

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Document, or the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent professional adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000, or from an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

Copies of this Document are being sent to Shareholders. If you have sold or otherwise transferred all of your ordinary shares in Love Hemp Group Plc, please forward this Document and the accompanying form of proxy on at once to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred part only of your holding of ordinary shares in Love Hemp Group Plc, you should retain this Document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



**NOTICE OF
GENERAL MEETING**

Notice of the General Meeting of the Company to be held at 48 Warwick Street, London, W1B 5AW on 4 February 2022 at 10 am is set out on pages 2 to 4 of this document. A form of proxy is also enclosed at the end of this document for use at the Meeting. Forms of proxy should be completed and returned to the Company's Registrars, Share Registrars Limited at Molex House, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or by e-mail to voting@shareregistrars.uk.com as soon as possible and in any event so as to be received not later than 48 hours (excluding non-working days) before the time fixed for the Meeting which is 2 February 2022 at 10 am.

Copies of this Document are available for download from the Company's website: www.worldhighlife.uk



Love Hemp Group PLC

Registered Office
Suite 1,
15 Ingestre Place,
London
W1F 0DU

7 January 2022

To the Shareholders and, for information only, to the Option Holders and Warrant Holders

Notice of General Meeting

Dear Shareholder,

I am writing to explain the resolutions to be proposed at the General Meeting which is to be held at 10 am on 4 February 2022 at 48 Warwick Street, London, W1B 5AW. The resolutions are set out in the Notice of General Meeting on page 4 of this Document.

Background

We refer to the proposed admission of the Company's shares to trading on the Standard List market of the London Stock Exchange ("Admission") and the proposed implementation of an employee Share Incentive Plan ("SIP").

In order to adopt the SIP, the Company must undertake a number of preparatory steps to reorganise its share capital ("Reorganisation"), as part of which shareholders will be asked to approve a special resolution to convert the Company's share premium account balance into distributable reserves to remove the indebtedness of the Company. This will then require a Court order.

The purpose of this letter is to explain to you in detail the rationale for the Reorganisation and to provide you with notice of the General Meeting ("GM") at which you are entitled to vote on the resolutions to receive and consider the Company's accounts for the year ended 30 June 2021 and to approve the Reorganisation.

Further, during the course of the preparation of the Company's financial results, the Board became aware that the value of the Company's net assets is now less than half of its called-up share capital.

In accounting terms, this is described as a "serious loss of capital", as a result of which the Directors are required, pursuant to section 656(1) of the Companies Act 2006, to call a General Meeting to consider whether any, and if so what steps should be taken to address it. Accordingly, the Board is required to call a General Meeting to ensure that this matter is addressed with Shareholders.

The Directors believe that the serious loss of capital is not uncommon for growth companies at this stage of their development and is largely a result of the Company's ongoing marketing expenditures and preparations for aggressive business growth which characterise the Company's current state of development. The Board welcomes dialogue with Shareholders on this issue and the General Meeting will provide a forum for such discussions to take place.

In accordance with the terms of the Companies Act, Shareholders should note that they are not eligible to vote on this agenda item and so will not be invited to do so at the General Meeting. It is for discussion only and relates to a technical accounting outcome.

Ordinary business at the GM

Resolution 1 - Annual Report and Accounts

This is an ordinary resolution to receive and adopt the audited Statement of Accounts and the Reports of the Directors and the Auditor of the Company for the year ended 30 June 2021.

Serious Loss of Capital – discussion only

To consider, pursuant to section 656(1) of the Companies Act 2006, whether any, and if so what, steps should be taken to address the serious loss of capital within the Company.

Special business at the GM

Resolution 2 – Reduction of the share premium account of the Company

The Company is aware of the critical relationship with its staff and wishes, on the recommendation of the Remuneration Committee of the Board, to prepare for and seek the approval to implement a Share Incentive Plan (SIP) at some point before the next General Meeting. The SIP would be an HMRC-approved scheme that enables all employees to own shares in the Company and, if they hold those shares for 5 years, then currently they are free of income and capital gains taxes. The Company has engaged RSM Chartered Accountants to draft and implement the SIP but this cannot be implemented unless an Employee Trust can be established in order to deposit funds from the Company to purchase shares at nominal 1p value. As the Company does not have sufficient distributable reserves, the Company is therefore required to reduce its share premium account in order to write off sufficient losses to ensure that its net assets are in excess of its called-up share capital and undistributable reserves. There is no cash loss to Shareholders, and this is a technical accounting exercise.

The Company's losses were £15,625,955 as at 30 June 2021 and further increased in the period to 31 December 2021. The Company will therefore need to reduce its share premium account to write off sufficient losses to ensure that its net assets are in excess of its called-up share capital and undistributable reserves. Resolution 2 therefore seeks the approval of Shareholders to reduce the share premium account of the Company by the full value of the share premium account being £17,927,000.

A solvency statement will be signed by the Directors and will be available for inspection at the General Meeting.

Form of Proxy

A Form of Proxy for use at the General Meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Company's Registrars so as to arrive to Share Registrars Limited at Molex House, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or by e-mail to voting@shareregistrars.uk.com no later than 48 hours (**excluding non-working days**) before the time fixed for the GM which is at 10 am on 2 February 2022.

Board Recommendation

The Board considers that the Ordinary Resolution and the Special Resolution are in the best interests of the Company and its Shareholders as a whole and it unanimously recommends to Shareholders that they should vote in favour of each of them.

Yours faithfully,

Andrew Male
Chairman

LOVE HEMP GROUP PLC

(incorporated and registered in England and Wales no. 11797850)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting (the “**Meeting**”) of Love Hemp Group Plc (the “**Company**”) will be held on 4 February 2022 at 10 am at 48 Warwick Street, London, W1B 5AW for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as ordinary resolution and resolution 2 as a special resolution:

ORDINARY BUSINESS

1. Resolution 1: To receive and consider the Annual Report and Accounts for the year ended 30 June 2021 together with the Directors’ Report and Auditors’ Report thereon.
2. To consider, pursuant to section 656(1) of the Companies Act 2006, whether any, and if so what, steps should be taken in relation to the serious loss of capital within the Company.

SPECIAL BUSINESS

3. Resolution 2: THAT, the amount standing to the credit of the share premium account of the Company be reduced by £17,927,000.

By Order of the Board

Westend Corporate LLP
Company Secretary

Dated: 7 January 2022

Registered office:
Suite 1,
15 Ingestre Place,
London,
W1F 0DU

Notes:

- 1 A member of the Company entitled to attend, speak and vote at the meeting convened by this notice may appoint one or more proxies to attend, speak and vote in his place. A proxy need not be a member of the Company. A form of proxy is enclosed for use at this meeting.
- 2 Completing and returning a form of proxy does not preclude a member from attending and voting at the Meeting.
- 3 To be valid, a form of proxy and, if applicable, any authority under which it is signed, or a notarially certified copy of such authority must be lodged at Share Registrars Ltd at Molex House, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or by e-mail to voting@shareregistrars.uk.com not later than 10 am on 2 February 2022. A form of proxy is enclosed.
- 4 For the purposes of determining who is entitled to attend or vote (whether on a show of hands or a poll) at the meeting a person must be entered on the register of members not later than 10 am on 2 February 2022, or if the meeting is adjourned, you must be entered on the register 48 hours (excluding non-working days) prior to the date of any adjourned meeting.
- 5 In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- 6 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form. Please indicate the proxy holder’s name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
- 7 As at the close of business on 6 January 2022 (the last business day prior to the publication of this notice), the Company’s issued ordinary share capital comprised 942,248,881 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the time and date given above is 942,248,881.