

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the UK, or, if not another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

This document comprises an Admission Document drawn up in compliance with the requirements of the NEX Exchange Rules and is being issued in connection with the proposed admission of Greencare Capital plc to the NEX Exchange Growth Market. This document does not constitute, and the Company is not making, an offer to the public within the meaning of the Prospectus Regulation. Therefore, this Document is not an approved prospectus for the purposes of and as defined in the Prospectus Regulation, has not been prepared in accordance with the Prospectus Regulation and its contents have not been approved by the Financial Conduct Authority ("FCA") or any other authority which could be a competent authority for the purposes of the Prospectus Regulation. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA. This document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK.

The Directors of the Company, whose names are set out on page 10 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document including the Company's compliance with the NEX Exchange Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the issued ordinary share capital of the Company to be traded on the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the NEX Exchange Growth Market on 30 December 2019.

Greencare Capital plc

Incorporated and registered in England and Wales with registered number 12237710

Subscription of 2,057,374 New Ordinary Shares each at a price of 25p per share and Admission of the Enlarged Share Capital to trading on the NEX Exchange Growth Market



NEX Corporate Adviser



Cairn Financial Advisers LLP

Authorised and regulated by the Financial Conduct Authority

Broker



Epsilon Capital Limited

Authorised and regulated by the Financial Conduct Authority

SHARE CAPITAL IMMEDIATELY FOLLOWING SUBSCRIPTION AND ADMISSION

12,057,374 issued and fully paid Ordinary Shares of £0.01 each

The NEX Exchange Growth Market, which is operated by NEX Exchange Limited, a recognised investment exchange under Part XVIII of the Financial Services and Markets Act 2000 (FSMA), is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and NEX Exchange Growth Market securities are not admitted to the official list of the FCA. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX Exchange Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Greencare Capital is required by NEX Exchange to appoint a NEX Exchange Corporate Adviser to apply on its behalf for admission to the NEX Exchange Growth Market and must retain a NEX Exchange Corporate Adviser at all times. The requirements for a NEX Exchange Corporate Adviser are set out in the Corporate Adviser Handbook and the NEX Exchange Corporate Adviser is required to make a declaration to NEX Exchange in the form prescribed by Appendix B to the NEX Exchange Corporate Adviser Handbook.

This document has not been approved or reviewed by NEX Exchange or the Financial Conduct Authority.

Cairn Financial Advisers LLP, which is authorised and regulated by the Financial Conduct Authority, is the Company's NEX Exchange Corporate Adviser for the purposes of Admission. Cairn Financial Advisers LLP has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible. Cairn Financial Advisers LLP is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

The whole text of this Document should be read. An investment in the Company involves a high degree of risk and, may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Copies of this Document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Cairn Financial Advisers LLP, Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX from the date of this Document and shall remain available for a period of one month from Admission.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this Document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this Document may be restricted and accordingly persons into whose possession this Document comes are required to inform themselves about and to observe such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

The delivery of this Document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this Document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this Document or that the information in this Document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE INFORMATION ON THE COMPANY SET OUT IN PART I AND THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company, the holders of the Ordinary Shares, Cairn Financial Advisers LLP or Epsilon Capital Limited that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for those purposes is required. Persons outside the UK who come into possession of this Document should inform themselves about and observe any restrictions on the holding of Ordinary Shares and/or the distribution of this Document in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

This document does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of an offer to subscribe or buy, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer, invitation or solicitation. In particular, this Document is not for distribution (directly or indirectly) in or into the Prohibited Territories. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered directly or indirectly in or into the Prohibited Territories. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the Prohibited Territories and they may not be offered or sold directly or indirectly within the Prohibited Territories or to or for the account or benefit of any national, citizen or resident of the Prohibited Territories.

This document is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity (within the meaning of section 21 of FSMA) and has therefore not been approved by an authorised person within the meaning of FSMA. This document may only be communicated or caused to be communicated in the UK to persons falling within Articles 19 (investment professionals) and 49 (high net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (SI. 2005/No. 1529) or other persons to whom it may otherwise lawfully be communicated or cause to be communicated ("Relevant Persons"). Consequently, this Document will not be available in the United Kingdom to anyone other than Relevant Persons and no one falling outside those categories is entitled to rely on, and they must not act on, any information in this Document. The communication of this Document to any person in the United Kingdom other than Relevant Persons is unauthorised and may contravene FSMA.

OVERSEAS SHAREHOLDERS

This document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not, subject to certain exceptions, for distribution in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations.

Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan.

The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Cairn Financial Advisers LLP that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Holding Ordinary Shares may have implications for overseas Shareholders under the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements are made only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or Risk Factors other than as required by law or the NEX Exchange Rules whether as a result of new information, future events or otherwise. However, nothing in this Document shall be effective to limit or exclude liability for fraud or which, by law or regulation, cannot otherwise be so limited or excluded.

THIRD PARTY INFORMATION

To the extent that information has been sourced from a third party, this information has been accurately reproduced and, so far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.

INFORMATION ON THE COMPANY'S WEBSITE

The information on the Company's website does not form part of the admission document unless that information is incorporated by reference into the admission document.

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DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“Act”	the Companies Act 2006, as amended;
“Admission”	admission of the issued ordinary share capital of the Company to trading on the NEX Exchange Growth Market becoming effective in accordance with the NEX Exchange Rules;
“Articles” or “Articles of Association”	the articles of association of the Company from time to time;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 10 of this Document;
“Business Day”	a day other than Saturday or Sunday or a public holiday in England and Wales;
“Cairn”	Cairn Financial Advisers LLP, NEX Exchange Corporate Adviser to the Company, which is authorised and regulated by the FCA;
“City Code”	the City Code on Takeovers and Mergers;
“Company”	Greencare Capital plc, a company registered in England and Wales with company number 12237710 and whose registered office is at 5 Fleet Place, London EC4M 7RD;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) to facilitate the transfer of title in shares and the holding of shares in uncertificated form which is operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time);
“Disclosure Rules” or “DTRs”	The Disclosure and Transparency Rules published by the FCA from time to time;
“Document”	this Document and its contents;
“Enlarged Share Capital”	The 12,057,374 Ordinary Shares in the Company comprising the Existing Ordinary Shares and the Subscription Shares;
“Epsilon” or “Broker”	Epsilon Capital Limited, broker to the Company, which is authorised and regulated by the FCA;
“Existing Ordinary Shares”	the 10,000,000 Ordinary Shares of £0.01 each in issue prior to the issue of the Subscription Shares;
“FCA”	the United Kingdom Financial Conduct Authority;
“Foreign Counsel”	independent legal counsel who is familiar with local operations in the relevant foreign territory in which the Company is seeking to target and invest in;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Investment Vehicle”	as defined in paragraph 3 of Part I of this Document;
“Issued Share Capital”	the issued ordinary share capital of the Company immediately following Admission being the Existing Ordinary Shares;
“Lock-in Agreements”	the lock-in agreements dated 27 December 2019 between (1) the Company, (2) the relevant Locked-in Shareholder, and (3) Cairn further details of which are set out in paragraph 12. of Part V of this Document;

“Locked-in Shareholders”	those Shareholders subject to the Lock-In Agreements, further details of which are out in paragraph 12 of Part V of this Document;
“MAR” or “Market Abuse Regulation”	EU Regulation 596/2014 of the European Parliament and the Council of 16 April 2014, as may be amended from time to time;
“Member State”	a member state of the European Union;
“NEX Exchange”	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA;
“NEX Exchange Growth Market”	the primary market for unlisted securities operated by NEX Exchange;
“NEX Exchange Rules”	the NEX Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the NEX Exchange Growth Market;
“Official List”	the Official List of the Financial Conduct Authority;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Panel”	as defined in paragraph 19 of Part I of this Document;
“Persons Discharging Managerial Responsibility”	as defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as at the date of this Document;
“QCA Code”	the Corporate Governance Code published in April 2018 by the Quoted Companies Alliance;
“Relationship Agreement”	an agreement to be entered into between (1) the Company, (2) Cairn and (3) E Value One Limited, further details of which are set out in paragraph 12 of Part V of this Document;
“Reverse Takeover”	an acquisition by the Company which constitutes a reverse takeover for the purposes of the NEX Exchange Rules;
“Rule 9”	as defined in paragraph 19 of Part I of this Document;
“Shareholders”	the persons who are registered as the holders of Ordinary Shares from time to time;
“Significant Shareholder”	a holder of 3 per cent. or more of the Company’s issued share capital;
“Subscribers”	the subscribers for Subscription Shares at the subscription Price pursuant to the Subscription;
“Subscription”	the conditional subscription of the Subscription Shares at the Subscription Price pursuant to the Subscription Agreements;
“Subscription Agreements”	the conditional agreements dated 27 December 2019 relating to the Subscription made between (1) the Company, and (2) the relevant Subscriber, further details of which are set out in paragraph 12 of Part V of this Document;
“Subscription Price”	£0.25 per Subscription Share;
“Subscription Shares”	the 2,057,374 new Ordinary Shares to be allotted and issued conditional on Admission by the Company pursuant to the Subscription;
“Subsidiary”	as defined in the Act;

“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Counsel”	legal counsel appropriately qualified in England and Wales;
“UK Legislation”	the laws that are in force in England and Wales, Scotland and Northern Ireland from time to time;
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations may be transferred by means of CREST;
“Warrant Instrument”	the warrant instrument dated 27 December 2019 constituting the Warrants; and
“Warrants”	the warrant to be granted by the Company to certain person, conditional upon Admission, to subscribe for up to 1,808,606 Ordinary Shares at the Subscription Price, which in aggregate represent 15 per cent. of the Company’s issued share capital at Admission pursuant to the Warrant Instrument further details of which are set out in paragraph 12 of Part V of this Document.

