

30 April 2021

Greencare Capital plc

("Greencare" or the "Company")

Final Results for the Period Ended 31 October 2020

Greencare (AQUIS: GRE), the investment company focused on investing in medicinal cannabis and related areas, announces its final results for the period to 31 October 2020.

An extract of the Company's audited report and accounts can be found below. A full copy of the final result, which should be read in full, will shortly be available from the Company's website and will be sent to all shareholders.

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

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CEO's Statement

Introduction

Greencare Capital plc (the "Company" or "Greencare") is an investment company quoted on the Aquis Stock Exchange ("AQSE") Growth Market, the successor to NEX Exchange Growth Market. The Company was incorporated on 1 October 2019 and its shares were admitted to trading on 30 December 2019, raising £514,344 before expenses.

The Company's investment strategy is to focus on investments in the cannabis sectors within countries whose jurisdictions have well-developed and reputable laws and regulations for its production, research and distribution, together with the CBD and Hemp sectors. The law and regulation governing the cannabis sector are, however, continually evolving and the Company's investments, where applicable, will only focus on businesses and organisations with activities that are entirely lawful under the jurisdiction in which they operate and are either already lawful or are capable of being lawful in the UK. The Directors therefore believe that such activities should not amount to any offences under the POCA 2002 in the UK.

The Company will invest directly or indirectly in public or private companies, in supply and distribution chains, or other business associated with the sector. Investments may take the form of debt or equity and it is expected that such investments will ordinarily seek capital growth in the medium term in preference to income.

The Company plans to identify investment opportunities in the cannabis sector predominantly in Europe. The Directors believe that there are numerous investment opportunities within the wellness industry and the fast-growing production, distribution and other associated businesses that will be of interest to the Company. The Company will not invest in the recreational cannabis sector, or in entities or activities supported by it, nor any other related activities which would be deemed illegal under UK legislation.

Activities during the year

At the time of Admission, the Directors were aware of a number of potentially attractive investment opportunities. One such opportunity had progressed to a stage whereby the Directors were hopeful that an investment could be made shortly after flotation, subject to appropriate due diligence. The target investee company had an, exclusive, market leading position in the distribution of cannabis products in its home country, one of the largest European economies. The exclusive distribution capability was across more than 30,000 points-of-sale and the investee company was in discussions to expand these points of sale by approximately 15,000 more. As a result, the investee company would be the largest single distributor within its home market.

However, since early last year, the Covid-19 pandemic has, together with various changes in legislation, significantly impacted the rate of progress that the Company has been able to make in advancing the several investment opportunities referred to in its Admission Document. Specifically, due to certain changes in legislation and the results of due diligence, the Company decided not to proceed with the investment opportunity described above.

On 30 June 2020, the Company announced that it had raised additional funds of £1,367,500 by way of a further placing. The proceeds of this placing have provided additional investment funds for the Company. This fundraising was completed at a price significantly higher than the placing price at the time of admission in December 2019 and demonstrates the strength of investor interest in this sector.

During the period, the Company has continued to review a number of investment opportunities. On 1 April 2021, post the period end, it announced that it had agreed to make its first investment of £100,000 in Clearly Supplements Limited (“Clearly”), as part of a £500,000 fund raising by Clearly. The investment was by way of a convertible loan note (“CLN”) with a 5 per cent coupon and a 12-month term. Under the terms of the conversion, the CLN would convert at the time of a listing by Clearly, at a 30 per cent discount to the then placing price, subject to a maximum price.

Clearly has developed a wide range of products under the Clearly CBD brand. It is also establishing a number of distribution channels which include direct selling and the capability to enter the Asian market, including China, through distributors in Hong Kong. It is also focused on certain other key market segments such as the fitness sector and will, at the same time, be looking to build a retail presence and to operate online. Clearly has also entered into a supply agreement with Hempflax International, Europe’s largest independent hemp grower and processor and is planning to seek its own stock market listing in the short to medium term.

Furthermore, on 23 April 2021, the Company agreed to make an equity investment of £100,000 in Voyager Life Limited (“Voyager”), as part of a £671,000 fund raising by Voyager.

Voyager, a health and wellness business focused on CBD and hemp seed oil, has developed a range of products under the Voyager and Voyager Life brands, including oils, gummies, bath and skincare products and is already generating revenues. It is currently developing a number of distribution channels which include direct sales, drop shipping, specialist retailers and online marketplaces.

