bordage Road,  
Guernsey GY1 1DB

8 June 2023

Dear Sirs / Madams:

## 1 INTRODUCTION

- 1.1 We, Hunch Ventures and Investment Private Limited ("**Hunch Ventures**", and "**we**", "**us**" and "**our**" shall be construed accordingly), a company incorporated in India, with company registration number 289161 and whose registered office is at 5 Ground Floor, Plot No. 09 Copia Corporate Suites, Jasola New Delhi, South Delhi DL 110044, India (the "**Undertaking Party**"), are a shareholder of Mercantile Ports & Logistics Limited (the "**Company**"). We refer to the proposed fundraising of up to £10,050,000 (before expenses) and the issue of up to 335,000,000 new ordinary shares ("**Ordinary Shares**") of no par value each in the Company (the "**Equity Fundraising**"), set out in the draft shareholder circular attached to this letter (the "**Undertaking**") at appendix 2 (the "**Circular**"), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the "**Code**"), the Panel on Takeovers and Mergers (the "**Panel**"), the directors of the Company (the "**Directors**"), the AIM Rules for Companies as published by London Stock Exchange plc and any applicable law or regulation.
- 1.2 Terms defined in the Circular shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 We understand that the Equity Fundraising will be explained in the Circular to be sent to shareholders of the Company ("**Shareholders**"). The Circular contains a notice to Shareholders ("**Notice**") convening a general meeting of the Company ("**GM**") to consider and if thought fit, pass ordinary and special resolutions: (1) to approve the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Hunch Ventures, Karanpal Singh and Amit Dutta (the "**Hunch Concert Party**") to make a general offer to Shareholders for the Company under Rule 9 of the Takeover Code (the "**Rule 9 Waiver**"); (2) to grant to the Directors the authority to issue the new Ordinary Shares in connection with the Equity Fundraising; and (3) to disapply pre-emption rights set out in the articles of incorporation of the Company in respect of such new Ordinary Shares (the "**Resolutions**").
- 1.4 We further understand, as detailed in the Circular, that:
- 1.4.1 the Equity Fundraising is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting (including the approval of the Rule 9 Waiver);
- 1.4.2 the Company has consulted the Panel, and the Panel has agreed, pursuant to the Rule 9 Waiver, to waive the requirement for the Hunch Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for ordinary shares of no par value each ("**Ordinary Shares**") in the Company which might otherwise arise as a result of the issue and allotment of the new ordinary shares issued by the Company to Hunch Ventures as part of the Equity Fundraising;
- 1.4.3 the Rule 9 Waiver is subject to the resolution approving the Rule 9 Waiver being passed on a poll of independent Shareholders, meaning Shareholders who are not participating in the

Placing or the Subscription (the "**Independent Shareholders**") (the "**Rule 9 Waiver Resolution**"); and

- 1.4.4 Hunch Ventures is not an Independent Shareholder for the purposes of the Rule 9 Waiver Resolution and, therefore, Hunch Ventures will not be entitled to vote on the Rule 9 Waiver Resolution.
- 1.5 As detailed in the Circular, the Equity Fundraising is to be effected by way of:
  - 1.5.1 the conditional placing of 100,000,000 new Ordinary Shares to new and existing institutional investors at the issue price of 3 pence per new Ordinary Share (the "**Issue Price**") to raise £3,000,000 (before expenses);
  - 1.5.2 a conditional subscription of 195,000,000 new Ordinary Shares by Hunch Ventures, Sapphire Pacific Fze, Trans Global LLC and Jay Mehta at the Issue Price to raise £5,850,000 (before expenses); and
  - 1.5.3 a retail offer to retail Shareholders using the BookBuild platform of up to 40,000,000 new Ordinary Shares at the Issue Price to raise up to £1,200,000 (before expenses).
- 1.6 We are the registered holder of 11,819,712 Ordinary Shares (the "**Shares**"). We confirm that the Shares are all the shares in the Company in which we have an interest ("**interest**" having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 – 825 of the UK Companies Act 2006). Details of our current holdings are set out in the Schedule to this Undertaking.
- 1.7 We are able and have any relevant rights, power and authority, and have obtained any necessary authorisations, approvals, consents and licences required by us (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## **2 UNDERTAKING TO SUPPORT THE RESOLUTIONS**

