

# R.E.A. Trading plc

(a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 88367)

## Proposed placing by R.E.A. Trading plc of £4,000,000 new 9.5 per cent loan notes 2024 to be created by R.E.A. Trading plc

Interest on the new loan notes will be payable half yearly in arrear on 30 June and 31 December in each year. The first payment of interest will be on 31 December 2021 in respect of the period from the date of issue of the new loan notes to 31 December 2021.

The new loan notes will be issued in registered form in denominations of, and integral multiples of, £25,000. The new loan notes may be held in certificated or uncertificated form.

The ISIN for the new loan notes is GB00BKPG0682.

Application will be made to the London Stock Exchange for the new loan notes to be admitted to trading on the International Securities Market of the London Stock Exchange. It is expected that such new loan notes will be issued, and that dealings in such new loan notes will commence, on 4 August 2021.

This document constitutes admission particulars prepared in accordance with the International Securities Market Rulebook published by the London Stock Exchange. It contains important information about R.E.A. Trading plc and the new loan notes. The information in this document includes information which, according to the particular nature of R.E.A. Trading plc and the new loan notes, is necessary to enable users of the International Securities Market of the London Stock Exchange to make an informed assessment of the ability of R.E.A. Trading plc to meet its obligations in respect of the new loan notes. This document does not constitute a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000. Under Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, the International Securities Market of the London Stock Exchange is not a regulated market.

This document and any supplements hereto do not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities on the basis of this document, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

R.E.A. Trading plc, whose registered office is at First Floor, 32-36 Great Portland Street, London W1W 8QX, accepts responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in these admission particulars is, to the best of the knowledge and belief of R.E.A. Trading plc, in accordance with the facts and contains no omissions likely to affect its import.

**The International Securities Market of the London Stock Exchange is a market designated for professional investors. Securities admitted to the International Securities Market of the London Stock Exchange are not admitted to the Official List of the UK Listing Authority. The London Stock Exchange has not approved or verified the contents of these admission particulars.**

The new loan notes will be specialist securities for the purposes of the International Securities Market of the London Stock Exchange and may not be a suitable investment for all potential investors. Each potential investor must determine the suitability of an investment in the new loan notes in light of its own circumstances. Investing in the new loan notes involves risk. **Potential investors should have particular regard to the factors described under the section headed "Risk factors" in this document.**

19 July 2021



## TABLE OF CONTENTS

	<b>Page</b>
Risk factors.....	1
Proposed placing .....	4
R.E.A. Trading plc.....	6
Financial information .....	10
Terms and conditions attaching to the new loan notes .....	11
Taxation.....	16
General information.....	18
Definitions .....	21



## **Risk factors**

*The company believes that the following factors may affect its ability to fulfil its obligations under the new loan notes. All of these factors are contingencies which may or may not occur; the company is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the company believes may be material for the purpose of assessing the market risks associated with the new loan notes are also described below.*

*The company believes that the factors described below represent the principal risks inherent in investing in the new loan notes, but the inability of the company to pay interest, principal or other amounts on or in connection with the new loan notes may occur for other reasons. The company makes no representation that the statements below regarding the risks of holding the new loan notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this document (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Risks factors which could affect the ability of the company to meet its obligations to holders of the new loan notes**

#### ***Agricultural operations***

##### *Agricultural factors*

Although the group's agricultural operations are located in areas in which rainfall, sunlight hours and soil conditions are well suited to the cultivation of sisal and abaca, weather and growing conditions vary from year to year and setbacks are possible. As in any agricultural operations, there are also risks that crops may be affected by pests and diseases. Over a long period, crop levels should be reasonably predictable but there can be material variations from the norm in individual years and any loss of expected crop volumes can have a material negative impact on cash flows.

##### *Produce prices*

The profitability and cash flow of the group's agricultural operations depend on, or in the case of abaca, will depend both upon world prices of the agricultural commodities produced and upon the group's ability to sell its produce at price levels comparable with such world prices. The group does not use derivatives to hedge price risk.

##### *Land availability for new abaca plantation*

The land upon which the group's new abaca plantation is being developed is being released to the group by the Indonesian government in stages. Each land release involves agreement and settlement of compensation with affected local communities and a titling process with the relevant government authorities. Delays to land releases should not affect the ultimate viability of the abaca project but could result in increased development costs.

##### *Currency*

The costs of the agricultural operations are principally incurred in the local currencies of their respective countries of operations but the revenues of the operations arise mainly in dollars. Weakening of the dollar against local currencies may therefore reduce margins. Furthermore, the group is principally financed in sterling so that a strengthening of sterling against relevant currencies may result in exchange losses. The directors consider that these exchange exposures are inherent in its agricultural operations and must simply be accepted.

#### ***Coal operations***

The profitability and cash flow of the coal activities will be dependent upon production volumes and efficiencies and the prevailing level of world coal prices. The Paris Accord on climate change, which requires progressive action to reduce global warming, coupled with the pressures of general public sentiment as regards climate change, may result in reduced usage of coal and this could adversely affect coal prices.

### ***Merchanting operations***

The merchanting operations are exposed to counterparty default and foreign currency rate and commodity price movements. The group seeks to mitigate these risks by dealing principally with counterparties who have had longstanding relationships with the group, insuring some credit risks, trading to a large extent on the basis of cash against documents, carefully monitoring dealings with all counterparties, to the extent possible maintaining matched positions and covering foreign currency risks.

### ***Other***

The operations of the group could be seriously disrupted if there were to be a material breakdown in relations between the group and the host populations in one of its areas of operation. The group is also materially dependent upon its employees and endeavours to manage this dependence by responsible employment practices.

A large part of the group's operating activities is located in Kenya, Tanzania and Indonesia and the group is therefore significantly dependent on political and economic conditions in those countries. In particular, changes to local policies regarding foreign investment and laws and regulations affecting land tenure, work permits for expatriate staff and taxation could adversely affect the group.

The Bribery Act 2010, which applies worldwide to interests of UK companies, has created an offence of failure by a commercial organisation to prevent a bribe being paid. It will be a defence if the organisation has adequate procedures in place to prevent bribery. The group seeks to maintain an internal culture in which propriety of dealing is regarded as paramount. To mitigate further the risks in this area, and in recognition of the implications of the Bribery Act, the group seeks regularly to reinforce its established culture and controls.

The termination of UK membership of the European Union has so far had no material impact on the group and the directors do not expect that it will have any material impact going forward.

The directors have considered the potential impact on the group of global climate change. Successful cultivation of both sisal and abaca are dependent upon adequate but not excessive sunlight hours and rainfall. Climatic changes could therefore impact levels of production from the group's estates and the levels of business of the group's merchanting operations. The directors consider it likely that any loss of production or traded volumes will be more than offset by higher prices and margins.