GLOSSARY OF TECHNICAL TERMS

The following definitions apply throughout this Document, unless the context requires otherwise:

“ACMD”	the Advisory Council on the Misuse of Drugs
“Cannabis”	Cannabis, also known as marijuana, is a plant, the by-products of which are used for medical or recreational purposes
“CBD”	Cannabidiol (commonly known as CBD), an identified chemical compound found in cannabis plants which has been studied for many therapeutic uses;
“Hemp”	a strain of the Cannabis sativa plant species that is grown specifically for the industrial uses of its derived products;
“Medicinal Cannabis”	a broad term for any type of cannabis-based medicine used to relieve symptoms of illnesses
“MDA 1971”	the Misuse of Drugs Act 1971
“MDR 2001”	the Misuse of Drugs Regulations 2001 (S.I. 2001/3998)
“MDDO 2001”	the Misuse of Drugs (Designation) Order 2001
“NICE”	National Institute for Health and Care Excellence
“Novel Food”	Under European Union law, food that has not been consumed to a significant degree by humans in the EU before 15 May 1997
“Novel Food Catalogue”	Lists of products of animal and plant origin and other substances deemed to be Novel Food
“POCA 2002”	Proceeds of Crime Act 2002
“SOCPA 2005”	Serious Organised Crime and Police Act 2005
“THC”	Tetrahydrocannabinol (commonly known as THC) which is the principal psychoactive compound of the cannabis plant

ADMISSION AND SUBSCRIPTION STATISTICS

Subscription price	25 pence
Number of Existing Ordinary Shares	10,000,000
Number of Subscription Shares to be issued	2,057,374
Enlarged Share Capital in issue immediately following Admission	12,057,374
Percentage of the Enlarged Share Capital constituted by the Subscription Shares	17.1 per cent.
Number of new Ordinary Shares under warrant on Admission	1,808,606
Number of Ordinary Shares on a fully diluted basis on Admission	13,865,980
Gross proceeds of the Subscription	£514,344
Estimated net proceeds of the Subscription receivable by the Company	£501,876
Market capitalisation of the Company at the Subscription Price on Admission	£3,014,344
NEX Exchange Growth Market symbol (TIDM)	GRE
ISIN	GB00BJBYK814
SEDOL	BJBYK81
LEI	213800E5Z6QRDSMZMK84

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2019
Publication date of this Document	27 December 2019
Admission effective and dealings in the Ordinary Shares commence	30 December 2019
CREST accounts credited	As soon as practicable after 8.00 a.m. on 30 December 2019
Definitive share certificates dispatched by no later than	10 January 2020

Note: All references to times in this timetable are to London times. The times and dates may be subject to change.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Fabio Carretta Guy Winterflood Nicholas Lee	Chief Executive Officer Non-executive Director Non-executive Director
Registered Office	5 Fleet Place London EC4M 7RD	
Company Secretary	International Registrars Limited	
Telephone Number	+44 20 3529 7229	
Company Website	www.greencare.capital	
NEX Corporate Adviser	Cairn Financial Advisers LLP Cheyne House, Crown Court 62-63 Cheapside London EC2V 6AX	
Broker	Epsilon Capital Limited Elizabeth House, 6th Floor, 39 York Road London SE1 7NQ	
Solicitors to the Company	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD	
Solicitors to the Subscription	Irwin Mitchell LLP 40 Holborn Viaduct Holborn London EC1N 2PZ	
Reporting Accountants and Auditors to the Company	Jeffreys Henry LLP Finsgate 5-7 Cranwood St London EC1V 9EE	
Registrars	Share Registrars Limited The Courtyard 17 West St Farnham GU9 7DR	

PART I

INFORMATION ON THE COMPANY

1. Background

The Company was incorporated on 1 October 2019 as an Investment Vehicle to identify investment opportunities in and acquisitions of companies and businesses in the rapidly changing regulatory environment surrounding legal Medicinal Cannabis as well as investment opportunities within the Hemp and CBD wellness sectors and other plant-based medicines. The Company has raised approximately £515,000 through the issue of 2,057,374 Ordinary Shares to private subscribers, representing approximately 17.1 per cent of the Enlarged Share Capital of the Company.

The Company's investment strategy will be focus on investments in:

- i. Cannabis sectors, excluding recreational Cannabis (as defined in paragraph 2 below), within countries that have well-developed and reputable laws and regulations for its production, research and distribution; and
- ii. the CBD and Hemp sectors;

The Company may 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 investment will ordinarily seek capital growth in the medium term in preference to income generating opportunities.

The Board considers that it has the sufficient breadth of experience to appraise and monitor relevant and qualifying investment opportunities. Should the Board consider additional experience is required to appraise certain investments or aspects of investments, then it may rely on the experience of external advisers at it may appoint a technical advisory board in the future at an appropriate time.

The global laws and regulations relating to Cannabis and plant based medicines are continually evolving. The Board will monitor these changes, particularly where they apply to Europe, to ensure that the Company can take advantage of new investment opportunities as they become available.

The Company has a number of pipeline investment opportunities which is it appraising and further details are provided in paragraph 6 of this Part I.

Shareholders should note that on 9 December 2019, the founders subscribed for £100,000 of shares at a price of 1 pence per share. Following the Subscription, on Admission, the founders' holdings in aggregate will be approximately 82.9 per cent. of the Company's Enlarged Share Capital.

2. Cannabis Overview

Cannabis is a flowering plant which for many thousands of years has provided seeds and oil for use in food and cooking, has been a source of fibre for textiles and has been used for recreational and medicinal use. There are generally recognised to be three species of Cannabis; *C. indica*, *C. sativa* and *C. ruderalis* with the most commonly known being *sativa* and *indica*.

There are over 100 active compounds contained in Cannabis plants, with cannabinoids and terpenes being the two largest groups. Two cannabinoids are the most significant of these compounds;

- tetrahydrocannabinol (THC), the main psychoactive substance in cannabis which is responsible its euphoric effects; and
- cannabidiol (CBD) which produces the calming effects.

It is the terpenes in Cannabis which are responsible for its strong smell.

In the United Kingdom THC and other cannabinoids are deemed controlled substances under the MDA 1971, while CBD is not deemed to be a controlled substance.

The Cannabis market has four distinct categories:

- i) Medicinal Cannabis – products derived or based on Cannabis plants and taken by patients as directed by a medical practitioner for the treatment of specific diseases or conditions such as epilepsy and multiple sclerosis;
- ii) pharmaceutical Cannabis – medical products formulated using pure cannabinoids either derived from plants or synthetically created, which have obtained full clinical approval as pharmaceuticals;
- iii) CBD wellness – a wide range of consumer products based on Hemp-derived CBD oils which do not contain any controlled substances and are consequently regulated as food supplements; and
- iv) recreational Cannabis - Cannabis used for non-medical purposes and obtained via illicit sources due to its illegality in many countries including the UK.

In addition to the Cannabis market, there is also a substantial Hemp industry which has four main product groups; fibres, shivs, pharmaceuticals and seeds.

3. Definition of an Investment Vehicle

An Investment Vehicle is defined in the NEX Exchange Rules as:

“An issuer whose actual or intended principal activity is to invest in the securities of other businesses (whether publicly traded or not), or to acquire a particular business, in accordance with specific investment criteria.”

Potential investors in the Company should be aware that an investment in an Investment Vehicle should be regarded as long term in nature, as it may take time for the Company to fully implement its investment strategy.

4. Investment Strategy

The Company will identify investment opportunities in the Cannabis sector predominantly in Europe. The investment strategy will focus on markets that are recognised as having well-developed and reputable laws and regulations relating to the research and production of Cannabis and related products. The Directors believe that there are numerous investment opportunities within the wellness industry as well as a fast growing production, distribution and other associated businesses that will be of interest to the Company. The Directors will consider investments in the Medicinal Cannabis, pharmaceutical Cannabis and CBD wellness sectors, however, they will not invest in the recreational cannabis sector, or in entities or activities supported by the recreational sector, or any other related activities which would be deemed illegal under UK legislation.

The Company may invest in both private and public companies and may make investments in early-stage businesses and/or more mature companies. The Company may be either a passive or an active investor and will not necessarily require control. Both debt or equity instruments may be acquired, either quoted or unquoted, and may be made by direct acquisition in a company, through partnerships or joint ventures, or by way of licensing arrangements. The Company will raise additional funds for these purposes from time to time and may use both debt and/or equity.

The Board will continue to monitor the deregulation of Cannabis globally to ensure that it is best placed to take advantage of opportunities as deregulation occurs.

It is anticipated that returns to Shareholders will be delivered through an appreciation in the price of the Ordinary Shares rather than distribution of dividends. The Company does not intend to make additional regular and periodic disclosures or calculations of net asset value outside of the requirements for a NEX Exchange Growth Market traded company.

The Board believes that its significant experience and knowledge of the capital markets to enable them to successfully identify, evaluate and execute investment opportunities as well facilitating growth in its investee companies. The Board may use third party advisers as required and may, in due course, constitute a technical advisory board to further assist it with making informed investment decisions.

Funds initially available to the Company will be used to meet general working capital requirements, undertake due diligence on potential target acquisitions and to make investments in accordance with the investment guidelines described above.

The Directors have to date reviewed a number of potential investment opportunities that fall within the investment strategy. Whilst no binding agreements have been put in place nor has due diligence been commenced, the Directors intend to pursue discussions with some of these opportunities following Admission, including a European consumer facing business. There is no guarantee that these discussions will result in an investment by the Company and any such investment would require substantial further capital to be raised in advance of completion.

The Board intends to review the investment strategy from time to time to respond to the rapidly changing legal and regulatory environments in this area.

In compliance with Rule 49 of the NEX Exchange Rules, if the Company (as an Investment Vehicle) has not substantially implemented its investing policy after the period of one year following Admission, it will seek Shareholder approval in respect of the subsequent year for the further pursuit of its investment strategy.

Pursuant to Rule 50 of the NEX Exchange Rules, the Company (as an Investment Vehicle), is required to substantially implement its investment strategy within a period of two years following Admission. In the event that the Company has not undertaken a transaction constituting a Reverse Takeover under Rule 55 of the NEX Exchange Rules, or if it has otherwise failed to substantially implement its investment strategy within such two year period, NEX Exchange will suspend trading of the Company's Issued Share Capital in accordance with Rule 75 of the NEX Exchange Rules.

5. Investment Process

The Directors have already identified a number of potential investment opportunities and will continue the search for suitable investment and acquisition opportunities following Admission. The Directors consider that their collective experience provides sufficient expertise to source and appraise relevant investment opportunities.

As a result of the changing pace of regulation surrounding the Company's investment activities, the Company will seek specific legal opinions, as required and prior to entering into any binding commitment to invest, to ensure that the investment and the activities of the investee company fall within the law in both the UK and the investee company's jurisdiction. The Company will keep each investment under continued appraisal to ensure the activity remains investible from a legal perspective and it will, prior to the receipt of dividends, coupons or proceeds from the sale of divestment, review that the Company is able to receive such funds.

The Company may seek additional funding either prior to or at the same time as the Company carries out any substantial acquisition or investment. The Directors intend to fund such investments or acquisitions using a mixture of cash, equity, and debt and other hybrid instruments, convertible or redeemable loan stocks. The Directors believe that the status of the Company as a publicly traded Investment Vehicle will enable it to obtain favourable terms in providing capital investment for businesses in which it invests. The Company will not be subject to any borrowing or leveraging limits.

The cash held by the Company immediately following Admission will principally be used to invest in and to meet the cost of identifying and appraising investment opportunities. Operating costs will be maintained at the minimum level consistent with the Company's status as a publicly quoted company until the Company has made a material acquisition or investment in line with its investment strategy. The Company will not acquire premises of its own before making a significant investment or acquisition.

The Directors believe that the investment strategy of the Company can be substantially implemented within 12 months from Admission. If, however, the Company has not substantially implemented its investment strategy within 12 months from Admission, the Directors intend to seek Shareholder approval at the Company's annual general meeting for the further pursuit of its investment strategy.

If the Company has failed to substantially implement its investment strategy within two years from Admission, trading in the Ordinary Shares will be suspended pursuant to the NEX Rules. If suspension occurs, the Directors will consider returning the Company's cash to Shareholders after deducting all related expenses.

6. Investment pipeline

The Directors are already aware of a number of potentially attractive investment opportunities and they have progressed one such investment to the position that the Directors are hopeful that an investment could be made shortly after Admission, subject to appropriate due diligence.

The target investee company has a market leading exclusive position in the distribution of Cannabis products in its home country, one of the largest European economies. The exclusive distribution capability is across more than 30,000 points of sale and the investee company is in discussion to expand these points of sale by approximately 15,000 more. As a result, the investee company would be the largest single entity distributing into its home market.

