



RNS Miscellaneous

2022 FINAL RESULTS

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MaxRets Ventures plc
 ("MaxRets Ventures" or the "Company")

Final Results for the year ended 31 October 2022

MaxRets Ventures, (AQUIS:MAX), an investing company focussing on early-stage or undervalued later stage businesses with strong upside potential, announces its final results for the year ended 31 October 2022.

Extracts of the Company's audited report and accounts can be found below. A full copy of the final results, which should be read in full, will shortly be available on the Company's website www.maxrets.com

This announcement contains inside information for the purpose of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Non-executive Chairman's Statement

Introduction

Maxrets Ventures plc (the "Company" or "Maxrets") is an investment company quoted on the Aquis Stock Exchange Growth Market ("AQSE"). The Company was incorporated on 1 October 2019 and its shares were admitted to trading on 30 December 2019.

In its annual report for the year ended 31 October 2021, the Board of Directors commented that the CBD sector had not performed well and the novel foods legislation developments in the UK, whilst assisting to provide clarity, would likely cause short to medium term turbulence in the market. Further, the Board advised that, within Europe, novel foods legislation was still to be agreed and that reaching such agreement had been much slower than initially anticipated. As a result, cannabis and CBD investments within Europe had proved difficult.

At the time, the Board further advised that it would take a cautious approach to CBD and cannabis investments and turn its attention to other areas of its investing strategy being related health, wellness and plant based medicine investments. During the period since that statement, the cannabis and related business sectors generally continued to perform poorly and the sectors did not generate the quality or underlying value of investment opportunities originally envisaged by the Company at the time of flotation in December 2019.

Following a review of the Company's area of focus and its operations in December 2022, the Board of Directors concluded that it was in the best interests of all shareholders for the Company to withdraw from the medicinal cannabis, CBD and related wellness markets and, instead, adopt a new investment strategy based on private equity style investing in technology driven businesses.

Change of Investing Strategy

The Board firmly believes that, as a result of the current challenging global economic and geopolitical landscape, opportunities now exist to invest in or acquire distressed or out of favour assets which have become undervalued, or, assets which may benefit from consolidation.

After the approval on 28 December 2022 by shareholders to a change in investing strategy and change in name of the Company from Greencare Capital plc to Maxrets Ventures plc, the Company's underlying investment driver became predominantly technology driven businesses based on their potential future value enhancement and investment returns.

The Board identified four sectors of initial focus, and will likely in future target other technology driven sectors. These initial sectors include Life Sciences, fintech businesses and assets that use fintech technology, Impact Investing (Environmental and Renewables) and Retail.

The Company now follows a growth incubator / pre-IPO investment philosophy as its investment strategy, whereby it will seek out early stage or undervalued later stage businesses with strong upside potential, with the objective of acquiring, funding, growing and selling-on the investments through the public markets at enhanced valuations.

The Board will not restrict the jurisdiction of investments since the application of technology is not constrained by geographic borders, however, the Board would expect that it will consider more investments in Europe than elsewhere.

Structure of Investments

The Company anticipates that investments will be made from the Company's own balance sheet and/or in partnership with other investing entities and will be expected to be in the form of equity and equity-related instruments, including convertible debt instruments, and, debt. The Company may offer its ordinary shares and debt instruments in exchange for shares in investee businesses. The Company may invest in quoted or listed companies, that are publicly traded, and private companies. It may acquire investments directly or by way of holdings in intermediate holding or subsidiary entities. The Company may also invest in limited liability partnerships and other forms of legal entity. The Company may invest in majority or minority positions and will ensure that it has suitable investor protection rights, as determined by the Board. The Company may, where appropriate and deemed by the Directors to be in the Company's best interests, seek a position on the boards of investee companies to actively monitor and assist the business including helping to scale senior management, inform and refine strategy, drive key performance indicators and provide guidance on future financing.

The Company intends to realise value through exiting the investments over time and will have no fixed investment period.

Investments in the portfolio

INVESTMENTS IN THE PERIOD

Maxrets has two legacy investments in the Cannabis sector that were both made in 2021.

Clearly Supplements Ltd

The first investment in March 2021 was a £100,000 investment in Clearly Supplements Ltd. ("Clearly") a UK based company offering CBD products direct to customers. The investment was by way of a convertible loan note ("CLN") with a 5 per cent. coupon and a 12-month duration. The CLN was expected to convert at the time of a public listing at a 30 per cent. discount to the placing price at that time. Clearly was planning to seek its own stock market listing and their application was well progressed with the FCA and passed eligibility. However, given changes in market conditions they have decided not to proceed with a listing.