In addition to the risks that have long been normal aspects of its business, the group faces potential impacts from the Covid-19 pandemic. To date, the impact on the group has been restricted to working constraints that have caused some loss of sisal production and have complicated the logistics of office administration. The financial consequences of such constraints has been limited. Potential further consequences of Covid-19 could include adverse effects on employee health and inability to make deliveries of agricultural and traded products. The group should be able to withstand such adverse effects for a period but could not do so indefinitely.

### **Risks that could be material to the new loan notes**

#### ***No guarantee or security***

The obligations of the company in respect of the new loan notes are primary obligations of the company. Such obligations will not be secured by the company or any other person, and will not be guaranteed by any other person.

#### ***No trustee or other representative***

There will be no trustee or other representative appointed in respect of the new loan notes or the holders thereof.

#### ***Modifications and waivers***

The conditions attaching to the new loan notes will contain provisions for calling meetings of the holders of the new loan notes to consider matters affecting their interests generally. These provisions

will permit defined majorities to bind all holders of the new loan notes, including holders who do not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

***Change of law***

No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this document.

**Market risks**

The market in the new loan notes is likely to be fairly illiquid. Lack of liquidity may adversely affect the value of an investment in the new loan notes and may make it difficult to sell such notes.

If interest rates increase above the rate paid on the new loan notes, this is likely to affect adversely the market price of the new loan notes.

## **Proposed placing**

### **General**

The company proposes to create £4,000,000 nominal of 9.5 per cent loan notes 2024. The constitution of the new loan notes will be effected by the execution by the company, as a deed poll, of the loan note instrument.

The terms and conditions applicable to the new loan notes are set out in the section of this document entitled "Terms and conditions of the new loan notes" and are summarised below.

### **Placing**

The company has appointed Guy Butler Limited to endeavour to find applicants for the new loan notes at par. No applications will be accepted from persons who do not qualify as "professional" investors for the purposes of the International Securities Market of the London Stock Exchange. Applications must be received by the company, with payment in full for the new loan notes for which application is made, by 3.00 p.m. on 2 August 2021. To the extent that valid applications are made for less than the full £4,000,000 nominal of new loan notes, the balance will be issued, at par, to REAT Services Limited (a wholly owned subsidiary of the company which provides head office and administrative services to members of the group).

In consideration of its services, the company has agreed to pay Guy Butler a commission equal to 2 per cent of the nominal value of the new loan notes placed with third parties (that is, not including REAT Services Limited).

It is intended that the new loan notes be admitted to trading on the International Securities Market of the London Stock Exchange. The placing is conditional upon such admission becoming effective on or before 31 August 2021, and upon valid applications being received from third party placees for a minimum of £2,000,000 nominal of the new loan notes.

### **Purpose of the placing and use of proceeds**

The purpose of the issue is to assure the funding needed to continue the development of the group's new abaca project up to the stage at which it is projected that the project becomes self-funding. The net proceeds of the placing, estimated at £3,800,000 on the assumption that all of the £4,000,000 nominal of new loan notes are successfully placed with third parties, will be progressively applied for this purpose. Pending such application, the net proceeds will be utilised to augment the group's working capital.

### **Settlement**

It is expected that the admission of the new notes to trading on the International Securities Market of the London Stock Exchange will become effective, and that dealings in the new loan notes will commence, on 4 August 2021.

The company will announce the issue of the new loan notes by means of a Regulatory Information Service (proposed to be provided by EQS Group Limited); it is expected that such announcement will be made on 4 August 2021.

It is expected that CREST accounts will be credited in respect of the new loan notes on 4 August 2021 and that certificates in respect of new loan notes to be held in certificated form will be despatched by first class post by 18 August 2021. Pending despatch of certificates in respect of the new loan notes to be held in certificated form, transfers will be certified against the register of holders of the new loan notes. No temporary documents of title will be issued. Certificates in respect of the new loan notes will be sent to the persons entitled thereto at the risk of such persons.

The relevant records relating to the new loan notes will be maintained by Link Group (a trading name of Link Market Services Limited) of 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.



### **Particulars of the new loan notes**

The new loan notes will be created and issued pursuant to resolutions of the board and will be constituted by the loan note instrument to be executed by the company, by way of a deed poll. Holders of the new loan notes will be bound by, and be deemed to have notice of, all of the provisions of the loan note instrument.

The new loan notes will be issued in minimum denominations of £25,000 and integral multiples thereof and may be held in certificated or uncertificated form in CREST. Title to the new loan notes will be freely transferable by written instrument in any usual or common form or, in the case of new loan notes held in uncertificated form, through CREST.

The new loan notes will bear interest at the rate of 9.5 per cent per annum, payable half yearly in arrear on 30 June and 31 December of each year. The first payment of interest will be on 31 December 2021 in respect of the period from the date of issue of the new loan notes to 31 December 2021.

To the extent not previously repaid (in the event of an event of default or a change of control of the company) or purchased by the company and cancelled, the new loan notes will be redeemed at par in one instalment on 30 June 2024.

The obligations of the company in respect of the new loan notes are primary obligations of the company. Such obligations will not be secured by the company or any other person, and will not be guaranteed by any other person. The obligations will not be subordinated to any other present or future unsecured obligations of the company, save to the extent provided by law.

The loan note instrument will not contain any provision limiting borrowings by or restricting or prohibiting the granting of security by the company or any of its subsidiaries.

Payments on the new loan notes will be made without deduction for or on account of taxes imposed or levied by the UK, unless the withholding or deduction of such taxes is required by law.

The full terms and conditions attaching to the new loan notes are set out in the section of this document entitled "Terms and conditions of the new loan notes".

### **Selling and offering restrictions**

No action has been taken by the company in any jurisdiction (other than in the UK) that would permit, or is intended to permit, an offering of any of the new loan notes or the possession or distribution of this document or any amendment or supplement hereto or any other offering material relating to the new loan notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, the new loan notes may not be offered or sold, directly or indirectly, in connection with the issue of, or any secondary trading in, the new loan notes and neither this document nor any other offering material may be distributed or published, in or from any country or jurisdiction except in circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In particular, without limitation, the new loan notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"). The new loan notes are only being offered and sold outside the United States to persons that are not US persons in transactions meeting the requirements of Regulation S under the Securities Act ("**Regulation S**"). Accordingly, the new loan notes may not be offered or sold within the United States or to or for the account or benefit of any US persons. Terms used in this paragraph have the meaning given to them by Regulation S.