- 2.1 We hereby undertake to the Company that:
  - (a) We shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the GM in favour of the Resolutions (other than the Rule 9 Waiver Resolution) and against any resolution or proposal to adjourn the GM;
  - (b) we shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the Circular containing, *inter alia*, the notice of GM (and without prejudice to any right to attend and vote in person at the GM), either vote online or request and return a paper form of proxy in accordance with the instructions in the Circular (in each case voting in favour of the Resolutions (other than the Rule 9 Waiver Resolution)), as soon as possible and in any event within seven days after publication of the Circular;
  - (c) we shall not revoke the terms of any online vote or proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or otherwise; and
  - (d) we also undertake to procure that any registered holder of Ordinary Shares which are beneficially owned by us signs and delivers to the Company an irrevocable undertaking in a form similar to this Undertaking.
- 2.2 By way of security for our obligations under this Undertaking we irrevocably appoint, severally the Company and any director of the Company to be our attorney to carry out in our name and on our behalf all or any of the actions specified in paragraph 2.1 above to the extent that we fail to comply with any of our obligations, and to sign, execute and deliver any documents, if relevant and do all acts and things in our name and on our behalf as may be necessary for or incidental to the actions specified in paragraph 2.1 and we irrevocably undertake to ratify

and confirm whatever our attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.

2.3 Our obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):

- (a) if the Circular in final form is not published by 31 August 2023; or
- (b) if the GM is not held by 31 December 2023 (unless postponed or adjourned by the Company with the consent of Cenkos Securities).

2.4 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of any applicable law or regulation) nothing in this Undertaking shall oblige the Company to announce the Equity Fundraising, publish the Circular, or, if announced, to proceed with the Equity Fundraising.

2.5 We agree that, if we should fail to act in accordance with our obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 OTHER ACTION IN RELATION TO THE EQUITY FUNDRAISING AND RULE 9 WAIVER**

We agree:

- (a) not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission; and
- (b) to use our best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission.

### **4 CONSENT**

We consent to the inclusion of references to us and the registered holder of any of the Shares and particulars of this Undertaking and our holdings of relevant securities being included in the Announcement, the Circular and any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising.

### **5 SECRECY AND PUBLICITY**

5.1 We understand that until such time as the Equity Fundraising is announced, the information we have received from you in connection with the Equity Fundraising must be kept confidential. We undertake not to disclose to any third party (other than to our professional advisers):

- (a) the existence or subject matter of this Undertaking or the possibility of the Equity Fundraising and/or its proposed terms; or
- (b) details of our discussions relating to the Equity Fundraising (whether before or after the release of the Announcement),

except in each case to the extent that such matters have been made public through the issue of the Announcement, the Circular or any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising. The obligations in this paragraph 5 shall survive termination of this Undertaking.

- 5.2 We will comply with our obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (*S/2019/310*) ("**UK MAR**") and the Criminal Justice Act 1993 (the "**CJA**") in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

## **6 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

## **7 STATUS OF UNDERTAKING**

This Undertaking shall be legally binding on Hunch Ventures.

## **8 WARRANTY**

We warrant that:

- (a) we have been given a realistic opportunity to consider whether or not we should give this Undertaking;
- (b) we have received independent professional advice about the nature of this Undertaking; and
- (c) we have full power and authority to enter into this Undertaking and to perform our obligations contained in paragraph 2.

## **9 NOTICES**

9.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given to the Company at its registered office or by email to [jay@mercpl.com](mailto:jay@mercpl.com).

9.2 A communication sent according to paragraph **Error! Reference source not found.** shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 9.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

## **10 GOVERNING LAW**

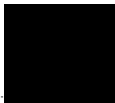
This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

**11 DISPUTE RESOLUTION**

- 11.1 Any dispute or claim arising out of or in connection with this Undertaking, including any question regarding its existence, validity or termination and any non-contractual claims, shall be referred to and finally resolved by arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.
- 11.2 The number of arbitrators shall be one.
- 11.3 The seat, or legal place, of arbitration shall be London.
- 11.4 The Parties expressly agree to exclude the application of Part I of The Arbitration and Conciliation Act 1996, as amended.
- 11.5 The language to be used in the arbitral proceedings shall be English.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

**EXECUTED and DELIVERED as a DEED by )**  
**HUNCH VENTURES AND INVESTMENT )**  
**PRIVATE LIMITED, acting by KARANPAL )**  
**SINGH, a director, in the presence of:**



Name of Witness  \_\_\_\_\_

Signature of Witness:  \_\_\_\_\_

Address:  \_\_\_\_\_

Occupation:  \_\_\_\_\_

**APPENDIX 1**  
**Shares to which this deed relates**

The following represent our current holdings in the Company (and those of related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/ warrant	Registered holder*	Beneficial owner*
11,819,712 ordinary shares of no par value	Nil	Hunch Ventures and Investment Private Limited	Hunch Ventures and Investment Private Limited