Clearly developed a range of products under the Clearly CBD brand. It also established a number of distribution channels which retail and direct sales. It focused on certain key market segments such as the fitness sector and, at the same time, had been looking to build a retail presence and to operate online.

Due to market difficulties, the company reduced its cost structure and continued to fund its operations through a combination of product sales and capital raises. Following its decision to not proceed with an IPO, it is now seeking a strategic private equity partnership, which appears to be progressing positively.

Given a lack of funding for marketing and business development, the underlying business sales have not grown as Clearly expected. Management decided to focus more on a direct sales model. This has proven more successful having grown the sales team from 80 in 2021 to more than 200 in 2022 with a significantly larger number of potential direct sales members in the pipeline. Clearly reports that it now moves towards break-even which it expects to achieve in the coming six months.

Voyager Life Limited

The second investment was made in April 2021; an equity investment of £100,000 in Voyager Life Limited ("Voyager"), a health and wellness business focused on CBD and hemp seed oil, that has developed a range of products under the Voyager and Voyager Life brands, including oils, gummies, bath and skincare products.

On 30 June 2021, Voyager announced that it had completed its own IPO and admission to trading on The AQSE Growth Market, with the Company holding approximately 2.8% of the enlarged issued share capital of Voyager at the time of flotation.

Voyager Life plc has grown considerably with over 50 formulated CBD and hemp products across the Voyager and Ascend Skincare brands, 3 of its own stores in Scotland and a distribution network that is now UK-wide. The company has begun manufacturing its own topical and skincare products, both for its own brands and also white label and private label customers. Voyager's last trading update indicated revenues of £178,000 to 31 March 2022.

Importantly, the company's balance sheet is strong with £1.4 million cash and £140,000 of inventory.

Investments during the year and Outlook

The Board considered a number of investments in the year to October 31 2022, initially in the Cannabis and related sectors, however ultimately decided following a positive vote from shareholders, to react to market conditions and change strategic direction.

The Board has a wide experience in venture, pre-IPO and Private Equity investing. Between them they have grown a number of businesses through to sale and to listing on public markets in sectors that include technology, retail, real estate, and life sciences. The intention is over time to add an advisory board to the Company to enhance knowledge in other areas as appropriate based on the opportunities being considered.

Since the financial year end, the Company has built a pipeline of opportunities within the new strategy. It has analysed two in detail and expects to begin to deliver on one of these opportunities in the coming months.

Dominic White
Non-executive Chairman
26 April 2023

Statement of Comprehensive Income
For the year ended 31 October 2022

	2022	2021
	£'000	£'000
Administrative expenses	(564)	(376)
Operating loss	(564)	(376)
Interest income	5	3
Loss before tax	(559)	(373)
Taxation	-	-
Loss for the financial year	(559)	(373)
Other comprehensive income for the year	-	-
Total comprehensive loss	(559)	(373)
Earnings/(loss) per share (pence) from continuing operations attributable to owners of the Company - Basic & Diluted	(3.78)	(2.52)

Statement of Financial Position
As at 31 October 2022

	2022	2021
	£'000	£'000
Non-current assets		
Financial assets	95	164
	95	-
Current assets		
Trade and other receivables	130	62
Cash and cash equivalents	411	878
Total current assets	541	940
Total assets	636	1.104

Current liabilities		
Trade and other payables	139	54
Total current liabilities	139	54
Net assets	497	1,050
Capital and reserves		
Share capital	148	148
Share premium	1,587	1,587
Share based payment reserve	121	115
Retained earnings	(1,359)	(800)
Total equity	497	1,050

The financial statements were approved by the Board of Directors on 26 April 2023 and signed on its behalf by:

Dominic White
Non-executive Chairman
26 April 2023

Statement of Changes in Equity
For the year ended 31 October 2022

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
As at 31 October 2020	148	1,587	113	(427)	1,421
Loss for the year	-	-	-	(373)	(373)
Total Comprehensive Income	-	-	-	(373)	(373)
Share based payments	-	-	2	-	2
Total Transactions with Owners	-	-	2	-	2
As at 31 October 2021	148	1,587	115	(800)	1,050
Loss for the year	-	-	-	(559)	(559)
Total Comprehensive Income	-	-	-	(559)	(559)
Share based payments	-	-	6	-	6