## **R.E.A. Trading plc**

The company was incorporated in England and Wales on 10 April 1906 as a limited company under the Companies Acts 1862 to 1900 with registered number 88367. The company was re-registered as a public limited company on 23 June 2021. The company is subject to the provisions of the Companies Act 2006.

The company's registered office is at First Floor, 32-36 Great Portland Street, London W1W 8QX; its telephone number is + 44 (0)20 7436 7877.

### **History**

The company was originally incorporated under the name "The Rubber Estate Agency, Limited". For many years it principally carried on the business of a plantation agency, managing rubber estates in South East Asia. Following nationalisation in 1964 of the Indonesian operations of its clients and the subsequent sale to local investors of most of the Malaysian operations of its clients, the company diversified into London based merchant trading activities and other small UK based activities and the name of the company was changed, in 1974, to R.E.A. Investments Limited.

In 1979, a company controlled by the Robinow family, Jazerite Holdings Limited, acquired the whole of the issued share capital of the company. Two years later, Crosby House Group plc, a London listed company in which the Robinow family were substantial investors, acquired the whole of the issued share capital of Jazerite Holdings Limited and thus, indirectly, ownership of the company. The name of Crosby House Group plc was changed, in 1984, to R.E.A. Holdings plc ("REAH").

While under the ownership of REAH, the London based merchant trading activities of the company were transferred intra-group to a predecessor of Wigglesworth & Co. Limited ("Old WigCo"), to be consolidated with Old WigCo's older and more significant London based merchant trading activities. The other small UK based activities of the company were also divested and the company became the sub-holding company of the REAH group's agricultural operations in East Africa and in California.

By the end of the 1990s, REAH had decided to concentrate on its oil palm operations in Indonesia. Accordingly, to raise funds, in 2000, Old WigCo sold the consolidated London based merchant trading activities, including the Wigglesworth name, to a new company established for the purpose of such acquisition ("New WigCo") and owned by Mr Hermann Robinow. New WigCo then assumed the name Wigglesworth & Co. Limited. The following year, REAH sold the whole of the issued share capital of the company to Emba Holdings Limited, a Robinow family company (and a substantial shareholder in REAH).

In the first half of the 2000s, pursuant to a Robinow family reorganisation, ownership of the company was transferred from Emba Holdings Limited to Mr Hermann Robinow and ownership of Wigglesworth was transferred from Mr Hermann Robinow to a new holding company established, and wholly owned, by him, named Robinow Limited. Mr Hermann Robinow died in 2011 and ownership of both the company and Robinow Limited (and thus, indirectly, Wigglesworth) passed to Mr Hermann Robinow's two sons, Richard and Jeremy Robinow.

By 2011, the company had sold its Californian agricultural operations but still retained its interests in East Africa, held through a majority stake in REA Vipingo Plantations Limited, a Kenyan public company listed on the Nairobi Securities Exchange. Under the ownership of Richard and Jeremy Robinow, the company bid for the external minority shareholding in RVP. The bid was successful and, in 2015, RVP became a 97 per cent subsidiary of the company and the listing of RVP was subsequently cancelled.

By 2018, Richard and Jeremy Robinow had come to the conclusion that the businesses of the company and of Wigglesworth would be best served (including with a view to facilitating third party financing of the businesses) by having the agricultural operations and the merchant trading activities responsible for marketing the produce from the agricultural operations under common corporate ownership. To this end, in 2018, the company acquired the whole of the issued share capital of Wigglesworth.

In 2020, the company issued 2,000,000 10 per cent redeemable preference shares of £1 each at par to external investors. Such preference shares are due to be redeemed at par this year, on 9 September.

Richard and Jeremy Robinow retain ownership of the whole of the balance of the issued share capital of the company.

### **Business overview**

The company is thus now an investment holding company with two principal subsidiaries, namely RVP and Wigglesworth, each with well established businesses. The company also has coal and abaca interests in Indonesia dating from, respectively, 2009 and 2016.

RVP is, as explained under "History" above, a 97 per cent owned subsidiary incorporated in Kenya. With its subsidiaries, RVP is predominantly engaged in the cultivation of sisal in Kenya and Tanzania. RVP also has a sisal spinning mill in Tanga (Tanzania) and a small horticultural business in Kenya. The area planted with sisal is some 15,000 hectares and annual production ranges between 17,000 and 20,000 tonnes of raw fibre. This makes RVP the largest sisal producer in East Africa.

Wigglesworth is, also as explained under "History" above, a relatively new wholly owned subsidiary incorporated in England and Wales albeit its business, that of a London based merchant trading in various natural fibres, dates back well over 100 years. The principal fibres traded by Wigglesworth are sisal and abaca (also known as "manila hemp"). In particular, Wigglesworth distributes most of the raw and spun fibre produced by RVP. It is intended that Wigglesworth will do the same for the raw abaca produced by the group's new abaca project.

The company has found that the combination of Wigglesworth's marketing competencies and RVP's growing capacity has permitted the group to establish a strong presence in the sisal market in a way that underpins both the sisal merchanting and sisal growing operations.

Traditionally, the main end use for sisal fibre has been in the manufacture of agricultural twine, general cordage and sacks. In recent years, with increased competition from synthetic fibres, these traditional uses have declined and have been replaced (although in lower volume) by expanding non-traditional uses including cores for wire ropes, buffing cloth for various industrial polishing applications, sisal pulp used in the manufacture of speciality papers, sisal carpets, dartboards and fibre reinforcement for plaster wall coverings.

Similarly, the traditional main end use for abaca, in the manufacture of general cordage including in particular marine ropes (for which the water resistance of abaca made it particularly suited), has been largely displaced by synthetic fibres. Abaca is now increasingly used in producing speciality pulp with the fibre's base characteristics of long staple length, cellulose content and inherent strength making abaca pulp particularly suited for certain types of paper. These include paper used in tea and coffee bags, coffee pods, sausage casings, electrolytic insulators, currency notes and medical filter papers (with the latter having seen strong demand during the Covid-19 pandemic).

The group's abaca plantation in the province of Maluku, Indonesia is still under development and is not yet in production. However, the directors hope that in due course the group will be in a position to establish a strong presence in the abaca market, comparable to its presence in the sisal market and with similar benefits. It is hoped to complete the planting of 750 hectares of abaca by the end of 2021 and to increase this to 2,000 hectares by the end of 2023. Initial production is expected in the latter part of 2022 with eventual yields of between 1.4 and 2 tonnes per hectare.

The company is cooperating with the Rainforest Alliance in relation to the new abaca project with a view to obtaining Rainforest Alliance certification that the project is sustainable on completion of project development.