\* Where more than one, indicate number of shares attributable to each

**APPENDIX 2**  
**The Circular**



Mercantile Ports & Logistics Limited  
1<sup>st</sup> Floor, Tudor House,  
Le Bordage Road,  
Guernsey GY1 1DB

8 June 2023

Dear Sirs / Madams

## 1 INTRODUCTION

- 1.1 I, Jeremy Warner Allen (the "**Undertaking Party**", and "**I**" and "**my**" shall be construed accordingly) am an individual shareholder of Mercantile Ports & Logistics Limited (the "**Company**"). I refer to the proposed fundraising of up to £10,050,000 (before expenses) and the issue of up to 335,000,000 new ordinary shares ("**Ordinary Shares**") of no par value each in the Company (the "**Equity Fundraising**"), set out in the draft shareholder circular attached to this letter (the "**Undertaking**") at appendix 2 (the "**Circular**"), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the "**Code**"), the Panel on Takeovers and Mergers (the "**Panel**"), the directors of the Company (the "**Directors**"), the AIM Rules for Companies as published by London Stock Exchange plc and any applicable law or regulation.
- 1.2 Terms defined in the Circular shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 I understand that the Equity Fundraising will be explained in the Circular to be sent to shareholders of the Company ("**Shareholders**"). The Circular contains a notice to Shareholders ("**Notice**") convening a general meeting of the Company ("**GM**") to consider and if thought fit, pass ordinary and special resolutions: (1) to approve the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Hunch Ventures, Karanpal Singh and Amit Dutta (the "**Hunch Concert Party**") to make a general offer to Shareholders for the Company under Rule 9 of the Takeover Code (the "**Rule 9 Waiver**"); (2) to grant to the Directors the authority to issue the new Ordinary Shares in connection with the Equity Fundraising; and (3) to disapply pre-emption rights set out in the articles of incorporation of the Company in respect of such new Ordinary Shares (the "**Resolutions**").
- 1.4 I further understand, as detailed in the Circular, that:
- 1.4.1 the Equity Fundraising is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting (including the approval of the Rule 9 Waiver);
- 1.4.2 the Company has consulted the Panel, and the Panel has agreed, pursuant to the Rule 9 Waiver, to waive the requirement for the Hunch Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for ordinary shares of no par value each ("**Ordinary Shares**") in the Company which might otherwise arise as a result of the issue and allotment of the new ordinary shares issued by the Company to Hunch Ventures as part of the Equity Fundraising; and
- 1.4.3 the Rule 9 Waiver is subject to the resolution approving the Rule 9 Waiver being passed on a poll of independent Shareholders, meaning Shareholders who are not participating in the Placing or the Subscription (the "**Independent Shareholders**") (the "**Rule 9 Waiver Resolution**").
- 1.5 I am participating in the Placing and therefore I am not an Independent Shareholder for the purposes of the Rule 9 Waiver Resolution and I will not be entitled to vote on the Rule 9 Waiver Resolution.

- 1.6 As detailed in the Circular, the Equity Fundraising is to be effected by way of:
- 1.7 the conditional placing of 100,000,000 new Ordinary Shares to new and existing institutional investors at the issue price of 3 pence per new Ordinary Share (the "**Issue Price**") to raise £3,000,000 (before expenses);
- 1.8 a conditional subscription of 195,000,000 new Ordinary Shares by Hunch Ventures, Sapphire Pacific Fze, Trans Global LLC and Jay Mehta at the Issue Price to raise £5,850,000 (before expenses); and
- 1.9 a retail offer to retail Shareholders using the BookBuild platform of up to 40,000,000 new Ordinary Shares at the Issue Price to raise up to £1,200,000 (before expenses).
- 1.10 I am beneficially interested in 519,545 Ordinary Shares (the "**Shares**"). I confirm that the Shares are all the shares in the Company in which I have an interest ("**interest**" having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 - 825 of the UK Companies Act 2006). Details of my current holdings are set out in appendix 1 to this Undertaking.
- 1.11 I am able and have any relevant rights, power and authority, and have obtained any necessary authorisations, approvals, consents and licences required by me (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## **2 UNDERTAKING TO SUPPORT THE RESOLUTIONS**