The terms of any investment are still to be agreed but it is expected that the investment would be made by way of a combination of debt and equity instruments, some of which will be made at nominal value, and provide the Company with access to approximately 10 per cent of the investee company's equity. Appropriate due diligence and appraisal will be carried out by the directors, technical advisory board (if constituted) or third party consultants, prior to any investment being made which will also include, where appropriate or required, seeking relevant legal opinions as to legal standing of the investment opportunity from a UK perspective.

Whilst the Directors are optimistic that they will be able to secure the investment opportunity, as at the date of this Document, no agreement has been signed in respect of this investment opportunity and there can be no certainty that it will complete. The risk factors contained in Part II of this Document should be read in full.

The Directors have further identified a number of smaller investments and expect to progress these in ordinary course following Admission.

7. Legal Cannabis Markets

North America has led the way in creating a legal market for Cannabis. Canada was at the forefront having legalised Cannabis for medical use in 2001. Further reforms were put in place during the current decade culminating in the Cannabis Act passed in 2018 which introduces a comprehensive legalisation programme controlling the cultivation and sale of recreational Cannabis including edible products.

In the United States, Cannabis is designated as a controlled substance under federal law which classifies it as a Schedule 1 drug, though the 2018 Farm Bill legalised production of hemp with a THC content below 0.3% for the first time. Under state law, Medicinal Cannabis is currently legal in 34 states and recreational Cannabis is legal in 11 states with the legislation varying on a state-by-state basis.

Despite its long history and wide recognition of its potential medical uses since the 19th century, Cannabis was made illegal in Europe by the League of Nations' 1925 Convention on Narcotics Control. This position was maintained through the 20th century by three United Nations Conventions. The 21st century has seen the onset of legal reform in the Cannabis sector and in the current decade the use of Cannabis for medical purposes has had increasing acceptance in certain European jurisdictions. In the 2019 edition of The European Cannabis Report™, Prohibition Partners segmented the market into three groups.

The first group are those countries that have already implemented significant changes:

- Germany - Medicinal Cannabis was legalised in March 2017 which has resulted in over 40,000 active patients and a need to import supplies to meet the increased demand;
- Portugal - a wide range of Cannabis based medicines were legalised via a parliamentary vote in June 2018;
- Italy - Medicinal Cannabis was legalised in 2013 with political support for further reforms expected;
- Netherlands - Medicinal Cannabis can be obtained by a doctor's prescription which must be renewed each time; and
- Spain and Luxembourg - leading the way in legal reforms for recreational Cannabis.

The second group are those countries that have embarked on an active review of the Cannabis legislation:

- UK - some initial reforms in Medicinal Cannabis which are detailed further in paragraph 8 of Part I of this Document
- France - Medicinal Cannabis is currently illegal but the National Agency for the Safety of Medicine and Health Products has been established to evaluate the current legislative position

The third group which includes Austria, Hungary, Romania and Turkey are those countries where there is no current expectation of liberalisation in the short term.

In January 2019 the European Commission amended the Novel Food Catalogue to include extracts of Cannabis sativa L. and derived products containing cannabinoids. As a result, CBD products, are now regarded by the European Commission as Novel Foods. This change means that Member States may refuse to permit supply of foods and food supplements containing cannabinoids, pending formal approval by the European Food Standards Agency (EFSA). Following this change, the UK Food Standards committed to finding a way to “*achieve compliance in the marketplace in a proportionate manner.*”

8. Summary of UK Legislation relating to Medicinal Cannabis

Background

The intended investment activities of the Company are subject to specific regulation under the MDA1971, the MDR 2001, the MDDO 2001 and the POCA 2002 in the UK.

Cannabis is a controlled drug and is assigned to Class B under the MDA 1971 based on the potential for harm, together with many of its derivatives. Class B is an intermediate category between Class A for the most harmful drugs and Class C for the least harmful drugs. Whilst CBD is not deemed a controlled substance, the Home Office view is that it is very difficult to separate CBD from THC so unless it can be determined through a full spectrum analysis that THC is not present, a CBD product is considered to be controlled.

MDR 2001 and MDDO 2001, permit drugs to be imported, exported, produced, supplied and possessed under a licence issued by the Home Secretary. In July 2018 the then Home Secretary Sajid Javid exercised this authority to grant individual licences to enable medical teams treating people with severe forms of certain medical issues to have the ability to prescribe Cannabis-based medicine on a case-by-case basis. This was a response to the high-profile cases of Alfie Dingley and Billy Caldwell, two boys with severe epilepsy being denied access to Cannabis oil.

The Home Secretary was also given the necessary authority to make exceptions to the prohibition on the importation, exportation, supply, possession and cultivation of Cannabis by those without a licence.

The July 2018 announcement followed the first phase of a two-part review by the UK government undertaken by the Chief Medical Officer for England, Professor Dame Sally Davies. This considered the evidence available for the medical and therapeutic benefits of Cannabis-based medicines and reported that there was conclusive evidence of the therapeutic benefit of Cannabis-based medicinal products for certain medical conditions and reasonable evidence of therapeutic benefit in several other medical conditions.

The second part of the review was completed by the ACMD who considered the appropriate schedule for Cannabis-

derived medicinal products under the MDR 2001 based on the balance of harms and public health requirements. Agreeing with Professor Davies findings, the ACMD concluded that the whole class of Cannabis-based medicinal products should be moved out of Schedule 1 of the MDR 2001 classification which would allow them to be prescribed under controlled conditions by registered practitioners for medical benefit.

Consequently, as a result of the UK Government review, certain Cannabis based medicinal products have been placed in Schedule 2 of the MDR 2001 since 1 November 2018, enabling them to be prescribed under controlled conditions by registered practitioners for medicinal benefit.

On 8 August 2019, NICE released the draft findings from its consultation and review of Medicinal Cannabis use within the NHS. NICE concluded that there was insufficient empirical evidence of the medical benefit of Medicinal Cannabis for the level that should be required for the NHS to authorise and fund the prescription of Medicinal Cannabis and that it considers Medicinal Cannabis to be disproportionately expensive for the benefits that have been evidenced to date. However when the final guidance was published on 11 November 2019 it approved the use of Sativex to treat adult patients with moderate to severe spasticity as a result of multiple sclerosis, initially on a four week trial basis, with continued use if the results prove successful. In addition it recommended the use of Epidyolex to treat Lennox-Gastaut syndrome, a severe form of epilepsy, for people aged two and over. The use of both drugs is subject to commercial and pricing arrangements.

The Hemp industry is regulated in the UK by the Home Office and by each of the governing bodies of the Member States. The regulations permit varieties of Hemp to be grown from those EU approved seeds that are listed in the “Common Catalogue of Varieties of Agricultural Plant Species”, for industrial purposes with THC content of no more 0.2%.

Legality of the Company’s Strategy

The Company’s investment strategy will only target companies based in internationally recognised jurisdictions that have established and reputable laws and regulations for the research and production of Cannabis. The investment process will carefully consider each proposed investment to ensure that its activities of are lawful and in compliance with UK Legislation.

Under section 20 of the MDA 1971, a person or corporate body may commit a potential offence in the UK if they assist in or induce the commission in any place outside the UK of “an offence punishable under the corresponding laws” in force in that place, however an actual offence is only committed if it is punishable in the jurisdiction in which it is commissioned.

As the Company will ensure its activities will be lawful under the laws of the jurisdiction in which they take place and are either lawful in the UK or capable under existing legislation of being lawful in the UK, the Directors believe that the Company’s activities will not amount to “an offence punishable under the corresponding laws” and as such, no offence should be committed under section 20 of the MDA 1971.

The Directors are equally of the opinion that as no offence is committed under section 20 of the MDA 1971, there would be no liability to a section 19 MDA 1971 offence, which details the arguably similar offence of incitement to commit an offence under other provisions of the MDA 1971.

Receipt of dividends in the UK

The Company may be in receipt of dividends or interest payments from any company in which invests in in the future. Appropriate policies and procedures are in place, , and, where appropriate, external legal advice will be obtained ahead of any such receipt or final investment decision to ensure that the receipt of any dividends and interest complies with UK Legislation.

Despite an individual committing a potential offence if they (a) conceal, convert or transfer criminal property; (b) enter into or become involved in an arrangement to launder; and/or (c) use, acquire or possess criminal property under POCA 2002, section 102 of SOCPA 2005 provides a defence to each of these money laundering offences. An activity that occurs outside the UK that would usually be a criminal offence under UK Legislation and is capable of being undertaken under licence by a relevant governing body, including the Home Office, and such licence would render the activity as legal, would not constitute an offence, as long as such activity is a lawful activity in the jurisdiction in which it took place. For an example, under the regime prior to 1 November 2018, Medicinal Cannabis could be used under licence from the Home Secretary and therefore, accordingly, Medicinal Cannabis investments prior to 1 November 2018 if undertaken in a foreign jurisdiction would not represent proceeds of crime because there was evidence of the capability for the activity to be carried out in a legal manner in the UK.

Given that the Company will ensure its subsidiaries’ and investee companies’ activities are lawful in the jurisdiction in which they take place and are either already lawful or are capable of being lawful in the UK, the Directors believe that the potential receipt of dividends and interest from subsidiaries and companies in which the Company may invest which are conducting the lawful production of and research into Medicinal Cannabis should not amount to an offence under the POCA 2002 in the UK.

9. Reasons for Admission to the NEX Exchange Growth Market

The Directors believe that Admission will offer the following benefits to the Company:

- improved negotiating position—the ability to enter into negotiations with vendors of businesses or companies, to whom the issue of publicly traded shares as consideration is potentially more attractive than the issue of shares in an equivalent private company for which no trading facility exists;
- access to funding – Admission will enable the Company to access working capital at later dates more effectively than if it were an unquoted company;
- increased corporate profile – the status of being a company whose shares are traded publicly could benefit any business being acquired by increasing its profile; and
- the ability to attract and retain key staff – the ability to motivate personnel through the future grant of share options will assist the Company to attract, retain and motivate high calibre personnel.

10. Financial Information

The Company was incorporated on 1 October 2019 and has not yet commenced trading operations. Audited financial information on the Company from incorporation to 31 October 2019 is set out in Part III of this Document. The Company's current financial year end is 31 October.

11. Information on the Subscription

Conditional on Admission, the Company has raised approximately £515,000 (before expenses) pursuant to the Subscription, through the allotment and issue of the Subscription Shares at the Subscription Price. The Subscription Shares will represent 17.1 per cent. of the Enlarged Issued Share Capital of the Company on Admission.

12. Directors

Brief biographical details of the Directors are set out below:

Fabio Carretta
Chief Executive Officer

Age: 46

Since 2019 Fabio has managed the Italian office of Epsilon Capital Ltd an independent boutique investment bank advising on UK and European capital markets. He has over 23 years' of experience in investment banking and financial sectors, where he has worked for major international banks such as Deutsche Bank, BNP Paribas and Barclays Bank performing investment strategy and management activities for institutional and professional clients. Most recently, Fabio has served as Head of Sales for investment management, financial intermediaries and corporate finance advisory firms becoming key contributor to the development of those companies.