Operations at the three small coal concessions in which the company has interests, in the province of East Kalimantan, Indonesia, have been suspended for several years during a period of very low coal prices. Recent months have seen some recovery in coal prices but, for the immediate future, the company's priority will be completing the development of its abaca project. Subject to that, the company intends to investigate whether the coal interests could now be mined for a limited capital outlay. The directors do not intend that the company should invest in any additional coal concessions and would expect that once mining commences or recommences at the existing concessions, all economically mineable coal in those concessions can be rapidly recovered.

## **Organisational structure**

The company is the parent company of a group of companies and is not itself a subsidiary of any other company.

The direct subsidiaries of the company are:

- REA Vipingo Plantations Limited (97 per cent owned and incorporated in Kenya) which owns a sisal estate in Kenya and acts as a holding company for the group's other East African sisal interests;
- Wigglesworth & Co. Limited (wholly owned and incorporated in England and Wales) which is a London based merchant trading natural fibres;
- PT Spice Islands Maluku (95 per cent owned and incorporated in Indonesia) which holds the group's abaca project;
- PT Robindo Natayara (95 per cent owned and incorporated in Indonesia – the balance of 5 per cent is owned by Mr Richard Robinow's daughter in-law, being an Indonesian national) which holds the group's coal interests; and
- REAT Services Limited (wholly owned and incorporated in England and Wales) which was established earlier this year to provide head office and administrative services to members of the group and to other Robinow family companies (such services having hitherto been provided by the company itself).

Subsidiaries of RVP (all of which are wholly owned) comprise Dwa Estate Limited (incorporated in Kenya), Amboni Plantations Limited (incorporated in Tanzania), Amboni Spinning Mill Limited (incorporated in Tanzania) and Wigglesworth Exporters Limited (incorporated in Kenya). Dwa Estate Limited and Amboni Plantations Limited operate sisal estates in, respectively, Kenya and Tanzania. Amboni Spinning Mill Limited operates a spinning mill in Tanzania. Wigglesworth Exporters Limited is based in Mombasa and acts as a sisal warehousing and forwarding agent.

The company itself does not trade. Accordingly, the company's cash flows and profitability is materially dependent upon the operations of its subsidiaries, in particular RVP and Wigglesworth.

## **Administrative, management and supervisory bodies**

The company's board of directors is responsible for the administration, supervision and management of the company.

### ***Directors of the company***

The directors of the company are:

Richard Michael Robinow (aged 75): Mr Richard Robinow was appointed a director in 1980. After early investment banking experience, he has been involved in the plantation industry for some 40 years. He is a non-executive director of R.E.A. Holdings plc, a UK plantation company whose shares are admitted to the official list of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange. R.E.A. Holdings plc and its subsidiaries are principally engaged in the cultivation of oil palms in the province of East Kalimantan, Indonesia and in the production of crude palm oil and crude palm kernel oil; R.E.A. Holdings plc, through certain subsidiaries, also has interests in two coal mining concessions and two stone deposits all also in the province of East Kalimantan, Indonesia.

Jeremy John Robinow (aged 63): Mr Jeremy Robinow was appointed a director in 2002. He has been involved in the plantation industry and related activities for the whole of his career, joining the Robinow family company, Jazerite Holdings Limited (as R.E.A. Services Limited was then named) in 1982. He has been involved in the various businesses of the company and its subsidiaries since the relevant subsidiaries were originally acquired by the company (or by R.E.A. Holdings plc prior to being transferred to the company).

Richard Robinow and Jeremy Robinow are brothers.

The business address of each of the directors is First Floor, 32-36 Great Portland Street, London W1X 8QX.

### ***Conflicts of interest***

As noted above, Richard Robinow is a director of R.E.A. Holdings plc. Furthermore, both Richard Robinow and Jeremy Robinow are directors of and, with their immediate families, the owners of, Emba Holdings Limited which owns some 30 per cent of the issued ordinary share capital of R.E.A. Holdings plc. As also noted above, R.E.A. Holdings plc and its subsidiaries are engaged in agricultural operations and have coal interests in Indonesia.

Whilst the foregoing might be perceived as potentially giving rise to a conflict of interest for the directors, the directors do not believe that this is the case. The agricultural operations of R.E.A. Holdings plc involve a completely different crop in a different location from the crops grown by the group. The coal interests of R.E.A. Holdings plc represent only a small proportion of its total assets and are different in type from those of the group (and the coal interests of the group are, in any event, as stated above under "Business overview", currently inactive).

There are no other potential conflicts of interest between the duties to the company of either of the directors listed above and their private interests and/or other duties.

### **Senior management**

Each of Wigglesworth & Co. Limited, REA Vipingo Plantations Limited, PT Spice Islands Maluku and PT Robindo Natayara has its own board of directors and discrete management team. Business decisions are made at the operational level. Each of these four companies has continuity of management safeguards in place.

### **Major shareholders**

The whole of the issued ordinary share capital, being the whole of the voting capital, of the company is owned by Richard Robinow and Jeremy Robinow in equal shares. Accordingly, the company is technically not controlled by any one person, albeit in practice, given that Richard Robinow and Jeremy Robinow are brothers, the company is controlled by Richard Robinow and Jeremy Robinow if and to the extent that they act together as they invariably, to date, have done notwithstanding that they are under no obligation so to do.

There are no formal measures in place to ensure that such control is not abused. However, the boards of all operational subsidiaries include directors who are not members of the Robinow family and the boards of both RVP and Wigglesworth, the two largest operational subsidiaries, have a majority of directors who are not members of the Robinow family. The views of non-family directors are always respected by Richard Robinow and Jeremy Robinow in their capacity both as the holders of the ordinary share capital of the company and as the directors of the company.

There are no arrangements known to the company the operation of which may at a subsequent date result in a change in control of the company.

## Financial information

### Salient figures

The following table provides summary financial information concerning the group as at the dates and for the periods indicated. The information has been extracted without adjustment from the consolidated financial statements of the group included in the annual reports of the company for the years 2019 and 2020. The financial statements were audited and were prepared in accordance with International Financial Reporting Standards as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and with the Companies Act 2006 as applicable to companies reporting under international accounting standards.