- 2.1 I hereby undertake to the Company that:
- (a) I shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the GM in favour of the Resolutions (other than the Rule 9 Waiver Resolution) and against any resolution or proposal to adjourn the GM;
- (b) I shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the Circular containing, *inter alia*, the notice of GM (and without prejudice to any right to attend and vote in person at the GM), either vote online or request and return a paper form of proxy in accordance with the instructions in the Circular (in each case voting in favour of the Resolutions (other than the Rule 9 Waiver Resolution)), as soon as possible and in any event within seven days after publication of the Circular;
- (c) I shall not revoke the terms of any online vote or proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or otherwise; and
- (d) I also undertake to procure that any registered holder of Ordinary Shares which are beneficially owned by myself signs and delivers to the Company an irrevocable undertaking in a form similar to this Undertaking.
- 2.2 By way of security for my obligations under this Undertaking I irrevocably appoint, severally the Company and any director of the Company to be my attorney to carry out in my name and on my behalf all or any of the actions specified in paragraph 2.1 above to the extent that I fail to comply with any of my obligations, and to sign, execute and deliver any documents, if relevant and do all acts and things in my name and on my behalf as may be necessary for or incidental to the actions specified in paragraph 2.1 and I irrevocably undertake to ratify and confirm whatever my attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.
- 2.3 My obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):
- (a) if the Circular in final form is not published by 31 August 2023; or

(b) if the GM is not held by 31 December 2023 (unless postponed or adjourned by the Company with the consent of Cenkos Securities).

2.4 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of any applicable law or regulation) nothing in this Undertaking shall oblige the Company to announce the Equity Fundraising, publish the Circular, or, if announced, to proceed with the Equity Fundraising.

2.5 I agree that, if I should fail to act in accordance with my obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 OTHER ACTION IN RELATION TO THE EQUITY FUNDRAISING AND RULE 9 WAIVER**

3.1 I agree:

3.2 not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission; and

3.3 to use my best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission.

### **4 CONSENT**

4.1 I consent to the inclusion of references to me and the registered holder of any of the Shares and particulars of this Undertaking and my holdings of relevant securities being included in the Announcement, the Circular and any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising.

### **5 SECRECY AND PUBLICITY**

5.1 I understand that until such time as the Equity Fundraising is announced, the information I have received from you in connection with the Equity Fundraising must be kept confidential. I undertake not to disclose to any third party (other than to my professional advisers):

5.2 the existence or subject matter of this Undertaking or the possibility of the Equity Fundraising and/or its proposed terms; or

5.3 details of our discussions relating to the Equity Fundraising (whether before or after the release of the Announcement),

5.4 except in each case to the extent that such matters have been made public through the issue of the Announcement, the Circular or any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising. The obligations in this paragraph 5 shall survive termination of this Undertaking.

5.5 I will comply with my obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310) ("UK MAR") and the Criminal Justice Act 1993 (the "CJA") in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

**6 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

**7 STATUS OF UNDERTAKING**

This Undertaking shall be legally binding on me and on my personal representatives.

**8 WARRANTY**

I warrant that:

- (a) I have been given a realistic opportunity to consider whether or not I should give this Undertaking;
- (b) I have received independent professional advice about the nature of this Undertaking; and
- (c) I have full power and authority to enter into this Undertaking and to perform my obligations contained in paragraph 2.

**9 NOTICES**

9.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given to the Company at its registered office or by email to [jay@mercpl.com](mailto:jay@mercpl.com).

9.2 A communication sent according to paragraph 9.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 9.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

**10 GOVERNING LAW**

This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

**11 DISPUTE RESOLUTION**

11.1 Any dispute or claim arising out of or in connection with this Undertaking, including any question regarding its existence, validity or termination and any non-contractual claims, shall be referred to and finally resolved by arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.

11.2 The number of arbitrators shall be one.

11.3 The seat, or legal place, of arbitration shall be London.

- 11.4 The Parties expressly agree to exclude the application of Part I of The Arbitration and Conciliation Act 1996, as amended.
- 11.5 The language to be used in the arbitral proceedings shall be English.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

**EXECUTED** and **DELIVERED** as a **DEED** by ) [REDACTED]  
**JEREMY WARNER ALLEN**, in the presence of: ) [REDACTED]  
)

Name of Witness [REDACTED]

Signature of Witness: [REDACTED]


Address: [REDACTED]

[REDACTED]

Occupation: [REDACTED]

**APPENDIX 1**  
**Shares to which this deed relates**

The following represent my current holdings in the Company (and those of my spouse, minor children and related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/ warrant	Registered holder*	Beneficial owner*
519,545 ordinary shares of no par value	Nil		Jeremy Warner Allen