Guy Winterflood
Non-executive Director

Age: 49

Guy has had a 30 year career with extensive experience in financial markets, management, operations, strategy, marketing and technology in sectors as diverse as share trading and executive jets. A significant part of his career was spent at Monument Securities (which was acquired by Insinger de Beaufort) trading in options and leveraged products. Guy is currently Chairman of Hempflax, one of Europe's largest growers of hemp for industrial use which cultivated 2,500 hectares in 2017, and expects to cultivate more than 3,500 hectares by 2020. There is a huge demand for high-quality professional hemp products in industry and for the fast developing CBD and cannabis sectors globally.

Nicholas Lee
Non-executive Director

Age: 57

Nicholas has more than 25 years of experience in international investment banking and working as a company director. Nicholas was with Dresdner Kleinwort and its antecedent firms from 1988 to 2009, starting at Kleinwort Benson Group plc and rising to Managing Director, Head of Banking, Hedge Fund Solutions Group. Previously as a Managing Director in mergers and acquisitions at Dresdner Kleinwort Wasserstein, Nicholas advised leading companies from a number of different industries, including the natural resources, financial services, consumer and retail sectors. Nicholas is currently investment director of AIM-listed RiverFort Global Opportunities plc and non-executive director of AIM-listed Immotion Group plc, as well as being involved with a number of other companies, both listed and private. Nicholas qualified as a chartered accountant with Coopers & Lybrand and has an MA in engineering from St John's College, Cambridge.

13. Significant Shareholders

The current Significant Shareholders of the Company, (being those holding more than 3 per cent. of the issued share capital of the Company), and their interests in the Company as at the date of this Document are as follows:

Shareholder	Shareholding	% of Share Capital
E Value One Limited	8,000,000	80.0%
Eight Capital Partners plc	1,500,000	15.0%
Carolina Filippini	500,000	5.0%

14. Details of the Subscription and Admission

On Admission, the Company will have 12,057,374 Ordinary Shares in issue and a market capitalisation of £3.01m at the Subscription Price. The Subscription involves the issue of 2,057,374 new Ordinary Shares, raising, in aggregate, approximately £502,000, net of expenses, for the Company.

Epsilon has conditionally agreed to use its reasonable endeavours to procure persons to subscribe for the Subscription Shares at the Subscription Price, as agent for the Company. Further details of the Subscription Agreements are set out in paragraph 12 of Part V of this Document. The Subscription has not been underwritten

The Subscription Shares will represent 17.1 per cent. of the Enlarged Issued Share Capital of the Company immediately following Admission. The Subscription Shares will be issued credited as fully paid and will, on issue, rank *pari passu* with the Existing Issued Share Capital, including the right to receive all dividends and other distributions thereafter declared, made or paid. Immediately following Admission, approximately 12.4 per cent. of the Enlarged Issued Share Capital will be in public hands.

The Company has also entered into the Admission Agreement, which contains certain warranties from the Company and the Directors in favour of Cairn in relation, *inter alia*, to the accuracy of this Document and certain matters relevant to the Company.

Application has been made to NEX for the Enlarged Issued Share Capital to be admitted to trading on the NEX Exchange Growth Market. It is expected that Admission will be effective and that dealings in the Ordinary Shares will commence on 30 December 2019.

15. Lock-In Agreements

Each of E Value One Limited and Eight Capital Partners plc have agreed to enter into lock-in agreements with each of the Company and Cairn pursuant to which such persons will not dispose of any shares in the Company in the first 12 months from Admission and, in the subsequent 12 month period, to only dispose of shares in the Company through the Company's broker. Eight Capital Partner Plc's Ordinary Shares acquired at IPO will not be locked in but any potential buyer(s) of such Ordinary Shares will be required to enter into a lock-in and orderly market arrangement in respect of such Ordinary Shares acquired which would expire on the first and second anniversaries of Admission respectively.

Further details of these agreements are set out in paragraph 12 of Part V of this Document.

16. Relationship Agreement

The Company, along with Cairn, have entered into the Relationship Agreement providing for regulation of certain matters in respect of the relationship between the Company and E Value One Limited, which will, following Admission, have an interest of approximately 66.3 per cent. of the Enlarged Share Capital.

Further details of this agreement are set out in paragraph 12 of Part V of this Document.

17. Dividend Policy

The Company has not yet commenced trading. Accordingly, the Directors do not intend to pay a dividend for the foreseeable future until the Company has achieved sufficient profitability and requirements for working capital are such that it is prudent to do so and, even then, the Directors may not determine to pay any dividend or make any other form of distribution. It follows that no assurance is or can be given that the Company will ever pay any dividend or make any other form of distribution.

18. Corporate Governance

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the QCA Code.

Audit Committee

An audit committee has been established. The audit committee meets at least twice a year and is responsible for ensuring that the financial performance of the Company is properly reported and monitored and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. The external auditors attend all meetings and the audit committee has discussions with the external auditors at least once a year without any executive Directors being present. The audit committee comprises Nicholas Lee as Chairman and Guy Winterflood.

Remuneration Committee

A remuneration committee has been established. The remuneration committee reviews the performance of the executive Directors and sets and reviews the scale and structure of their remuneration and the terms of their service agreements with due regard to the interests of the Shareholders. In determining the remuneration of executive Directors, the remuneration committee seeks to enable the Company to attract and retain executives of high calibre. No director is permitted to participate in discussions or decisions concerning his own remuneration. The remuneration committee meets as and when necessary. The remuneration committee comprises Guy Winterflood as Chairman and Nicholas Lee.

The Company has adopted, and will operate a Code of Dealing for Directors, Persons Discharging Managerial Responsibility and other applicable employees under the equivalent terms to those provided by Rule 68 of the NEX Rules and in compliance with UK Legislation including the Market Abuse Regulation. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in the light of an investment or acquisition and adjusted accordingly.

19. The City Code

The City Code, which is issued and administered by the Panel on Takeovers and Mergers ("**the Panel**"), applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a company resident in the UK, the Channel Islands or the Isle of Man, the securities of which are admitted to trading on a regulated market or a multilateral trading facility (such as the NEX Exchange Growth Market) in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

Ordinarily, under Rule 9 of the City Code ("**Rule 9**"), where (i) any person acquires an interest in shares which, when taken together with shares in which persons acting in concert with them are interested, carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent but not more than 50 per cent. of the voting rights of a company and such person, or persons acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, that person is normally obliged to make a general offer to all shareholders to purchase, in cash, that company's shares at the highest price paid by them, or any person acting in concert with them, within the preceding 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company. Under the City Code, control means a holding, or aggregate holding, of shares carrying 30 per cent or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control.

The individual interests of the Concert Party at Admission are more specifically set out in paragraph 5 of Part V of this Document.

It should be noted that, at Admission, the Concert Party will hold more than 50 per cent of the voting rights of the Company. As such, the Concert Party would be permitted (for so long as they continue to be treated as acting in concert) to make purchases of Ordinary Shares without incurring an obligation under Rule 9 to make a general offer to all holders of Ordinary Shares, although each separate member of the Concert Party will not be able to increase its percentage interest in Ordinary Shares to 30 per cent or more of the Ordinary Shares or, if already holding 30 per cent or more of the Ordinary Shares, at all without Panel consent.

On and following Admission, the City Code will apply to the Company.

20. Share Options, Incentives and Warrants

The Directors believe that it is important for the success and growth of the Company to employ and engage highly motivated personnel and that equity incentives are available to attract, retain and reward employees, directors and consultants. In order to achieve that objective the Company intends to adopt an incentive plan under which it may award new Ordinary Shares to directors, employees and consultants pursuant to share option and incentive schemes approved by the Board. It is intended that any individual awards under any such scheme will be subject to vesting and/or performance conditions. Ordinary Shares under such plans will not exceed 10 per cent. of the Company's issued Ordinary Shares from time to time without the prior approval of the Shareholders.

In accordance with the terms of their appointment as NEX Exchange Corporate Adviser to the Company Cairn have been granted the right to subscribe for 120,574 new Ordinary Shares (being 1 per cent. of the Company's Ordinary Shares at Admission) at a subscription price of £0.25 exercisable at any time between the date of Admission and the fifth anniversary of the date of Admission. Exercise of such right is not subject to the satisfaction of any performance or other conditions. Further details of the warrants issued to Cairn are set out in paragraph 9 of Part V of this Document.

In addition, the shareholders of the Company at IPO have been granted warrants which in, aggregate, constitute 14 per cent. of the Company's Ordinary Shares at Admission. The terms of these warrants are identical to those issued to Cairn and are set out at paragraph 12 of Part V of this Document.

21. Application to the NEX Exchange Growth Market

Application has been made for the Issued Share Capital to be admitted to trading on the NEX Exchange Growth Market. Dealings in the Ordinary Shares are expected to commence on 30 December 2019.

The Subscription Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares and will rank in full for all dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

22. CREST

The Company's Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.

23. Taxation

The Ordinary Shares do not rank as a "qualifying investment" for the purposes of the Enterprise Investment Scheme nor as a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 17 of Part V of this Document. These details are, however intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future.

If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

24. Further Information and Risk Factors

You should read the whole of this Document which provides additional information on the Company and not rely on summaries or individual parts only. Your attention is drawn to the further information in this Document and particularly to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this Document before investing in the Ordinary Shares. The investment offered in this Document may not be suitable for all of its recipients. Before making any final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other security. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

The Board believes the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all of those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Board, or which the Board currently deems immaterial, may also have an adverse effect on the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

All statements made regarding the Company's competitive position are based on the Directors' belief and speculation based on their knowledge and understanding of the current market and sector relating Cannabis. Nothing in these risk factors seeks to qualify the working capital statement contained in paragraph 15 of Part V of this Document.

1. RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

Early stage of operation

The Company is newly incorporated with no track record of investments. The future success of the Company is largely dependent on the Directors' ability to source, manage and exit investments following Admission. As the Company has yet to start trading, there is a risk that revenue may not develop as the Directors intend which may in turn materially affect the Company's performance.

Initial investments identified may not proceed

The Directors are already aware of a number of potentially attractive investment opportunities and it has progressed one such investment to the position that the Directors are hopeful that an investment could be made shortly after Admission, subject to appropriate due diligence. The value of the Company on Admission reflects the potential of the investment opportunity and will be at a premium to the cash available for investment. Whilst the Directors are optimistic that they will be able to secure the investment opportunity, as at the date of this Document, no agreement has been signed in respect of this investment opportunity and there can be no certainty that it will complete.

The Company is reliant on key executives

The Company's business, development and prospects are dependent upon the continued services and performance of its Directors. The experience and commercial relationships of the Company's personnel help provide the Company with its competitive advantage. The Directors believe that the loss of services of any existing key executives, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Company.

2. RISKS RELATING TO THE MARKET IN WHICH THE COMPANY OPERATES AND ITS STRATEGY

The Company's Strategy

The implementation of the Company's strategy will have a significant effect on the success, or otherwise, of the Company. Whilst the Directors believe that their collective experience (along with input from a technical advisory board if or when constituted or consultants) will enable them to identify and attract opportunities and investment in line with the Company strategy, there is no guarantee that such opportunities will present themselves or present themselves within adequate timeframes.