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
<i>Summary of results (before non-controlling interests)</i>		
Revenue	<u>49,946</u>	<u>53,618</u>
Operating profit	3,882	4,398
Investment revenue	282	359
Finance costs	<u>(228)</u>	<u>(54)</u>
Profit before tax	<u>3,936</u>	<u>4,703</u>
	As at 31 December 2020 £'000	As at 31 December 2019 £'000
<i>Summary of net assets (before non-controlling interests)</i>		
Non-current assets	31,816	31,990
Current assets	38,451	36,556
Current liabilities	(8,245)	(5,315)
Non-current liabilities	<u>(7,578)</u>	<u>(7,784)</u>
Net assets	<u>54,444</u>	<u>55,447</u>

### Current funding

At 31 December 2020, cash and cash equivalents (included above within current assets) amounted to £6,545,000 (2019: £2,149,000) and borrowings and lease liabilities (included above within current and non-current liabilities) amounted to £4,224,000 (2019: £1,543,000). Such borrowings at 31 December 2020 included £2,062,000 (2019: £nil) in respect of the 2,000,000 10 per cent cumulative redeemable preference shares of £1 each in the capital of the company which fall due for redemption on 9 September 2021 and are classified for reporting purposes as borrowings.

## Terms and conditions attaching to the new loan notes

The following are the terms and conditions substantially in the form to be set out in the loan note instrument and to be endorsed on the certificates issued in respect of new loan notes issued in certificated form (if any). These terms and conditions will apply to the new loan notes held in certificated and uncertificated form, save that where any provision is, insofar as it relates to new loan notes in uncertificated form, inconsistent with the provisions of the CREST Regulations, the CREST Regulations shall prevail. In particular, in the case of new loan notes held in uncertificated form, title to such new loan notes may be transferred by means of a relevant system (as defined in the CREST Regulations).

"The £4,000,000 9.5 per cent loan notes 2024 (the "**Notes**", which expression shall in these terms and conditions (the "**Conditions**"), unless the context otherwise requires, include any further notes issued pursuant to Condition 11 and forming a single series with the Notes) of R.E.A. Trading plc (the "**Issuer**") are constituted by a loan note instrument made by way of a deed poll by the Issuer on [date] 2021 as from time to time amended and/or supplemented (the "**Loan Note Instrument**"). The issue of the Notes was authorised pursuant to resolutions of the board of directors of the Issuer passed on [date] 2021. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Loan Note Instrument. Copies of the Loan Note Instrument are available for inspection during normal business hours by the holders of the Notes (the "**Noteholders**") at the office for the time being of the agent for the time being appointed by the Issuer for such purpose, such agent being as at the date of issue of this certificate [Link Group of 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL]. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Loan Note Instrument.

### 1. Definitions

In these Conditions, except to the extent that the context otherwise requires:

"**business day**" means a day (other than a Saturday or a Sunday) on which banks are generally open for business in the City of London;

"**Extraordinary Resolution**" means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Loan Note Instrument by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such a poll;

"**Interest Payment Date**" means 30 June and 31 December in each year;

"**Redemption Date**" means 30 June 2024;

"**subsidiary**" has the meaning given thereto in section 1159 of the Companies Act 2006; and

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland,

and references to "**sterling**" or to "**£**" are to the lawful currency of the United Kingdom.

### 2. Form and denomination, and status

#### 2.1 Form and denomination

The Notes are issued in registered form in minimum denominations and integral multiples of £25,000.

The Issuer may (to the fullest extent permitted by applicable law) deem and treat the registered holder of any Notes as the absolute owner for all purposes, notwithstanding any notice to the contrary, including any notice of ownership, trust or any interest in it and no person shall be liable for so treating the registered holder.

#### 2.2 Status

The Notes are direct and unconditional unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

### 3. Transfer

#### 3.1 The Notes are transferable in amounts and integral multiples of £25,000.

- 3.2 Transfers of Notes shall be made by instrument in writing in the usual common form applicable to UK securities or in any other form which the board of directors of the Issuer may approve. There shall not be included in any instrument of transfer more than one series (or class) of Notes.

#### 4. **Interest**

The Issuer shall pay interest on the principal amount of the Notes at the rate of 9.5 per cent per annum half yearly in arrear in equal instalments on each Interest Payment Date to those persons who are registered as Noteholders at the close of business on the relevant record date (notwithstanding any intermediate transfer or transmission of any Notes), provided that:

- (i) if it should be necessary to compute an amount of interest in respect of any Notes for a period shorter than a complete six month period, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the day following the most recent Interest Payment Date (or, in the case of the first payment of interest, the date of issue of the relevant Notes) to (and including) the final day of the relevant period divided by the actual number of days in the period from (and including) the day following the most recent Interest Payment Date to (and including) the next Interest Payment Date; and
- (ii) each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of principal in respect of the Note is improperly withheld or refused.

For this purpose, the "**record date**" means the thirtieth day before the relevant Interest Payment Date or, if such day is not a business day, then the next following business day.

#### 5. **Redemption, purchases and cancellation**

##### 5.1 *Final Redemption*

Unless previously repaid or purchased and cancelled as provided below, the Issuer shall redeem the Notes at their principal amount in one instalment on 30 June 2024.

In the event of any partial redemption of the Notes, redemptions shall be made *pro rata* to holdings of Notes on the due redemption date with the amount to be applied in redemption of each holding being rounded down to the nearest integral multiple of £25,000 and then utilised to redeem in full an appropriate proportion of the Notes comprised in that holding.

Any interest accrued but unpaid on any Notes to be redeemed shall be paid on redemption.

##### 5.2 *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes in any manner and at any price.

##### 5.3 *Cancellation*

All Notes redeemed or purchased by the Issuer will be cancelled forthwith and such Notes may not be reissued or resold. Notes purchased by any subsidiary of the Issuer may be held, resold or surrendered for cancellation.

#### 6. **Payments, unclaimed monies and prescription**

- 6.1 Any principal or interest or other monies payable by the Issuer on or in respect of any Notes may be paid by cheque made payable to the order of and sent through the post to the registered address of the holder or person entitled thereto or in the case of joint holders made payable to the order of and sent through the post to the registered address of that one of the joint holders who is first named in the register in respect of the Notes or made payable to the order of such person and sent to such address as the holder or joint holders may in writing direct. Payment of any such cheque shall be a satisfaction of the monies represented thereby. Every such cheque shall be sent at the risk of the person(s) entitled to the monies represented thereby. If several persons are entered in the register as joint holders of any Notes then, without prejudice to the forgoing provisions of this paragraph, the payment to any of such persons of any principal or interest on or other monies payable in respect of such Notes shall be as effective a discharge to the Issuer as if the person to whom the payment is made was the sole registered holder of such Notes.

- 6.2 Any monies that remain due to any Noteholder in respect of any Notes more than six years after the due date because any cheque in respect of such monies has not been presented will be forfeit and will revert to the Issuer.



7. **Taxation**

7.1 All payments of principal and interest in respect of the Notes by the Issuer will be made free and clear of, and without withholding of or deduction for, or on account of, any taxes imposed or levied by or on behalf of the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes is required by law.