\* Where more than one, indicate number of shares attributable to each

**APPENDIX 2**  
**The Circular**





Lord Howard Flight

Mercantile Ports & Logistics Limited  
1<sup>st</sup> Floor, Tudor House,  
Le Bordage Road,  
Guernsey GY1 1DB

8 June 2023

Dear Sirs / Madams

## 1 INTRODUCTION

- 1.1 I, Lord Howard Flight (the "**Undertaking Party**", and "I" and "my" shall be construed accordingly) am an individual shareholder of Mercantile Ports & Logistics Limited (the "**Company**"). I refer to the proposed fundraising of up to £10,050,000 (before expenses) and the issue of up to 335,000,000 new ordinary shares ("**Ordinary Shares**") of no par value each in the Company (the "**Equity Fundraising**"), set out in the draft shareholder circular attached to this letter (the "**Undertaking**") at appendix 2 (the "**Circular**"), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the "**Code**"), the Panel on Takeovers and Mergers (the "**Panel**"), the directors of the Company (the "**Directors**"), the AIM Rules for Companies as published by London Stock Exchange plc and any applicable law or regulation.
- 1.2 Terms defined in the Circular shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 I understand that the Equity Fundraising will be explained in the Circular to be sent to shareholders of the Company ("**Shareholders**"). The Circular contains a notice to Shareholders ("**Notice**") convening a general meeting of the Company ("**GM**") to consider and if thought fit, pass ordinary and special resolutions: (1) to approve the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Hunch Ventures, Karanpal Singh and Amit Dutta (the "**Hunch Concert Party**") to make a general offer to Shareholders for the Company under Rule 9 of the Takeover Code (the "**Rule 9 Waiver**"); (2) to grant to the Directors the authority to issue the new Ordinary Shares in connection with the Equity Fundraising; and (3) to disapply pre-emption rights set out in the articles of incorporation of the Company in respect of such new Ordinary Shares (the "**Resolutions**").
- 1.4 I further understand, as detailed in the Circular, that:
- 1.4.1 the Equity Fundraising is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting (including the approval of the Rule 9 Waiver);
- 1.4.2 the Company has consulted the Panel, and the Panel has agreed, pursuant to the Rule 9 Waiver, to waive the requirement for the Hunch Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for ordinary shares of no par value each ("**Ordinary Shares**") in the Company which might otherwise arise as a result of the issue and allotment of the new ordinary shares issued by the Company to Hunch Ventures as part of the Equity Fundraising; and
- 1.4.3 the Rule 9 Waiver is subject to the resolution approving the Rule 9 Waiver being passed on a poll of independent Shareholders, meaning Shareholders who are not participating in the Placing or the Subscription (the "**Independent Shareholders**") (the "**Rule 9 Waiver Resolution**").
- 1.5 I am participating in the Placing and therefore I am not an Independent Shareholder for the purposes of the Rule 9 Waiver Resolution and I will not be entitled to vote on the Rule 9 Waiver Resolution.

- 1.6 As detailed in the Circular, the Equity Fundraising is to be effected by way of:
- 1.6.1 the conditional placing of 100,000,000 new Ordinary Shares to new and existing institutional investors at the issue price of 3 pence per new Ordinary Share (the "**Issue Price**") to raise £3,000,000 (before expenses);
- 1.6.2 a conditional subscription of 195,000,000 new Ordinary Shares by Hunch Ventures, Sapphire Pacific Fze, Trans Global LLC and Jay Mehta at the Issue Price to raise £5,850,000 (before expenses); and
- 1.6.3 a retail offer to retail Shareholders using the BookBuild platform of up to 40,000,000 new Ordinary Shares at the Issue Price to raise up to £1,200,000 (before expenses).
- 1.7 I am beneficially interested in 230,538 Ordinary Shares (the "**Shares**"). I confirm that the Shares are all the shares in the Company in which I have an interest ("**interest**" having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 - 825 of the UK Companies Act 2006). Details of my current holdings are set out in appendix 1 to this Undertaking.
- 1.8 I am able and have any relevant rights, power and authority, and have obtained any necessary authorisations, approvals, consents and licences required by me (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## **2 UNDERTAKING TO SUPPORT THE RESOLUTIONS**