The Company's ability to implement its strategy may be impacted as a result of the occurrence of all or any of the following:

- a requirement to raise further capital to make investments and/or making additional funding into assets or business previously invested in;
- a requirement to undertake unexpectedly extensive negotiations in order to secure and facilitate an investment;
- adverse market conditions, competition from other investors or trade buyers;
- an adverse change to legislation in any jurisdiction in which the Company would consider making an investment.

All of these factors may have a material effect on the business, financial conditions, results of operations and prospects of the company.

Expansion risk

There can be no guarantee that any market for any products produced by the companies in which the Company may invest will develop. The Company and its investments may face new or unexpected risks and its exposure to existing risk factors may increase. This may include changes in laws and regulation, economic instability and the effects of competition. These factors may restrict the Company's capability to successfully expand its operations. This may have material adverse effects on the Company's business, financial condition, results and/or future operations.

Attraction and retention of key employees and personnel

The Company's success will depend on its current and future management team, future key employees, as well as key personnel of any companies that the Company may invest in in the future following such investment. As the Company's business grows in size, the Company may need to recruit additional personnel with the appropriate skills to support its business development. In addition, the Company will need to retain and incentivise existing key personnel in order to achieve its business objectives.

If any key individuals resign, there is a risk that no suitable replacement with the requisite skills, contacts, knowledge and experience will be found to replace them. If key personnel were to leave the Company or any company that the Company has invested in and/or the Company or any company that the Company has invested in fails to attract or retain suitably qualified individuals, this may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Competition

In respect of potential investments being reviewed by the Company, it is reasonably likely that the Company will face competition both from other investing entities and trade companies within the cannabis sector.

Such competition may impact the Company's ability to identify and acquire suitable investments in accordance with its strategy. It may also lead to purchase prices increasing due to competing bids. This may result in increased costs in the carrying on of the Company's activities and reduced available growth opportunities.

Once the Company has executed investments, competitors may have greater financial resources, research and development staff, local contacts, facilities and other resources and as a result may be in a better position to take advantage of opportunities as they arise.

Any failure of the Company or its any of its investments to effectively compete may materially adversely affect the Company's business, financial condition, results and/or future operations.

The Company may also need to invest financial resources in research and development to maintain its competitive advantage. There can be no guarantee that the Company will be in a financial position to do so.

All statements made regarding the Company's competitive position are based on the Directors' belief and speculation based on their understanding of the current market for cannabis, and the investment market relating thereto.

Withdrawal from the European Union

The UK, as a member of the European Union, has triggered Article 50 to commence the UK's withdrawal from the European Union therefore any plans of the Company to invest in the European Union will have to be considered in line with such withdrawal and the consequences of making investments as a result.

Success of the strategy not guaranteed

The Company's level of profit will be reliant upon the performance of its investments and related strategy (in both its current form and as amended from time to time). The success of the strategy depends on the Board's ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be followed will be successful under all or any market conditions, that the Directors will

be able to continue to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders. If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Potential loss on investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an investment or acquisition will occur or that the objectives of the Company will be achieved. For example (i) trading difficulties may occur following investment by the Company; or (ii) the Company may not be able to conduct a full investigation of a target prior to investment/ acquisition and adverse matters may only come to light after an investment has been made.

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including:

- potential disruption of the Company's on-going investments;
- distraction of management and key personnel;
- the Company may become more financially leveraged;
- the anticipated benefits and costs savings of those transactions may not be realised fully or at all or may take longer to realise than expected;
- increasing the scope and complexity of the Company's investment strategy; and
- loss or reduction of control over certain of the Company's investments.

Investment in SMEs

The Company may invest in or acquire privately owned small and medium-sized enterprises (SMEs). Such entities may be highly leveraged and have significant debt obligations, stringent operational and financial covenants and be at risk of defaulting under financing and contractual arrangements. Certain of these investment targets may have little or no operating history upon which the Company can assess any future performance. By their nature, SMEs are likely to hold smaller market positions than larger competitors, potentially making them more vulnerable to changes in market conditions. SMEs also tend to be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more such individuals. In the event of the Company investing in a number of SMEs and any of the risks occurring, there may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Joint ventures or strategic partners

The Company or a business in which it invests may enter into joint ventures, strategic partnerships or other such relationships with third parties. There can be no guarantee that any such third party will meet its obligations under the applicable agreement. This may lead to the Company or a business in which it invests suffering costs and/or other related losses. There is potential for a difference in the objectives of the Company or an investee company and the respective third party. This may result in additional costs and/or other related losses and delays to the project. The Company may only have minority interests in the joint venture partnership, vehicle or project and, in such circumstances, it will be unable to exercise control over the operations. This may have a material adverse effect on the business, financial condition, results, share price and/or future operations of the Company.

3. RISKS RELATING TO TARGET INVESTMENT COMPANIES AND OPPORTUNITIES

Target companies may be dependent on licences

The Company will look to invest in companies or projects which specialise in the research, development, production and development of cannabinoid products. Such companies and projects are likely to be required to apply for, win, and maintain licences to enable them to operate legally in their jurisdictions of operation.

Those licenses will be subject to on-going compliance and reporting obligations, and may require periodic payments to be made under them.

There is no guarantee that such an investee company or project will be able to renew or extend any required license, and there may be significant financial requirements to any such renewal or extension. Failure to comply with, renew or maintain any license is likely to have a material adverse effect on the target company's business, financial condition and operating results, which in turn will materially adversely affect the Company's return on its investment.

Location specific licences

A number of licences (including those in the UK) are specific to certain locations and facilities and require a new application be made if the operation is relocated. Adverse changes or developments affecting these facilities, including but not limited to, a breach of security, failure of heating and cooling systems or electrical delivery systems could have a material adverse effect on the business, financial condition and operating results of a target company and therefore a material adverse effect on the Company's return on its investment.

Any breach of security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by relevant regulatory bodies could also have an impact on the target company's ability to continue operating under certain license(s) or the prospect of renewing the same.

Target companies reliance on management and key personnel

Future success of target companies will depend on their continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand and target companies may incur significant costs to attract and retain them. In addition, loss of any senior management or key employees could materially adversely affect a target company's ability to execute its business plan and strategy, and it may not be able to find an adequate replacement on a timely basis, or at all.

Customer acquisition and retention

If the Company invests in an entity which seeks to target consumers or patients for Medicinal Cannabis products, the entity's financial performance will be highly dependent on its ability to attract and retain such customers. There are many factors which could impact this, including, but not limited to, the ability to produce attractive and effective products, a reliance on the continued growth in the number of such persons selecting Medicinal Cannabis as a treatment option, and price competition from alternative products. An investee entity's failure to acquire and retain customers would have a material adverse effect on the business, financial condition and operating results of a target company and therefore a material adverse effect on the Company's return on investment.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products will impact a target company's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render a target company's products obsolete, less competitive or less marketable.

The process of product development is complex and requires significant continuing costs, development efforts and third party commitments. A target company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of a target company, and therefore have a material adverse effect on the Company's return on investment.

A target company may be unable to anticipate changes in its potential customer requirements that could make its existing technology obsolete. A target company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. A target company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its business to evolving customer or medical requirements or preferences or emerging industry standards.

Product liability

Where a target company is a manufacturer and distributor of products designed to be ingested by humans, a target company will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of Cannabis products involve risk of injury to consumers due to tampering by unauthorised third parties or product contamination.

Previously unknown adverse reactions resulting from human consumption of Cannabis products along or in combination with other medications or substances could occur. The target company may be subject to various product liability claims, including, among others, that products produced by the target company caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against a target company could result in increased costs, adversely affect the target company's reputation with its clients and consumers generally, and have a material adverse effect on the business, financial condition and operating results of a target company, and therefore a material adverse effect on the Company's return on investment.

There can be no assurances that a target company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable

terms or otherwise protect against potential product liability claims could prevent or inhibit the commercialisation of products.

Product recalls

Where a target company is a manufacturer and distributor of products, they will be sometimes subject to recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effect or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure.

If any of the products produced by a target company are recalled due to an alleged product defect or for any other reason, a target company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. A target company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all.

In addition, a product recall may require significant management attention. Although a target company should have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or litigation.

Furthermore, if a product produced by a target company was subject to recall, the image of that product and the target company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by a target company and could have a material adverse effect on the results of operations and financial condition of a target company and therefore a material adverse effect on the Company's return on investment.

Shelf life of inventory

Some target companies will hold finished goods (e.g. herbal Cannabis and Cannabis oil products) in inventory which will have a limited shelf life. Target companies which hold inventory will need to conduct shelf life stability tests in relation to such goods. Even where reviews are conducted on a regular basis in relation to the volume of inventory and remaining shelf life, write-down of inventory may still be required. Any such write-down of inventory could have a material adverse effect on a target company's business, financial condition, and results of operations and therefore materially adversely affect the Company's return on investment.

Reliance on key inputs

Where the business of a target company involves the growing of Medicinal Cannabis, such Medicinal Cannabis growing operations consume considerable energy, making a target company vulnerable to rising energy costs. This may also be the case in target companies which operate in the research and development of Medicinal Cannabis. Rising or volatile energy costs may adversely impact the business of a target company and its ability to operate profitably, and therefore materially adversely affect the Company's return on investment.

Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Directors. However, such exercises may not reveal all material facts or circumstances which would have a material adverse effect upon the value of the investment post-closing. In undertaking due diligence, the Company will need to utilise its own resources and will be required to rely upon third parties to conduct certain aspects of the due diligence process. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Aborted investments

There can be no guarantee that the Company will successfully effect an investment where there is an identified opportunity and, as a result, resources may be expended on investigative work and due diligence without the investment being completed.

4. RISKS RELATING TO THE CANNABIS INDUSTRY

The Global Cannabis Market

The Cannabis market is developing at different rates across the globe, with some jurisdictions liberalising relevant laws whilst others continuing to maintain strict regimes, and there are no guarantees that the market will continue to exist or grow as currently estimated or anticipated. The Cannabis market may not function and evolve in a manner consistent with the Board's expectations and assumptions. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Laws, Regulations and Guidelines relating to the Cannabis Industry

The Company and its investee companies will be subject to laws, regulations and guidelines relating to the manufacture, packaging and labelling, advertising, sale, transportation, storage and disposal of Cannabis for medical purposes, as well as those relating to controlled substances, health and safety and the protection of the environment.

The Directors will take all precautions to ensure that the activities of the Company are in compliance with both relevant UK Legislation and the laws, regulations and guidelines of the jurisdictions in which its and its investee companies operate in.

In particular, the operations of the Company and the investments it makes will be undertaken to ensure that the Company does not contravene POCA 2002. The Directors will also ensure that the activities of any companies invested in by the Company in the future are in compliance with the laws, regulations and guidelines of the jurisdictions in which they operate in. If however any such laws, regulations or guidelines are subject to change, the Company may incur significant costs in complying with such changes or they may be unable to comply with such changes (for example if a jurisdiction enacts laws effectively criminalising Medicinal Cannabis). This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

In August 2019, NICE released its draft guidelines on Cannabis-based medicinal products for consultation. Whilst NICE guidelines are not legally binding on the NHS, they form the basis of all or part of public policy adopted by the NHS with respect to Medicinal Cannabis. NICE's draft guidelines determined that there was insufficient evidence and the associated costs of Medicinal Cannabis were disproportionately high, to justify Medicinal Cannabis being prescribed under the NHS. Whilst the final guidance (published on 11 November 2019) approved the use of Sativex to treat adult patients with moderate to severe spasticity as a result of multiple sclerosis and recommended the use of Epidyolex to treat Lennox-Gastaut syndrome, there is no guarantee that any future NICE consultation and subsequent guidelines will not reverse this approval and recommendation. Any such reversal may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

The Distribution of certain CBD products in the European Union have been restricted by the Novel Foods Regime

"Novel Food" is defined as food that had not been consumed to a significant degree by humans in the EU before 15 May 1997, when the first Regulation on Novel Food came into force. Novel Food can be newly developed, innovative food, food produced using new technologies and productions processes, as well as food which is or has been traditionally eaten outside of the EU.