7.2 In the event of any withholding or deduction for or on account of any present or future taxes in respect of payments of interest under the Notes, the Issuer will be under no obligation to make any additional payment to Noteholders in respect of such withholding or deduction and the amount paid to Noteholders will be reduced by the amount of such withholding or deduction.

8. **Events of Default and change of control**

8.1 *Events of Default*

(a) Forthwith upon the Issuer becoming aware of the happening of any such event as is mentioned in Condition 8.1(b) (any such event being an "**Event of Default**"), the Issuer shall give notice thereof to the Noteholders. Such notice shall include a reminder as to the rights of Noteholders following an Event of Default, as set out in Condition 8.1(c).

(b) The events constituting an Event of Default are:

(i) if default should be made in the payment on the due date of any principal monies or for a period of 14 days in the payment of any interest which ought to be paid in accordance with these Conditions;

(ii) if an administration order should be made, or if an order should be made or a resolution should be passed for the winding up of the Issuer (except for a voluntary members' winding up approved by an Extraordinary Resolution of the Noteholders) or if an administrator should otherwise be appointed with or without a court order;

(iii) if an encumbrancer should take possession or a receiver should be appointed of the whole or any part of the assets or undertaking of the Issuer or if a distress, execution or other process should be levied or enforced or sued out upon or against any of the assets of the Issuer and such distress, execution or other process should not be removed discharged or paid out within 14 days;

(iv) if the Issuer should stop or threaten by notice to its creditors generally to stop payment of its debts generally or if the Issuer should cease or threaten to cease to carry on business or substantially the whole of its business;

(v) if default should be made by the Issuer in the performance or observance of any covenant, condition or provision binding on it under the Loan Note Instrument or the Notes (including Conditions 8.1(a) and 8.1(d) but excluding the covenants, conditions and provisions for payment of principal or interest) and, where remediable, such default has not been remedied within 30 days of the default;

(vi) if the Issuer should be unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or if any voluntary arrangement should be proposed under section 1 of that Act in respect of the Issuer; or

(vii) if the security for any other debenture of the Issuer or any mortgage or charge of the Issuer should become enforceable and steps be taken to enforce the same or if any debenture, loan capital or borrowings of the Issuer should become repayable by reason of default by the Issuer or if any guarantee or indemnity given by the Issuer should not be honoured when due and called upon and steps are taken to enforce payment.

(c) Following the occurrence of an Event of Default, if Noteholders together holding not less than ten per cent in nominal amount of the Notes for the time being outstanding give notice to the Issuer requiring repayment of their Notes, then, provided that the requisite number of notices are received by the Issuer within 30 days of the notice by the Issuer given pursuant to Condition 8.1(a), the Notes shall forthwith become immediately due and repayable at their principal amount, together with accrued interest.

- (d) The Issuer shall keep Noteholders reasonably informed as regards the extent of any notices received by it pursuant to Condition 8.1(c).

## 8.2 *Change of control*

- (a) If any person (or group of persons acting in concert within the meaning of the City Code on Takeovers and Mergers of the United Kingdom) other than any one or more members of the Robinow family (as defined in Condition 8.2(b)) should obtain the right to exercise more than 50 per cent. of the votes which may generally be cast at a general meeting of the Issuer (a "change of control"), the Issuer shall promptly give notice thereof to the Noteholders. Such notice shall include a reminder as to the rights of Noteholders as set out in this Condition 8.2(a). Each Noteholder at its discretion may, following a change of control, give notice to the Issuer that the Notes held by that Noteholder are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest provided that any such notice to the Issuer shall only be effective if received by the Issuer prior to the expiry of 60 days from the date of the notification by the Issuer as to the change of control as referred to above.
- (b) For the purposes of Condition 8.2(a) the "**Robinow family**" means Richard Robinow and Jeremy Robinow (that is, the holders of the ordinary shares in the capital of the Issuer as at 30 June 2021) together with their respective spouses, children, children-in-law and grandchildren, any company controlled by all or any of Richard Robinow and Jeremy Robinow and their respective spouses, children, children-in-law and grandchildren and any trust set up wholly or primarily for the benefit of all or any of Richard Robinow and Jeremy Robinow and their respective spouses, children, children-in-law and grandchildren.

## 9. **Other covenants**

The Issuer covenants with the Noteholders that for so long as any of the Notes remain outstanding the Issuer will:

- (i) send to the Noteholders every published consolidated balance sheet of the Issuer and such other documents as ought to be sent to them in compliance with section 434 of the Companies Act 2006;
- (ii) use all reasonable endeavours to maintain the admission of the Notes to trading on the International Securities Market of the London Stock Exchange or, if it is unable to do so having used all reasonable endeavours or if the maintenance of such admission to trading becomes, in the reasonable opinion of the Issuer, unduly onerous, use all reasonable endeavours to obtain and maintain the quotation and/or listing of the Notes on such other stock exchange as it may reasonably in all of the circumstances then existing decide; and
- (iii) at all times execute all such further documents and carry out all such further acts and things as may be necessary at any time or to give effect to the provisions of the Loan Note Instrument and these Conditions.

**The Loan Note Instrument does not contain any provision limiting borrowings by or restricting or prohibiting the granting of security by the Issuer or any of its subsidiaries.**

## 10. **Meetings of Noteholders, modification and waiver**

The Loan Note Instrument contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Loan Note Instrument. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing at least one third of the principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

## 11. **Further issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes either ranking *pari passu* in all respects so that the same shall be consolidated and form a single series with the Notes or upon such terms as to ranking, interest, premium, redemption and otherwise as the Issuer may at the time of the issue thereof determine. The Loan Note Instrument

contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series for the purpose of passing an Extraordinary Resolution in certain circumstances.

12. **Replacement of certificates**

If any certificate in respect of Notes be worn out or defaced then, upon production of such certificate to the Issuer, the Issuer shall cancel the same and shall issue a new certificate in lieu thereof to the person(s) entitled to such worn out or defaced certificate. If any such certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Issuer and on such terms as to evidence and indemnity as the Issuer may deem adequate being given, the Issuer shall issue a new certificate in lieu thereof to the person(s) entitled to such lost or destroyed certificate. An entry as to the issue of the new certificate and indemnity (if any) shall be made in the register of Noteholders.

13. **Notices to Noteholders**

Any notice may be given to or served on any Noteholder either personally or by sending it by first class or airmail post in a prepaid envelope addressed to him at his registered address or (if he desires that notices shall be sent to some other person or address) to the person at the address supplied by him to the Issuer for the giving of notices or sending of other documents to him. In the case of joint registered holders of any Notes, a notice given to the Noteholder whose name stands first in the register in respect of such Notes shall be sufficient notice to all the joint holders. Any notice or other document duly served on or delivered to any Noteholder as provided above shall, notwithstanding that such Noteholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event, be deemed to have been duly served or delivered in respect of any Notes registered in the name of such Noteholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the register as the holder of the Notes, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Notes.