- 2.1 I hereby undertake to the Company that:
- (a) I shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the GM in favour of the Resolutions (other than the Rule 9 Waiver Resolution) and against any resolution or proposal to adjourn the GM;
- (b) I shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the Circular containing, *inter alia*, the notice of GM (and without prejudice to any right to attend and vote in person at the GM), either vote online or request and return a paper form of proxy in accordance with the instructions in the Circular (in each case voting in favour of the Resolutions (other than the Rule 9 Waiver Resolution)), as soon as possible and in any event within seven days after publication of the Circular;
- (c) I shall not revoke the terms of any online vote or proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or otherwise; and
- (d) I also undertake to procure that any registered holder of Ordinary Shares which are beneficially owned by myself signs and delivers to the Company an irrevocable undertaking in a form similar to this Undertaking.
- 2.2 By way of security for my obligations under this Undertaking I irrevocably appoint, severally the Company and any director of the Company to be my attorney to carry out in my name and on my behalf all or any of the actions specified in paragraph 2.1 above to the extent that I fail to comply with any of my obligations, and to sign, execute and deliver any documents, if relevant and do all acts and things in my name and on my behalf as may be necessary for or incidental to the actions specified in paragraph 2.1 and I irrevocably undertake to ratify and confirm whatever my attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.
- 2.3 My obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):
- (a) if the Circular in final form is not published by 31 August 2023; or

(b) if the GM is not held by 31 December 2023 (unless postponed or adjourned by the Company with the consent of Cenkos Securities).

2.4 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of any applicable law or regulation) nothing in this Undertaking shall oblige the Company to announce the Equity Fundraising, publish the Circular, or, if announced, to proceed with the Equity Fundraising.

2.5 I agree that, if I should fail to act in accordance with my obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 OTHER ACTION IN RELATION TO THE EQUITY FUNDRAISING AND RULE 9 WAIVER**

3.1 I agree:

3.2 not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission; and

3.3 to use my best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission.

### **4 CONSENT**

4.1 I consent to the inclusion of references to me and the registered holder of any of the Shares and particulars of this Undertaking and my holdings of relevant securities being included in the Announcement, the Circular and any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising.

### **5 SECRECY AND PUBLICITY**

5.1 I understand that until such time as the Equity Fundraising is announced, the information I have received from you in connection with the Equity Fundraising must be kept confidential. I undertake not to disclose to any third party (other than to my professional advisers):

5.2 the existence or subject matter of this Undertaking or the possibility of the Equity Fundraising and/or its proposed terms; or

5.3 details of our discussions relating to the Equity Fundraising (whether before or after the release of the Announcement),

5.4 except in each case to the extent that such matters have been made public through the issue of the Announcement, the Circular or any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising. The obligations in this paragraph 5 shall survive termination of this Undertaking.

5.5 I will comply with my obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310) ("UK MAR") and the Criminal Justice Act 1993 (the "CJA") in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

**6 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

**7 STATUS OF UNDERTAKING**

This Undertaking shall be legally binding on me and on my personal representatives.

**8 WARRANTY**

I warrant that:

- (a) I have been given a realistic opportunity to consider whether or not I should give this Undertaking;
- (b) I have received independent professional advice about the nature of this Undertaking; and
- (c) I have full power and authority to enter into this Undertaking and to perform my obligations contained in paragraph 2.

**9 NOTICES**

9.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given to the Company at its registered office or by email to [jay@mercpl.com](mailto:jay@mercpl.com).

9.2 A communication sent according to paragraph 9.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 9.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

**10 GOVERNING LAW**

This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

**11 DISPUTE RESOLUTION**

- 11.1 Any dispute or claim arising out of or in connection with this Undertaking, including any question regarding its existence, validity or termination and any non-contractual claims, shall be referred to and finally resolved by arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.
- 11.2 The number of arbitrators shall be one.
- 11.3 The seat, or legal place, of arbitration shall be London.

- 11.4 The Parties expressly agree to exclude the application of Part I of The Arbitration and Conciliation Act 1996, as amended.
- 11.5 The language to be used in the arbitral proceedings shall be English.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

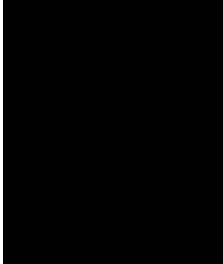
**EXECUTED** and **DELIVERED** as a **DEED** by )  
**LORD HOWARD FLIGHT**, in the presence of: )  
)



Name of Witness



Signature of Witness:



Address:

Occupation:

**APPENDIX 1**  
**Shares to which this deed relates**

The following represent my current holdings in the Company (and those of my spouse, minor children and related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/ warrant	Registered holder*	Beneficial owner*
230,538 ordinary shares of no par value	Nil	Raymond James	Lord Howard Flight
		_____	
		_____	
		_____	