In January 2019, the European Union's Novel Foods Catalogue was updated regarding CBD, other cannabinoids and hemp-derived products in food. While the Novel Food Catalogue (as maintained centrally by the EU) is non-exhaustive and carries no direct legal power, it is frequently updated and amended with input from Member States, and is used as reference by authorities in EU countries (i.e. the Member States) to aid enforcement of Novel Food Regulations.

The principles underpinning Novel Food in the European Union are that Novel Foods must be: safe for consumers; properly labelled, so as not to mislead consumers; and, if novel food is intended to replace another food, it must not differ in a way that the consumption of the Novel Food would be nutritionally disadvantageous for the consumer. Before a Novel Food can be legally marketed in the EU, a pre-market safety assessment and authorisation on the basis of an evaluation in line with the above principles is necessary.

The UK Food Standards Agency (FSA) consulted with industry representatives, local authorities and other stakeholders following the change to the EU Novel Foods Catalogue. The consultation ended on 31 March 2019 and the FSA subsequently reported that food businesses had not been able to show that there had been a significant history of consumption of these products in food or food supplements in the EU prior to 15 May 1997 and therefore it agreed that CBD extracts are considered Novel Foods.

The current uncertain status of CBD across different Member States and its classification under the Novel Foods Regime may impact any target companies involved in that sub-sector and may seek to limit the growth of the CBD market across Europe.

Research on the Medical Benefits of Cannabis

The statements made in this Document regarding the medical benefits of Cannabis are based on published articles and reports and as such, are subject to the experimental parameters, qualifications and limitations in the studies that have been completed.

The Directors believe that the articles and reports that this Document is based on and that are referred to in this Document support their beliefs regarding the medical benefits, viability and efficacy of Cannabis. Future research and clinical trials may however prove such statements to be incorrect and/or may raise concerns regarding any perceptions relating to Cannabis. This may have material adverse effects on the demand for the products of the Company, which may in turn have material adverse effects on the business, financial condition, results and/or future operations of Company.

Consumer Perception

The Board believes that the success of the Cannabis industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of Cannabis distributed to such consumers.

Consumer perception may be significantly influenced by scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity. There can be no guarantees that further scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity will be favourable to the Cannabis market. Further scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity that are less favourable than or question the validity of earlier scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Agricultural Risks

As with any agricultural enterprise, there are risks that the production of products derived from Cannabis plants may be affected by pests, diseases, weather conditions and other factors. To a certain extent, agricultural best practice can mitigate the risks of outbreaks of pests and diseases. However, such risks cannot be entirely removed.

Cannabis plants are susceptible to a number of pests and diseases. The threat of disease spread by pests or climate conditions is an on-going risk.

Adverse climate conditions and abrupt changes in weather patterns may impact Cannabis plant yields. Decrease in yields may have an adverse effect on the business, financial condition, results and/or future operations of the Company.

Natural disasters may result in significant and prolonged disruptions or delays in the Company's business activities. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Competition

There is competition for both investment opportunities and market share in the Cannabis market generally and the Company and its investee companies will face competition from both existing competitors, who may make significant improvements to their products, and additional competitors entering the market.

Competition may exist that will impact the Company's ability to identify and acquire suitable investments in accordance with its strategy. It may also lead to the price of investments being increased by the vendor(s) as a result of the receipt of competing bids by other potential purchasers. This may result in increased costs in the carrying on of the Company's activities and reduced available growth opportunities.

The Company's competitors may have greater financial resources, research and development staff, local contacts, facilities and other resources and as a result may be in a better position to compete for opportunities.

As the Company has no operating history, it may have less market experience than its competitors. If competitors establish a more prominent market position than the Company, the Company may be unable to increase its sales or market share.

Any failure of the Company to compete effectively may materially adversely affect the Company's the business, financial condition, results and/or future operations.

The Company may need to invest financial resources in research and development to maintain its competitive advantage. There can be no guarantee that the Company will be in the financial position to do so.

All statements made regarding the Company's competitive position are based on the Directors' belief and speculation based on their understanding of the current market for Medicinal Cannabis, and the investment market relating thereto.

Damage to Reputation

The Company's reputation may be damaged as a result of the actual or perceived occurrence of various events, such as reports of side effects of any products made by any of the Company's investee companies

Damage to the Company's reputation may result in a loss in investor confidence, difficulties in building and maintaining relationships with consumers, potential vendors, finance providers and the community. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

5. RISKS RELATING TO TRADING ON THE NEX EXCHANGE GROWTH MARKET

Investment in NEX Securities

Investment in shares traded on the NEX Exchange Growth Market is perceived to involve a higher degree of risk and be less liquid than investment than those of a listed company. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

NEX Rules for Companies

The NEX Rules are less onerous than those of the Official List. Neither the FCA nor NEX has examined or approved the contents of this Document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in shares on the NEX Exchange Growth Market and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

PART III - SECTION A
ACCOUNTANTS' REPORT ON GREENCARE CAPITAL PLC

27 December 2019

The Directors
Greencare Capital Plc
5 Fleet Place
London
EC4M 7RD

And

The Partners
Cairn Financial Advisers LLP
Cheyne House
Crown Court
62-63 Cheapside
London
EC2V 6AX

Dear Sirs,

Introduction

We report on the financial information of Greencare Capital Plc (“the Company”) for the one month period from incorporation to 31 October 2019 (the “Financial Information”). The Financial Information has been prepared for inclusion in Part III “*Financial Information*” of the Company’s NEX Exchange Growth Market Admission Document dated 27 December 2019 (the “Admission Document”), on the basis of the accounting policies set out in note 1 to the Financial Information. This report is required by paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers (the “NEX Rules”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company (the “Directors”) are responsible for preparing Financial Information in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

It is our responsibility to form an opinion on the Financial Information as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 of the NEX Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraphs 7 to 7.1.7 of Table A contained within Appendix 1 of the NEX Rules, consenting to its inclusion in the Admission Document.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included and assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company’s Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at 31 October 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Declaration

For the purposes of paragraph 7 of Table A contained within the Appendix 1 of the NEX Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully,

A handwritten signature in blue ink that reads "Jeffrey Henry LLP". The signature is written in a cursive, slightly stylized font. The letters are connected, and there are some loops and flourishes, particularly around the 'J' and 'H'. The 'LLP' is written in a simpler, more upright font at the end of the signature.

Jeffrey Henry LLP
Chartered Accountants

PART III - SECTION B

HISTORICAL FINANCIAL INFORMATION OF GREENCARE CAPITAL PLC

1. Accounting policies

Company Information

Greencare Capital plc is a public company limited by shares incorporated in England and Wales. The registered office is 5 Fleet Place, London, England, EC4M 7RD.

1.1. Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

1.2. Reporting period

These accounts cover the 1 month period from incorporation on 01 October 2019 to 31 October 2019.

1.3. Profit and loss account

The Company has not traded during the period. During this time the Company received no income and incurred no expenditure and therefore no Profit and loss account is presented in these financial statements.

1.4. Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5. Financial instruments

The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2. Balance Sheet as at 31 October 2019

		2019	
	Notes	£	£
Current assets			
Debtors	3.1	1,000	
Net current assets			<u>1,000</u>
Capital and reserves			
Called up share capital	3.2		<u><u>1,000</u></u>

3. Notes to the Financial Information

3.1. Debtors

	2019
Amounts falling due within one year:	£
Unpaid share capital	<u>1,000</u>

3.2. Called up share capital

	2019
Ordinary share capital	£
Issued and not fully paid	
1,000 of £1 each	<u>1,000</u>

On 1 October 2019 the Company issued 1,000 shares at par.

On 9 December 2019, a sub-division was undertaken so each Ordinary Shares of £1.00 was sub-divided into 100,000 Ordinary Shares of £0.01 each

On 9 December 2019, the Company issued 9,900,000 Ordinary Shares at par.

3.3. Controlling party

At the date of approval of this financial information the Company is controlled by Global Series SICAV Plc, a company registered in Malta.

3.4. Subsequent events

The Company anticipates issuing 2,057,374 Ordinary Shares of £0.01 each pursuant to the Subscription (conditional on Admission) at a price of £0.25 per Ordinary share.

3.5. Nature of financial information

The financial information presented above does not constitute statutory financial statements for the period under review.

PART IV

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS
FOR THE COMPANY**

Set out below is an unaudited pro forma statement of net assets. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Placing as if it had occurred on 31 October 2019.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of The Company.

The statement of pro forma net assets set out below is based on the audited balance sheet of the Company as at 31 October 2019 (as extracted without material adjustment from the Company's financial information in Part III of this Document and adjustments on the basis described in the notes below.

	31 October 2019	Subscription net of expenses	Total proforma Net assets
	£	£	£
Notes	1	2	
Assets			
Current assets			
Trade and other receivables	1,000	-	1,000
Cash at bank	-	501,876	502,876
Total current assets	1,000	501,876	502,876
Net assets	1,000	501,876	502,876

Notes:

1. The financial information in respect of the Company as at 31 October 2019 has been extracted, without material adjustment, from the audited report, set out in Part III of this Document.
2. On 9 December 2019, founders of the Company invested £100,000. The Subscription receipts are £514,344. The cash expenses of the Subscription and the transaction payable by the Company are expected to total approximately £101,000.
3. The pro forma financial information does not constitute statutory accounts within the meaning of section 434 of CA 2006.
4. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 31 October 2019 for the Company.

PART V

ADDITIONAL INFORMATION

1 The Company

- 1.1 The Company was incorporated in England and Wales on 1 October 2019 under the Act as a private limited company with the name “Greencare Capital Limited” with registered number 12237710.
- 1.2 On 11 December 2019, the Company was re-registered as a public limited company under the name of “Greencare Capital plc”.
- 1.3 The Company is a public limited company and the liability of its members is limited to the amount, if any, unpaid on its shares. The Company and its activities are principally regulated by the Act and the regulations made thereunder.
- 1.4 The registered office of the Company is 5 Fleet Place, London EC4M 7RD. The Company’s telephone number is +44 20 3529 7229.
- 1.5 The accounting reference date of the Company is 31 October.
- 1.6 The Company does not have any subsidiary undertakings as at the date of this Document.