Any notice given or document served by post shall be deemed to have been given or served on the day following that on which the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice of the document or the notice or document itself was properly addressed stamped and posted. Any notice given or document served by delivery otherwise than by post shall be deemed to have been given or served at the time it is delivered to the address hereinbefore specified.

A Noteholder who, having no registered address within the United Kingdom, has not supplied to the Issuer an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Issuer provided that the Issuer may, at its discretion, give notices to such Noteholder by advertisement (to Noteholders generally) in a national newspaper published in the United Kingdom, and any such notices shall be deemed to be effective on the date of such publication.

If at any time the Issuer is unable to give notice by post within the United Kingdom as a result of the suspension or curtailment of postal services or if at the time that such notice is to be posted there is no register of Noteholders, notice may be given to Noteholders by advertisement in a national newspaper published in the United Kingdom. In any such case, the Issuer shall send confirmatory copies of the notice by post as soon as practicable after normal postal services throughout the United Kingdom are restored.

14. **Rights of third parties**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

15. **Governing law and submission to jurisdiction**

15.1 The Loan Note Instrument and the Notes are governed by, and shall be construed in accordance with, English law.

15.2 Each Noteholder is deemed to have irrevocably agreed that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings and/or to settle any matter, claim or dispute, whether contractual or non-contractual, which may arise out of or in connection with the Notes or their creation and for these purposes each Noteholder will be deemed to have irrevocably submitted to the exclusive jurisdiction of the courts of England."

## **Taxation**

The comments below are of a general nature and are based upon the company's understanding of certain aspects of current UK tax laws and the practice of Her Majesty's Revenue and Customs ("HMRC") as of the date hereof. They do not purport to be a complete analysis of all tax considerations, relate only to the position of persons who hold the new loan notes as an investment and are the absolute beneficial owners of the new loan notes and may not apply to certain classes of persons such as dealers, persons who have acquired their new loan notes by reason of their employment or persons connected with the company for relevant tax purposes. Save as specifically mentioned, the comments apply only to holders of new loan notes who are resident and (if individuals) ordinarily resident in the UK for tax purposes. The comments are intended as a general guide and should be treated with appropriate caution. This summary is not intended to be exhaustive and does not cover any issues or taxes not expressly covered; nor should it be considered legal or tax advice to any person. The summary does not take into account the effect of any overriding anti-avoidance principles or legislation that may apply to holders in their particular circumstances or to any wider arrangements to which they may be a party. Prospective holders of new loan notes who are in any doubt whatsoever as to their taxation position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional adviser.

### **Withholding**

While the new loan notes continue to be admitted to trading on a multilateral trading facility operated by a listed on a regulated recognised stock exchange (in each case, within the meaning of section 9871005 of the Income Tax Act 2007 ("ITA")), payments of interest by the company may be made without withholding or deduction for or on account of UK income tax. The International Securities Market is a multilateral trading facility operated by of the London Stock Exchange which is a regulated recognised stock exchange for these purposes. Securities will be treated as listed on the International Securities Market of the London Stock Exchange if they are admitted to trading on that market.

If the new loan notes cease to be to be admitted to trading on the International Securities Market of the London Stock Exchange, interest will generally be paid by the issuer under deduction of income tax at the basic rate unless: (i) another relief applies; or (ii) the issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of UK income tax (for example if the new loan notes cease to be admitted to trading on the International Securities Market of the London Stock Exchange), noteholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

### **Taxation of interest and on disposal (including redemption)**

#### ***Noteholders within the charge to UK corporation tax***

Noteholders within the charge to UK corporation tax (including non-resident noteholders whose new loan notes are used, held or acquired for the purposes of a trade carried on in the UK through a permanent establishment) will be subject to tax as income on all profits and gains from the new loan notes broadly in accordance with their statutory accounting treatment under the rules relating to the taxation of loan relationships in Part 5 of the Corporation Tax Act 2009. Such noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the new loan notes will be brought into account as income.

#### ***Other UK noteholders***

Noteholders who are either individuals or trustees and are resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the new loan notes are attributable will generally be liable to UK tax on the amount of any interest received in respect of the new loan notes.

Provided that the amount to which a noteholder is entitled on repayment of the new loan notes is reasonably comparable with the amount generally repayable (in relation to an equal amount of new consideration) under the terms of issue of securities listed on a recognised stock exchange (and the new loan notes therefore constitute "normal commercial loans" for the purposes of section 162 of the Corporation Tax Act 2010 as applied by section 117(1) of the Taxation of Chargeable Gains Act 1992), the new loan notes will constitute "qualifying corporate bonds". If the new loan notes do constitute "qualifying corporate bonds" then, on a disposal of the new loan notes, neither chargeable gains nor allowable losses will arise for the purposes of taxation of capital gains.

Transfers of new loan notes by noteholders who are either individuals or trustees and are resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the new loan notes are attributable may give rise to a charge to tax on income in respect of an amount representing interest on the new loan notes which has accrued since the preceding interest payment date under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

#### **Non-UK resident noteholders**

In the event that interest payable under the new loan notes is treated as having a UK source, it may in principle be chargeable to UK tax by direct assessment irrespective of the residence of the noteholder. However, where the interest is paid without withholding or deduction on account of UK tax, the interest will not be assessed to UK tax in the hands of noteholders (other than certain trustees) who are not resident for tax purposes in the UK, except where the noteholder carries on a trade, profession or vocation through a branch or agency, or in the case of a corporate holder, carries on a trade through a permanent establishment in the UK, in connection with which the interest is received or to which the new loan notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the UK branch or agency, or permanent establishment.

#### **Stamp duty and stamp duty reserve tax**

No stamp duty or stamp duty reserve tax should generally be payable on issue or transfer of the new loan notes on the basis that the new loan notes constitute loan capital within the meaning of section 78 of the Finance Act 1986.

#### **Provision of information requirements**

Information relating to securities may be required to be provided to HMRC in certain circumstances. This may include the value of the new loan notes, details of the holders or beneficial owners of the new loan notes (or the persons for whom the new loan notes are held), details of the persons to whom payments derived from the new loan notes are or may be paid and information and documents in connection with transactions relating to the new loan notes. Information may be required to be provided by, amongst others, the holders of the new loan notes, persons by (or via) whom payments derived from the new loan notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the new loan notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be provided to tax authorities in other countries.