\* Where more than one, indicate number of shares attributable to each

**APPENDIX 2**  
**The Circular**



John Fitzgerald

Mercantile Ports & Logistics Limited  
1<sup>st</sup> Floor, Tudor House,  
Le Bordage Road,  
Guernsey GY1 1DB

8 June 2023

Dear Sirs / Madams

## 1 INTRODUCTION

- 1.1 I, John Fitzgerald (the "**Undertaking Party**", and "I" and "my" shall be construed accordingly) am an individual shareholder of Mercantile Ports & Logistics Limited (the "**Company**"). I refer to the proposed fundraising of up to £10,050,000 (before expenses) and the issue of up to 335,000,000 new ordinary shares ("**Ordinary Shares**") of no par value each in the Company (the "**Equity Fundraising**"), set out in the draft shareholder circular attached to this letter (the "**Undertaking**") at appendix 2 (the "**Circular**"), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the "**Code**"), the Panel on Takeovers and Mergers (the "**Panel**"), the directors of the Company (the "**Directors**"), the AIM Rules for Companies as published by London Stock Exchange plc and any applicable law or regulation.
- 1.2 Terms defined in the Circular shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 I understand that the Equity Fundraising will be explained in the Circular to be sent to shareholders of the Company ("**Shareholders**"). The Circular contains a notice to Shareholders ("**Notice**") convening a general meeting of the Company ("**GM**") to consider and if thought fit, pass ordinary and special resolutions: (1) to approve the waiver granted by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Hunch Ventures, Karanpal Singh and Amit Dutta (the "**Hunch Concert Party**") to make a general offer to Shareholders for the Company under Rule 9 of the Takeover Code (the "**Rule 9 Waiver**"); (2) to grant to the Directors the authority to issue the new Ordinary Shares in connection with the Equity Fundraising; and (3) to disapply pre-emption rights set out in the articles of incorporation of the Company in respect of such new Ordinary Shares (the "**Resolutions**").
- 1.4 I further understand, as detailed in the Circular, that:
- 1.4.1 the Equity Fundraising is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting (including the approval of the Rule 9 Waiver);
- 1.4.2 the Company has consulted the Panel, and the Panel has agreed, pursuant to the Rule 9 Waiver, to waive the requirement for the Hunch Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for ordinary shares of no par value each ("**Ordinary Shares**") in the Company which might otherwise arise as a result of the issue and allotment of the new ordinary shares issued by the Company to Hunch Ventures as part of the Equity Fundraising; and
- 1.4.3 the Rule 9 Waiver is subject to the resolution approving the Rule 9 Waiver being passed on a poll of independent Shareholders, meaning Shareholders who are not participating in the Placing or the Subscription (the "**Independent Shareholders**") (the "**Rule 9 Waiver Resolution**").
- 1.5 As detailed in the Circular, the Equity Fundraising is to be effected by way of:

- 1.6 the conditional placing of 100,000,000 new Ordinary Shares to new and existing institutional investors at the issue price of 3 pence per new Ordinary Share (the "**Issue Price**") to raise £3,000,000 (before expenses);
- 1.7 a conditional subscription of 195,000,000 new Ordinary Shares by Hunch Ventures, Sapphire Pacific Fze, Trans Global LLC and Jay Mehta at the Issue Price to raise £5,850,000 (before expenses); and
- 1.8 a retail offer to retail Shareholders using the BookBuild platform of up to 40,000,000 new Ordinary Shares at the Issue Price to raise up to £1,200,000 (before expenses).
- 1.9 I am beneficially interested in 56,583 Ordinary Shares (the "**Shares**"). I confirm that the Shares are all the shares in the Company in which I have an interest ("**interest**" having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 - 825 of the UK Companies Act 2006). Details of my current holdings are set out in appendix 1 to this Undertaking.
- 1.10 I am able and have any relevant rights, power and authority, and have obtained any necessary authorisations, approvals, consents and licences required by me (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## **2 UNDERTAKING TO SUPPORT THE RESOLUTIONS**