The CBD sector is expected to grow significantly in the short term, with the UK being the world’s second largest market after the US. Voyager’s management team have significant experience in the sector and to date, have made good progress in securing a novel foods licence which is now a requirement in order to be able to operate in this sector. Market regulation is therefore increasing, with the UK leading the way, and Voyager is very much focused on building a platform that is strictly regulatory compliant. This is particularly important in order to develop the right distribution channels for CBD products.

Voyager has also already started the process of seeking its own stock market listing on the Aquis Stock Exchange Growth Market.

Outlook

The Directors strongly believe that the market sector which the Company is focused upon investing in is going through a very exciting, transitional period. At the same time, they also believe that the Company is well placed to deploy funds in line with the Company's stated aims and that these investments in Clearly and Voyager demonstrate the exciting opportunities available for investment. The Board very much looks forward to updating the market further in the near future.

Fabio Carretta
Chief Executive Officer

Statement of Comprehensive Income For the period ended 31 October 2020

	2020
	£'000
	<hr/>
Administrative expenses	(427)
	<hr/>
Operating loss	(427)
	<hr/>
Interest income	-
	<hr/>
Loss before tax	(427)
	<hr/>
Taxation	-
	<hr/>
Loss for the financial year	(427)
	<hr/>
Other comprehensive income for the year	-
	<hr/>
Total comprehensive loss	(427)
	<hr/> <hr/>

Earnings/(loss) per share (pence) from continuing operations attributable to owners of the Company – Basic & Diluted (0.04)

**Statement of Financial Position
As at 31 October 2020**

	2020
	£'000
	<hr/>
Current assets	
Trade and other receivables	38
Cash and cash equivalents	1,463
Total current assets	<hr/> 1,501 <hr/>
Total assets	<hr/> 1,501 <hr/>
Current liabilities	
Trade and other payables	80
Total current liabilities	<hr/> 80 <hr/>
Net assets	<hr/> 1,421 <hr/>
Capital and reserves	
Share capital	148
Share premium	1,587
Share based payment reserve	113
Retained earnings	(427)
Total equity	<hr/> 1,421 <hr/> <hr/>

The financial statements were approved by the Board of Directors on 29 April 2021 and signed on its behalf by:

Fabio Carretta
CEO

Statement of Changes in Equity
For the period ended 31 October 2020

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Loss for the year	-	-	-	(427)	(427)
Total Comprehensive Income	-	-	-	(427)	(427)
Issue of shares	148	1,834	-	-	1,982
Share issue costs	-	(138)	-	-	(138)
Share based payments	-	(109)	113	-	4
Total Transactions with Owners	148	1,587	113	-	1,848
As at 31 October 2020	148	1,587	113	(427)	1,421

Statement of Cash Flows
For the period ended 31 October 2020

2020

£'000

Cash from operating activities

Loss before tax (427)

Adjustments for:

Share based payment charge 4

(Increase)/decrease in trade and other receivables (38)

Increase/(decrease) in trade and other payables 80

Net cash used in operating activities (381)

Cash flows from financing activities

Proceeds from issue of shares (net of issue costs) 1,844

Net cash from financing activities 1,844

Net cash flow for the year 1,463

Cash and cash equivalents at beginning of year -

Cash and cash equivalents at end of year 1,463

Net change in cash and cash equivalents 1,463

Cash and cash equivalents comprise:

Cash at bank and in hand 1,463

1,463

Notes to the financial statements

1. General information

Greencare Capital 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 ECP and ISIN number GB00BJBYK814.

Greencare Capital – Final Results

RNS Number 1418X

Greencare Capital PLC

30 April 2021

The Company's investment strategy is to focus on investments in Cannabis sectors within countries that have well-developed and reputable laws and regulations for its production, research and distribution and the CBD and Hemp sectors.

The Company was first incorporated on 1 October 2019 and so the period ended 31 October 2020 represents a 13-month period.

The information above has been extracted from the final report and accounts for the period ended 31 October 2020. Accordingly, references to notes and page numbers will related to the final report and accounts which should be read in full.

2. Basis of Preparation

The financial statements of Greencare Capital plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

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.

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.

The financial statements have been prepared on the historical cost basis and are presented in £'000 unless otherwise stated.

3. Going Concern

As at 31 October 2020, the Company had cash of £1.5 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 £300,000. As at the date of this report, the Company had approximately £1.2 million of cash at bank.

The Directors are therefore of the opinion that the Company has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

4. Earnings per share

	2020
	£'000
Earnings	<hr/>
Loss for the period	(427)
Number of shares	
Weighted average number of shares for the purposes of basic and diluted earnings per share	10,714,296

Earnings per share (pence)

(0.04)

5. Dividends

The Directors do not recommend payment of a dividend for the period ended 31 October 2020.

6. Annual General Meeting (AGM)

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