## **General information**

### **Statutory auditors**

The consolidated financial statements of the group and the financial statements of the company for the years ended 31 December 2019 and 31 December 2020 were audited by Deloitte LLP, a member firm of the Institute of Chartered Accountants in England and Wales. Deloitte LLP's address is Hill House, 1 New Street, London EC4A 3TR.

The auditor's reports on those statements were unqualified and did not contain any statements under section 498(2) or (3) of the Companies Act 2006.

No information included in, or referred to in, this document other than the consolidated financial statements of the group for the years ended 31 December 2019 and 31 December 2020 has been audited by the company's auditors.

### **No material interests**

There are no interests, including conflicting interests, that are material to the proposed issue of the new loan notes.

### **Legal and arbitration proceedings**

There have been no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the company is aware during the previous 12 months which may have, or have had in the recent past, significant effects on the company's ability to meet its obligations to holders of the loan notes.

### **No significant change in the financial or trading position of the company and/or group**

There has been no significant change in the financial or trading position of the company and/or group since 31 December 2020, being the date of the last published audited financial statements of the company.

### **No material adverse change in the prospects of the company and/or the group**

There has been no material adverse change in the prospects of the company and/or the group since 31 December 2020, being the date of the last published audited financial statements of the company.

### **Recent events impacting the company's solvency**

There have been no recent events particular to the company which are to a material extent relevant to the evaluation of the solvency of the company.

### **Material contracts**

There are no material contracts entered into other than in the ordinary course of the group's business, which could result in any member of the group being under an obligation or entitlement that is material to the company's ability to meet its obligations to noteholders in respect of the new loan notes.

### **Post issuance information**

The company does not intend to provide any post issuance information in relation to the new loan notes save as required pursuant to the rules of the International Securities Market of the London Stock Exchange or otherwise by law. Any information so required will, to the extent permitted by the London Stock Exchange or otherwise by law, be made available on the company's website: [www.reatrading.co.uk](http://www.reatrading.co.uk).

### **Documents incorporated by reference**

These admission particulars should be read in conjunction with the documents which are deemed to be incorporated by reference as set out below. These admission particulars shall, unless otherwise

expressly stated, be read and construed on the basis that such documents are so incorporated and form part of these admission particulars.

The following documents shall be deemed to be incorporated in, and to form part of, these admission particulars:

- (i) the sections set out below from the annual report of the company for the year ended 31 December 2020:

	<b>Page number</b>
Independent auditor's report to the members of R.E.A Trading Limited (now R.E.A. Trading plc) for the year ended 31 December 2020	14 - 19
Consolidated income statement for the year ended 31 December 2020	20
Consolidated statement of comprehensive income for the year ended 31 December 2020	21
Consolidated balance sheet at 31 December 2020	22
Consolidated statement of changes in equity for the year ended 31 December 2020	23
Consolidated cash flow statement for the year ended 31 December 2020	24
Accounting policies (group)	25 - 35
Notes to the consolidated financial statements	36 - 58

- (ii) the sections set out below from the annual report of the company for the year ended 31 December 2019:

	<b>Page number</b>
Independent auditor's report to the members of R.E.A Trading Limited (now R.E.A. Trading plc) for the year ended 31 December 2019	12 – 15
Consolidated income statement for the year ended 31 December 2019	16
Consolidated statement of comprehensive income for the year ended 31 December 2019	17
Consolidated balance sheet at 31 December 2019	18
Consolidated statement of changes in equity for the year ended 31 December 2019	19
Consolidated cash flow statement for the year ended 31 December 2019	20
Accounting policies (group)	21 – 31
Notes to the consolidated financial statements	32 – 52

The annual reports of the company for the years ended 31 December 2019 and 31 December 2020 are available from the company's website, [www.reatrading.co.uk](http://www.reatrading.co.uk) (under "investors", "financial information").

No other information, including any information in any document incorporated by reference in any of the documents specified above or document or information that is publicly filed, forms part of these admission particulars unless otherwise expressly stated.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified, replaced or superseded for the purpose of these admission particulars to the extent that a statement contained herein modifies, replaces or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified, replaced or superseded shall not be deemed, except as so modified, replaced or superseded, to constitute a part of these admission particulars.

#### **Documents on display**

During the life of this document, the following documents will be available from the company's website, [www.reatrading.co.uk](http://www.reatrading.co.uk) (under "investors"):

- (i) the memorandum and articles of association of the company;
- (ii) the annual reports of the company for the years ended 31 December 2019 and 31 December 2020;
- (iii) a draft of the loan note instrument; and
- (iv) a copy of this document and any supplements thereto, any supplements to any documents stated herein or therein to be incorporated by reference and any other documents issued by the company and stated to be incorporated by reference in these admission particulars.



## Definitions

Unless the context otherwise requires, the following definitions apply throughout this document:

"admission particulars"	this document and the documents expressly incorporated by reference herein
"board"	the board of directors of the company
"company"	R.E.A. Trading plc, whose registered address is at First Floor, 32-36 Great Portland Street, London W1W 8QX
"CREST"	the computerised settlement system operated by Euroclear UK & Ireland Limited (whose registered address is at 33 Cannon Street, London, EC4M 5SB) to facilitate the transfer of title to securities held in uncertificated form
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
"directors"	the directors of the company
"group"	the company and its subsidiaries
"Guy Butler"	Guy Butler Limited of 21 Great Winchester Street, London EC2N 2JA
"loan note instrument"	the loan note instrument to be executed by the company by way of a deed poll, constituting the new loan notes
"London Stock Exchange"	London Stock Exchange plc
"new loan notes"	the £4,000,000 nominal of 9.5 per cent loan notes 2024 proposed to be created by the company or, as the context may require, the principal amount of such notes for the time being issued and/or issued and outstanding
"placing"	the proposed placing by Guy Butler of £4,000,000 nominal of new loan notes at par
"RVP"	REA Vipingo Plantations Limited, a 97 per cent owned subsidiary of the company incorporated in Kenya, which owns a sisal estate in Kenya and acts as a holding company for the group's other East African sisal interests
"Wigglesworth"	Wigglesworth & Co. Limited, a wholly owned subsidiary of the company incorporated in England and Wales, which is a London based merchant engaged in trading natural fibres

References to "dollars" and to "\$" are to the lawful currency of the United States and references to "sterling" and "£" are to the lawful currency of the UK.



## **THE COMPANY AND ITS ADVISERS**

### **The company**

R.E.A. Trading plc  
First Floor  
32-36 Great Portland Street  
London W1W 8QX

### **Auditors to the company**

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### **Brokers to the company**

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### **Registrars to the company**

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### **Solicitors to the company**

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