Share based payments	-	-	6	-	6
Total Transactions with Owners	-	-	6	-	6
As at 31 October 2022	148	1,587	121	(1,359)	497

Statement of Cash Flows**For the year ended 31 October 2022**

	2022	2021
	£'000	£'000
Cash from operating activities		
Loss before tax	(559)	(373)
Adjustments for:		
Interest income	(5)	(3)
Share based payment charge	6	2
Change in value of financial assets	69	39
(Increase)/decrease in trade and other receivables	(63)	(24)
Increase/(decrease) in trade and other payables	85	(26)
Net cash used in operating activities	(467)	(385)
Cash flows from financing activities		
Proceeds from issue of shares (net of issue costs)	-	-
Net cash from financing activities	-	-
Cash flows from investing activities		
Purchase of investments	-	(200)
Net cash from investing activities	-	(200)
Net cash flow for the year	(467)	(585)
Cash and cash equivalents at beginning of year	878	1,463
Cash and cash equivalents at end of year	411	878
Net change in cash and cash equivalents	(467)	(585)

Notes to the Financial Statements**1. General information**

Maxrets Ventures plc is a public limited company limited by shares and was incorporated in England on 1 October 2019 with company number 12237710. Its registered office is 5 Fleet Place, London, EC4M 7RD.

The Company's shares are traded on the Aquis Stock Exchange Growth Market under ticker MAX and ISIN number GB00BJBYK814.

The Company's investment strategy during the year was to focus on investments in Cannabis sectors within countries that have well developed and predictable laws and regulations for its production, research and distribution and the CBD and HEMP sectors.

well-developed and reputable laws and regulations for its production, research and distribution, and the CBD and hemp sectors. Following shareholder approval at a General Meeting, the strategy has changed, as described in the Non-executive Chairman's statement.

The financial statements present the year to 31 October 2022.

The contents of this announcement have been extracted from the full version of the annual report and, therefore, references and page numbers may not be accurate or complete in this summary. Shareholders are therefore encouraged to read the full version of the Annual Report for the year to 31 October 2022, a copy of which can be found on the Company's website <https://maxrets.com/>.

The Directors do not recommend payment of a dividend for the period ended 31 October 2022.

2. Basis of preparation

The financial statements of Maxrets Ventures plc have been prepared in accordance with U.K. Adopted International Financial Reporting Standards in conformity with the Companies Act 2006 ('Adopted IFRS').

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed investments at fair value.

The financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency, and are presented in £'000 unless otherwise stated.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Further information on the accounting policies used and their application can be found in full version of the annual report, which is available on the Company's website.

3. Going concern

As at 31 October 2022, the Company had cash of £0.4 million. As an investment business, the Company has limited operating cash flow and is dependent on the performance of its investments and its cash balances for its working capital requirements. Annualised normal running costs of the Company are circa £0.28 million and the Company is due to receive £0.1 million of VAT refunds. As at the date of this report, the Company had approximately £0.3 million of cash at bank.

The Directors are confident that the Company will achieve its cash flow forecasts and, taking into account the operating initiatives already in place, have prepared the accounts on a going concern basis. Nevertheless, the forecasts show that the Company may have a low level of cash in twelve months time and may require further funding in the longer term to meet its commitments as they fall due. These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and the Company may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. These financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within their audit report, an extract of which is below:

"We draw attention to note 2 in the financial statements, which indicates that the company had a cash balance of £0.4 million at the year end. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management for the period up to April 2024, providing challenge to key assumptions and reviewing for reasonableness;

- A comparison of actual results for the period to past budgets to assess the forecasting ability/accuracy of management;
- Reviewing post-year end RNS announcements and held discussions with management on expenditure plans; and
- Assessing the adequacy of going concern disclosures within the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report."

4. Earnings per share

	2022	2021
	£'000	£'000
Earnings		
Loss for the period	(559)	(373)
Number of shares		
Weighted average number of shares for the purposes of basic and diluted earnings per share	14,792,374	14,792,374
Earnings per share (pence)	(3.78)	(2.52)

5. Annual General Meeting

The Directors will inform shareholders of the arrangements for the AGM in a separate announcement.

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