2 Share Capital History

- 2.1 Since incorporation, the following changes have been made to the issued share capital of the Company:
- 2.1.1 The Company was incorporated with an issued share capital of £1,000, divided into 1,000 Ordinary Shares of £1.00 each.
- 2.1.2 On 9 December 2019, a sub-division was undertaken, pursuant to which each of the then Ordinary Shares of £1.00 were sub-divided into Ordinary Shares of £0.01 each.
- 2.1.3 On 9 December 2019, 9,900,000 Ordinary Shares were issued to founder investors at par.
- 2.2 As at 26 December 2019, being the latest practicable date before publication of this Document, the issued and fully paid up capital of the Company is as follows:

Issued and Credited as Fully Paid

<u>Class of Share</u>	<u>Number</u>	<u>Nominal value</u>
Ordinary	10,000,000	£100,000

- 2.3 At Admission it is expected that the issued and fully paid up capital of the Company will be as follows follows:

Issued and Credited as Fully Paid

<u>Class of Share</u>	<u>Number</u>	<u>Nominal value</u>
Ordinary	12,057,374	£120,974

- 2.4 The Company’s share capital consists of a single class of Ordinary Share which are freely transferable in accordance with the Company’s Articles in both certificated and uncertificated form. No Shareholder has any different voting rights from any other Shareholder. The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.
- 2.5 By way of written resolutions passed on 9 December 2019, the Directors were unconditionally authorised in accordance with section 551 of the Companies Act 2006 to allot Ordinary Shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) to a maximum nominal value of £300,000 in respect of allotments of Ordinary Shares and grants of Rights prior to Admission and to a maximum of £30,000,000 in respect of allotments of Ordinary Shares and grants of Rights following Admission. The post-Admission authority shall, unless otherwise renewed, varied or revoked by the Company expire on 30 November 2020.
- 2.6 By way of written resolutions passed on 9 December 2019, the Directors were unconditionally authorised in accordance with section 561 of the Companies Act 2006 to allot Ordinary Shares pursuant to the authorities conferred by the resolutions noted at paragraph 2.5 above as if Section 561 of the Companies Act did not apply to such allotments. The

post-Admission authority shall, unless otherwise renewed, varied or revoked by the Company expire on 30 November 2020.

3 **The Company's Articles.**

The Company's articles were adopted on the Company's incorporation and amended on 11 December 2019 on the Company being re-registered as a public limited company. The Company's articles, which are available on Companies House, do not contain any provisions which would have an effect of delaying, deferring or preventing a change of control of the Company.

4 **Disclosure of interests in shares**

4.1 As the Company is a public company incorporated in England and Wales whose shares, as from Admission, will be admitted to trading on the NEX Growth Market, pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules, a Shareholder is required to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below 3% and then each 1% threshold thereafter until it reaches 100%.

4.2 Pursuant to Part 22 of the 2006 Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be interested in, or, at any time during the three years immediately preceding the date on which the notice is issued, to have been so interested in, the Company's shares, within 14 days to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person. Where the Company has issued such a notice and the recipient has failed to give the Company the information so required, the recipient shall not be entitled to be present or vote at any general meeting of the Company and, if the shares held by such recipient represent at least 0.25 per cent. of the Company's issued share capital, the Company can withhold dividend payments.

5 **The Takeover Code and Concert Party**

The Takeover Code applies to all companies which have their registered office in the United Kingdom, Channel Islands or Isle of Man and whose securities are traded on a regulated market in the United Kingdom or a stock exchange in the Channel Islands or Isle of Man or a multilateral trading facility (such as the NEX Growth Market). Accordingly, the Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, if an acquisition (whether by a series of transactions over a period of time or not) of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties, if any) would be required, except with the consent of the Panel, to make a general offer for the Ordinary Shares not already owned by the acquirer and its concert parties.

Similarly, this requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties, if any) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by that person and its concert parties.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in Ordinary Shares during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons, pursuant to an agreement or understanding (whether informal or formal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. **Control** means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the holding or holdings give de facto control.

E Value One Limited, Eight Capital plc and Carolina Filippini are deemed to be acting in concert for the purposes of the Takeover Code.

Following Admission, the Concert Party's shareholding will amount to approximately 91.7 per cent. of the Enlarged Issued Share Capital which will be held as follows:

	Number of Ordinary Shares	Percentage of the Enlarged Issued Share Capital
E Value One Limited	8,000,000	66.3%
Eight Capital Partners plc	1,500,000	21.2%

Carolina Filippini	500,000	4.1%
Total	10,000,000	91.7%

When a concert party holds over 50 per cent. of the issued voting share capital in a company, no obligations under Rule 9 normally arise from acquisitions by any member of the concert party. Acquisition by a single member of the concert party, however, who holds less than 50 per cent. of shares sufficient to increase his holding to 30 per cent. or more, may be regarded by the Panel as giving rise to an obligation to make an offer for the entire company.

Following Admission, the members of the Concert Party will between them hold more than 50 per cent. of the issued voting share capital of the Company and (for so long as they continue to be treated as acting in concert) may accordingly increase their aggregate holding without incurring any further obligation under Rule 9 of the City Code to make a general offer although individual members of the Concert Party will not be able to increase their percentage holding through or between a Rule 9 threshold (a holding of between 30 and 50 per cent.) without Panel consent.

6 Squeeze-Out

Pursuant to sections 979 to 982 of the 2006 Act, where an offeror has, by way of a takeover offer (as defined in section 974 of the 2006 Act), acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90 per cent. of the voting rights in the company to which the offer relates, the offeror may issue a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

7 Sell-out

Pursuant to sections 983 and 985 of the 2006 Act, where an offeror makes a takeover offer (as defined in section 974 of the 2006 Act) and, by virtue of acceptances of the offer and any other acquisitions, holds or has agreed to acquire not less than 90 per cent. of the shares in the target (or if the offer relates to a class of shares, 90 per cent. of the shares in that class) which carry not less than 90 per cent. of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer with the Articles.

8 Interests of the Directors

8.1 The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the 2006 Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at the date of this Document and as expected to be immediately following Admission are as follows:

Director	No. of Ordinary Shares prior to Admission	Percentage of issued ordinary share capital prior to Admission	Options/Warrants over Ordinary Shares	No. of Ordinary Shares following Admission	Percentage of ordinary shares following Admission	Options/Warrants over Ordinary Shares following Admission
Fabio Carretta	-	-	-	-	-	-
Guy Winterflood	-	-	-	-	-	-
Nicholas Lee	-	-	-	-	-	-

8.2 Save as disclosed above, none of the Directors (nor persons connected with such persons within the meaning of section 252 of the 2006 Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

8.3 There are no outstanding loans granted or guarantees provided by the Company or any member of the Enlarged Group to or for the benefit of any of the Directors.

8.4 Save as disclosed above, and save as otherwise disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.

8.5 None of the Directors, nor any person connected with them (within the meaning of section 252 of the 2006 Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

9 Significant Shareholders and warrant holdings

9.1 The Company is only aware of the following persons who, at the date of this Document, represent an interest (within the meaning of Rule 5 of the Disclosure Guidance and Transparency Rules) directly or indirectly in three per cent or more of the Company's issued share capital or could exercise control over the Company:

Shareholder	No. of Ordinary Shares	Percentage of issued ordinary share capital
E Value One Limited	8,000,000	80.0%
Eight Capital Partners plc	1,500,000	15.0%
Carolina Filippini	500,000	5.0%

9.2 Immediately following Admission, the followings persons will have an interest, directly or indirectly, in at least three per cent. of the voting rights attached to the Company's issued shares. Such persons will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules, and such interests will be notified by the Company to the public:

Shareholder	No. of Ordinary Shares	Percentage of issued ordinary share capital
E Value One Limited*	8,000,000	66.3%
Eight Capital Partners plc	2,560,000	21.2%
Carolina Filippini	500,000	4.1%

* E Value One Limited is ultimately beneficially owned by Dominic White (80%) and his wife, Susan White (20%).

9.3 At Admission, the Company will have issued warrants over Ordinary Shares as follows:

Warrantholder	No. of Ordinary Shares under Warrant	Percentage of issued ordinary share capital
Cairn Financial Advisers LLP	120,574	1%
E Value One Limited	1,079,426	9.0%
Eight Capital Partners plc	384,000	3.2%
Carolina Filippini	75,000	0.6%
Subscribers*	149,606	1.2%

*issued on a pro-rata basis

The terms of the warrants are identical and provide for a 5 year exercise period at the Subscription Price. The warrants are freely transferable.

9.4 None of the Directors, nor any persons named in sub-paragraph 9.1 above has voting rights which are different to any other holder of Ordinary Shares.

10 Directors' Service Agreements and Letters of Appointment

10.1 Executive Director

Fabio Carretta and the Company entered into an executive director service agreement dated 27 December 2019 pursuant to which Mr Carretta was appointed Chief Executive Officer. The agreement is conditional on Admission and is terminable on one month's written notice by either party. The agreement provides for an annual salary of £30,000 (subject to annual review). Mr Carretta is eligible for a discretionary bonus to be paid in any financial year if approved by the remuneration committee.

10.2 Non-Executive Directors

Each of Guy Winterflood and Nicholas Lee entered into non-executive letters of appointment with the Company dated 27 December 2019. The agreements are conditional on Admission and each are terminable on one month's written notice by either party by the respective parties. Each of the non-executive directors are paid an annual fee of £24,000 (subject to annual review).

10.3 Save as disclosed above, there are no service contracts in existence or proposed between any Director and the Company.

10.4 The aggregate remuneration and benefits in kind, paid by the Company to the directors in office in respect of the period ended 31 October 2019 was £nil. It is estimated that under the arrangements currently in force at the date of this Document, the aggregate remuneration payable and benefits in kind to be granted to the Directors for the financial period ending 31 October 2020 by the Company will be £78,000.

11 Additional Information on the Directors

11.1 The names of all companies (excluding the Company) and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this Document and indicating whether they are current or past are set out below:

Fabio Carretta

Current directorships and partnerships

Epsilon Capital Limited
E Value One Limited
EVO Europe Real Estate Ltd
EVO Strategic Partners Ltd

Former directorships and partnerships

Guy Winterflood

Current directorships and partnerships

Hempflax International Ltd
Supercharge Solutions Limited
Letyano Limited

Former directorships and partnerships

Fly Victor Limited
Guy Winterflood Capital Limited
Jetfair Limited
Letyagov Limited

Nicholas Lee

Current directorships and partnerships

ACL Capital Limited
Boustead Agriculture Limited
Chiswick School
Immotion Group plc
JL Services Limited
Oil & Gas Solutions Limited
Paternoster Resources Limited
Pires Investments plc
Riverfort Global Opportunities plc

Former directorships and partnerships

ADM Energy plc
Atlas Oil And Gas Limited
Boustead Renewables Limited
Digitalbox plc
Eridge Capital Limited
London Capital Group Holdings plc

11.2 Save as disclosed, none of the Directors has:

11.2.1 any unspent convictions in relation to indictable offences;

11.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

11.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director;

11.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

11.2.5 been the owner of any asset which has been placed into receivership or been a partner in any partnership which had an asset placed into receivership whilst he was a partner of that partnership or within 12 months after he ceased to be a partner of that partnership;

11.2.6 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or

- 11.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.
- 11.3 Save as disclosed in this Document, none of the Directors has or has had any interest in transactions effected by the Company since its incorporation which are or were unusual in their nature or conditions or which are or were significant to the business of the Company.
- 11.4 Each of the Directors and each of the Company's PDMRs has given an undertaking not to dispose of any of their Ordinary Shares, save in certain specified circumstances, for the period of 12 months from the date of Admission.
- 11.5 No loans made or guarantees granted or provided by the Company or any Company in the Group to or for the benefit of any Director are outstanding.
- 11.6 There are no conflicts of interest between any of the Director's duties to the Company and their private interests and other duties.