- 2.1 I hereby undertake to the Company that:
  - (a) I shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the GM in favour of the Resolutions and against any resolution or proposal to adjourn the GM;
  - (b) I shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the Circular containing, *inter alia*, the notice of GM (and without prejudice to any right to attend and vote in person at the GM), either vote online or request and return a paper form of proxy in accordance with the instructions in the Circular (in each case voting in favour of the Resolutions), as soon as possible and in any event within seven days after publication of the Circular;
  - (c) I shall not revoke the terms of any online vote or proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or otherwise; and
  - (d) I also undertake to procure that any registered holder of Ordinary Shares which are beneficially owned by myself signs and delivers to the Company an irrevocable undertaking in a form similar to this Undertaking.
- 2.2 By way of security for my obligations under this Undertaking I irrevocably appoint, severally the Company and any director of the Company to be my attorney to carry out in my name and on my behalf all or any of the actions specified in paragraph 2.1 above to the extent that I fail to comply with any of my obligations, and to sign, execute and deliver any documents, if relevant and do all acts and things in my name and on my behalf as may be necessary for or incidental to the actions specified in paragraph 2.1 and I irrevocably undertake to ratify and confirm whatever my attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.
- 2.3 My obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):
  - (a) if the Circular in final form is not published by 31 August 2023; or
  - (b) if the GM is not held by 31 December 2023 (unless postponed or adjourned by the Company with the consent of Cenkos Securities).

2.4 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of any applicable law or regulation) nothing in this Undertaking shall oblige the Company to announce the Equity Fundraising, publish the Circular, or, if announced, to proceed with the Equity Fundraising.

2.5 I agree that, if I should fail to act in accordance with my obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 OTHER ACTION IN RELATION TO THE EQUITY FUNDRAISING AND RULE 9 WAIVER**

3.1 I agree:

3.2 not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission; and

3.3 to use my best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Rule 9 Waiver, Equity Fundraising or Admission.

### **4 CONSENT**

4.1 I consent to the inclusion of references to me and the registered holder of any of the Shares and particulars of this Undertaking and my holdings of relevant securities being included in the Announcement, the Circular and any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising.

### **5 SECRECY AND PUBLICITY**

5.1 I understand that until such time as the Equity Fundraising is announced, the information I have received from you in connection with the Equity Fundraising must be kept confidential. I undertake not to disclose to any third party (other than to my professional advisers):

5.2 the existence or subject matter of this Undertaking or the possibility of the Equity Fundraising and/or its proposed terms; or

5.3 details of our discussions relating to the Equity Fundraising (whether before or after the release of the Announcement),

5.4 except in each case to the extent that such matters have been made public through the issue of the Announcement, the Circular or any other announcement made or document issued by or on behalf of the Company in connection with the Equity Fundraising. The obligations in this paragraph 5 shall survive termination of this Undertaking.

5.5 I will comply with my obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310) ("UK MAR") and the Criminal Justice Act 1993 (the "CJA") in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

### **6 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

## **7 STATUS OF UNDERTAKING**

This Undertaking shall be legally binding on me and on my personal representatives.

## **8 WARRANTY**

I warrant that:

- (a) I have been given a realistic opportunity to consider whether or not I should give this Undertaking;
- (b) I have received independent professional advice about the nature of this Undertaking; and
- (c) I have full power and authority to enter into this Undertaking and to perform my obligations contained in paragraph 2.

## **9 NOTICES**

9.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given to the Company at its registered office or by email to jay@mercpl.com.

9.2 A communication sent according to paragraph 9.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 9.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

## **10 GOVERNING LAW**

This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

## **11 DISPUTE RESOLUTION**

11.1 Any dispute or claim arising out of or in connection with this Undertaking, including any question regarding its existence, validity or termination and any non-contractual claims, shall be referred to and finally resolved by arbitration under the LCIA Rules, which LCIA Rules are deemed to be incorporated by reference into this clause.

11.2 The number of arbitrators shall be one.

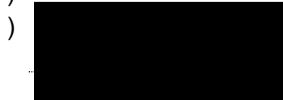
11.3 The seat, or legal place, of arbitration shall be London.

11.4 The Parties expressly agree to exclude the application of Part I of The Arbitration and Conciliation Act 1996, as amended.

11.5 The language to be used in the arbitral proceedings shall be English.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

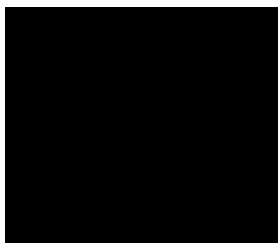
**EXECUTED** and **DELIVERED** as a **DEED** by )  
**JOHN FITZGERALD**, in the presence of: )



Name of Witness



Signature of Witness:



Address:

Occupation:

**APPENDIX 1**  
**Shares to which this deed relates**

The following represent my current holdings in the Company (and those of my spouse, minor children and related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/warrant	Registered holder*	Beneficial owner*
56,583 ordinary shares of no par value	Nil	<div style="background-color: black; width: 100%; height: 100%;"></div> <hr/> <hr/>	John Fitzgerald

\* Where more than one, indicate number of shares attributable to each

**APPENDIX 2**  
**The Circular**