12 **Material Contracts**

- 12.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation:

12.1.1 *Admission Agreement*

On 27 December 2019, the Company, each of the Directors and Cairn entered into the Admission Agreement pursuant to which Cairn agreed to act as NEX Corporate Adviser to the Company in connection with Admission.

Pursuant to the Admission Agreement, the Company and the Directors have given certain customary warranties and undertaking to Cairn. The liability of the Directors is subject to certain customary limitations to quantum and liability period. The Company has also given Cairn an indemnity which is unlimited in relation to quantum and liability period.

The Admission Agreement is condition, *inter alia*, on Admission taking place no later than 30 December 2019, or such later date as may be agreed between the Company and Cairn.

Under the Admission Agreement, the Company has agreed to pay to Cairn a corporate finance fee, together with Cairn's costs and expenses.

Cairn is entitled, in certain customary circumstances, to terminate the Admission Agreement at any time prior to Admission, including in the event of a material breach of warranty.

12.1.2 *Registrar Agreement*

Pursuant to an agreement dated 7 November 2019, Share Registrars agreed to act as the Company's registrar. The initial term of appointment is for 12 months, following which either party may serve notice on giving not less than 6 months' written notice. Pursuant to the terms of the agreement, Share Registrars will be paid a fee per shareholder on the register, with a minimum £500 charge per quarter and a fee for share transfers which is dependent on the number of transfers carried out in any given quarter.

12.1.3 *Broker mandate*

Pursuant to an agreement dated 19 November 2019, Epsilon Capital agreed to act as broker in connection with Admission and as financial adviser for a minimum period of 12 months from Admission. Epsilon Capital's role is to provide financial and other strategic advice to the Company and to source and introduce potential investors. Epsilon Capital is to receive commission on funds raised and a bonus of £100,000 if the funds raised by Epsilon reach a certain level.

12.1.4 *Cairn Corporate Adviser mandate*

Pursuant to an agreement dated 27 December 2019, Cairn agreed to act as NEX Exchange Corporate Adviser for a minimum period of 12 months from Admission. The Agreement contains certain undertakings by the Company and each of the Directors have agreed to ensure that Cairn is provided with such information concerning the business and affairs of the Company to enable Cairn to carry out its duties as Corporate Adviser to the Company.

12.1.5 *Cairn warrant instrument*

On 27 December 2019, the Company executed a warrant instrument pursuant to which Cairn Financial Advisers LLP was issued warrants. The warrants represent 1 per cent. of the Company's issued share capital at Admission, have a life of 5 years from admission, are freely transferable and the exercise price is the Subscription Price.

12.1.6 *Shareholder warrant instrument*

On 27 December 2019, the Company executed a warrant instrument pursuant to which the pre-IPO and IPO investors were issued warrants. The warrants represent, in aggregate, 14 per cent. of the Company's issued share capital at Admission, have a life of 5 years from admission, are freely transferable and the exercise price is the Subscription Price.

12.1.7 *The Lock-in Agreements*

Each of the Locked-in Shareholders, being E Value One Limited and Eight Capital Partners plc have entered into the Lock-in Agreements dated 27 December 2019 with Cairn and the Company pursuant to which they have agreed not to dispose of Ordinary Shares held by them for a 12 month period from Admission (subject to certain limited customary exceptions). Following the expiry of that initial lock-in period, the Locked-in Shareholders will be subject to a 12 month orderly marketing arrangements. Eight Capital Partner Plc's Ordinary Shares acquired at IPO will not be locked in but any potential buyer(s) of such Ordinary Shares will be required to enter into a lock-in and orderly market arrangement in respect of such Ordinary Shares acquired which would expire on the first and second anniversaries of Admission respectively.

12.1.8 *The Relationship Agreement*

E Value One Limited, the Company and Cairn have entered into a Relationship Agreement pursuant to which E Value One Limited has agreed to regulate certain aspects of the continuing relationship between the Company and it so as to ensure that the Company is capable of carrying on its business independently of E Value One Limited and that transactions between them are on arm's length commercial terms.

The Relationship Agreement will be in force at any time when E Value One Limited holds 30 per cent. or more of the Company's issued share capital.

12.1.9 *Management Services Agreement*

On 29 December 2019, the Company and Eight Capital Partners entered into a Management Services Agreement pursuant to which Eight Capital Partners will provide assistance to the Company, particularly in analysing acquisitions and disposals and with sourcing debt and equity capital. The agreement is for an initial term of two years from Admission, with the ability of either party to terminate at the anniversary of Admission. Eight Capital Partners is to be paid £5,000 per month under the Management Services Agreement and, for so long as Eight Capital Partners holds 15 per cent. or more of the Company's issued share capital, it may appoint a director to the Company. Once appointed, the appointed director (or any replacement nominated by Eight Capital Partners) remains in place for so long as Eight Capital Partners holds 10 per cent. or more of the Company's issued share capital.

12.1.10 *Subscription Agreements*

Between 13 and 19 December 2019, certain subscribers for shares entered into Subscription Agreements with the Company pursuant to which they agreed to subscribe for Ordinary Shares in the capital of the Company. The subscribers gave certain warranties to the Company as to their status and the ability of the Company to offer them such Ordinary Shares.

13 Related Party Transactions

Save as disclosed in this paragraph 13 and in relation to the service agreement and letters of appointment of the Directors, the Company has not entered into any material related party transactions in the 12 months prior to the date of this document;

- 13.1 Fabio Carretta is a director of Epsilon Capital Limited, which is acting as the Company's broker. The appointment of Epsilon as broker was undertaken on the terms of an arms' length market standard agreement.
- 13.2 Fabio Carretta is a director of E Value One Limited, a significant shareholder of the Company at Admission and which participated in the founder round on the same terms as each of the other founders.
- 13.3 Eight Capital Partners is a shareholder in the Company and is also the counterparty to the Management Services Agreement, as further described at paragraph 12.1.9 of this Part V. The terms of the Management Services Agreement were negotiated and agreed on an arm's length basis.

14 **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware, which may have or have had during the 12 months immediately preceding the date of this Document a significant effect on the financial position or profitability of the Company.

15 **Working capital**

In the opinion of the Directors, having made due and careful enquiry, and taking into account the net proceeds of the Subscription, the working capital available to the Company is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

16 **No Significant Change**

There have been no significant changes in the trading or financial position of the Company and its Group since 31 October 2019, being the date to which the audited financial information contained in this Document was made up.

17 **Taxation**

The following summary is intended as a general guide for UK tax resident Shareholders as to their tax position under current UK tax legislation and HMRC practice as at the date of this Document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The Company is at the date of this Document resident for tax purposes in the United Kingdom and the following analysis is based on that status. It should be noted that a number of the UK tax treatments referred to below relate to unquoted shares as shares quoted on the NEX Growth Market are generally treated as unquoted for these purposes.

Shareholders who are tax resident outside of the UK should take their own professional advice on the taxation implications for them on acquiring, holding and disposing of Ordinary Shares.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It only addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK and who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment.

This summary does not address the position of certain classes of Shareholders who (together with any associates) have a 5 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, trustees, pension funds, charities or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are “employment related securities” as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of any Ordinary Shares.

UK resident individual shareholders - dividends

United Kingdom resident shareholders are entitled to a £2,000 annual dividend allowance. Dividends received which do not exceed this allowance will not be subject to income tax. Dividends received in excess of this allowance are taxed at 7.5 per cent up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 32.5% up to the limit of the higher rate income tax band and dividends received in excess of the higher rate income tax band, will be taxed at 38.1%,.

UK resident corporate shareholders – dividends

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class.

UK resident individuals shareholders – capital gains

A disposal of Ordinary Shares by a Shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on the disposal. UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2020 is £12,000. Generally speaking, where the individual’s taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual’s taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual’s taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

UK resident corporate shareholders – capital gains

For UK corporates, chargeable gains are currently chargeable at the rate of corporation tax, currently 19 per cent. Other reliefs may be relevant.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The NEX Growth Market is a designated a Recognised Growth Market by HMRC which means that trades executed in UK companies on the NEX Growth Market are exempt from UK Stamp Duty and Stamp Duty Reserve Tax. However, certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Inheritance tax

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge. Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK although the availability of exemptions and reliefs through double-taxation treaties may mean that in some circumstances there is no actual tax liability). A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

The above is a summary of certain aspects of current law and practice in the UK, which does not constitute legal advice. Therefore, a Shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK, should consult a professional adviser immediately.

18 General

- 18.1 The gross proceeds of the Subscription are expected to be £514,344
- 18.2 The total costs and expenses relating to the Subscription and Admission payable by the Company are estimated to be approximately £98,000 (excluding VAT) with net proceeds of the Subscription expected due the Company to be approximately £502,000.
- 18.3 The Subscription Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Admission Agreement. All the Subscription Shares have been subscribed for by the Subscribers. The Subscription is not being guaranteed or underwritten by any person.
- 18.4 Monies received from applicants pursuant to the Subscription will be held in accordance with the terms and conditions of the Subscription until such time as the Admission Agreement becomes unconditional in all respects. If the Admission Agreement does not become unconditional in all respects by 31 January 2020, application monies will be returned to the Places at their risk without interest.
- 18.5 The Subscription Price represents a premium over nominal value of £0.24 per Ordinary Share.
- 18.6 Cairn Financial Advisers LLP has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 18.7 Jeffrey's Henry LLP has been appointed as the auditors of the Company for financial year ended 31 October 2020. Jeffrey's Henry LLP are regulated by the Institute of Chartered Accountants in England and Wales and their registered address is Finsgate, 5-7 Cranwood Street, London EC1V 9EE. Jeffrey's Henry LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of their report (as set out in Part III of this Document) and the references thereto. Jeffrey's Henry LLP also accepts responsibility for its report.
- 18.8 The percentage dilution incurred by Existing Shareholders as a result of the issue of the New Ordinary Shares to the extent they do not participate in the Subscription is 17.1 per cent.
- 18.9 The accounting reference date of the Company is 31 October.
- 18.10 No financial information contained in this Document is intended to represent or constitute a profit forecast, nor constitute the publication of statutory accounts.
- 18.11 It is expected that definitive share certificates will be despatched by hand or first class post by 10 January 2020. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited at 8.00 a.m. on 30 December 2019.
- 18.12 The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 18.13 Save as disclosed in this Document, there are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

- 18.14 The Company has not made any investments since its incorporation, nor are there any investments by the Company in respect of which a firm commitment has been made.
- 18.15 No person directly or indirectly (other than the Company's professional advisers and trade suppliers or as disclosed in this Document) in the last 12 months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise than as disclosed in this Document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Subscription Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

19 **Documents on display**

Copies of this Document are available free of charge from the offices of Cairn Financial Advisers LLP, Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. An electronic version of this Document is also available to download from the Company's website www.greencare.capital.

27 December 2019