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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 Sativa Investments 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 sections 85 and 102B of FSMA. Therefore, this Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules 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 Directive. 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 11 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 and to be 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 16 March 2018.

SATIVA INVESTMENTS PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 11118594)

Subscription to raise £1,000,000

and

Admission to trading on the NEX Exchange Growth Market



**NEX Exchange Corporate Adviser
PETERHOUSE CORPORATE FINANCE LIMITED**



SHARE CAPITAL ON ADMISSION

Ordinary Shares of 0.25 pence each

Amount of Ordinary Shares available for issue

1,600,000,000

Number of Ordinary Shares in issue

404,900,000

The NEX Exchange Growth Market, which is operated by NEX Exchange Limited, a Recognised Investment Exchange, 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 EU financial services law and NEX Exchange Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves 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.

The Company 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.

Peterhouse Corporate Finance Limited, which is authorised and regulated by the Financial Conduct Authority, is the Company's NEX Exchange Corporate Adviser for the purposes of Admission. Peterhouse Corporate Finance Limited 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. Peterhouse Corporate Finance Limited 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.

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 Peterhouse Corporate Finance Limited 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.

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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
“AIM”	the AIM market operated by London Stock Exchange plc
“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 11 of this Document
“Business Day”	a day other than Saturday or Sunday or a public holiday in England and Wales
“Cannabis”	Cannabis, also known as marijuana, is a psychoactive drug from the cannabis plant intended for medical or recreational use
“CDSA”	Controlled Drugs and Substances Act (Canada)
“City Code”	the City Code on Takeovers and Mergers
“Company”	Sativa Investments Plc, a company registered in England and Wales with company number 11118594 and whose registered office is at 85 Great Portland Street, London, W1W 7LT
“Connected Persons”	has the meaning given to it in paragraph 8.3 of Part IV of this Document
“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)
“Document”	this document and its contents
“Existing Ordinary Shares”	the 224,000,000 Ordinary Shares of £0.0025 each in issue as at the date of this Document
“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 Existing Ordinary Shares together with the Subscription Shares, being the issued ordinary share capital of the Company immediately following Admission
“Lock-In Agreements”	the lock-in agreements between the Company, the Persons Discharging Managerial Responsibility and Peterhouse, further details of which are set out in paragraph 15 of Part I of this Document
“Lock-In Period”	as defined in paragraph 15 of Part I 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
“Medicinal Cannabis”	as defined in paragraph 2 of Part I of this Document
“Medicinal Cannabis Advisory Board”	the board of individuals who review and analyse the Company’s proposed investments from time to time and being Dr. Stuart Ungar, Dr. Peter Feldschreiber and Iqbal Gill (Chemist) at the time of Admission
“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
“MHRA”	Medicines Healthcare Regulatory Products Agency
“MMPR”	Marihuana for Medical Purposes Regulations
“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 UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.25 pence each in the capital of the

	Company
“Panel”	as defined in paragraph 20 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
“Peterhouse”	Peterhouse Corporate Finance Limited, NEX Exchange Corporate Adviser to the Company, which is authorised and regulated by the FCA
“Peterhouse Warrants”	warrants granted by the Company to Peterhouse to subscribe for 8,098,000 Ordinary Shares at an exercise price of 0.5 pence per share and 2,024,500 Ordinary Shares at an exercise price of 1 pence per share, pursuant to a Warrant Instrument dated 1 March 2018, further details of which are set out in paragraph 8.5 of Part IV of this Document
“POCA 2002”	Proceeds of Crime Act 2002
“QCA Code”	the Corporate Governance Code for Small and Mid-sized Quoted Companies 2013, published in May 2013 by the Quoted Companies Alliance
“Relationship Deed”	the relationship deed dated 1 March 2018 between (1) the Company, (2) Jeremy Thomas and (3) Peterhouse, further details which are set out in paragraph 8.3 of Part IV 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 20 of Part I of this Document
“Shareholders”	the persons who are registered as the holders of Ordinary Shares from time to time
“SOCPA 2005”	Serious Organised Crime and Police Act 2005
“Subscription”	the proposed subscription for the Subscription Shares at the Subscription Price, conditional on Admission
“Subscription Price”	0.5p per Subscription Share for the 3,000,000 Subscription Shares and 6,000,000 Subscription Shares subscribed for by Noel Lyons and Mark Blower respectively (the Directors’ Subscription); and 152,800,000 Subscription Shares subscribed at the Tranche A Subscription Price and 19,100,000 Subscription Shares subscribed at the Tranche B Subscription Price (the Investors’ Subscription); the Investors’ Subscription comprises 171,900,000 Subscription Shares in total and is conditional on Admission

“Subscription Shares”	the 180,900,000 Ordinary Shares to be issued pursuant to the Subscription, comprising the Directors’ Subscription and the Investors’ Subscription
“Subsidiary”	as defined in the Act
“Tranche A”	the subscription for 152,800,000 Subscription Shares at the Tranche A Subscription Price
“Tranche A Subscription Price”	0.5p per Subscription Share
“Tranche B”	the subscription for 19,100,000 Subscription Shares at the Tranche B Subscription Price
“Tranche B Subscription Price”	1p per Subscription Share
“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
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“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 instruments dated 1 March 2018 and entered into by the Company with Peterhouse pursuant to which the Peterhouse Warrants will be issued, further details of which are set out in paragraph 8.5, of Part VI of this Document

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	1 March 2018
Admission to trading on the NEX Exchange Growth Market effective and commencement of dealings in the Ordinary Shares	8:00 a.m. on 16 March 2018
Ordinary Shares credited to CREST accounts (where applicable)	16 March 2018
Despatch of share certificates (where applicable)	By 30 March 2018

Each of the times and dates set out above and mentioned elsewhere in this Document may be subject to change at the absolute discretion of the Company.

SHARE CAPITAL AND ADMISSION STATISTICS

Ordinary Shares in issue prior to the Subscription	224,000,000
Number of Subscription Shares to be issued	180,900,000
Subscription price	0.5p per Subscription Share for the Directors' Subscription and the 0.5p per Subscription Share for the Tranche A Subscription and 1p per Subscription Share for the Tranche B Subscription
Expected Admission price	1p
Gross proceeds from the Subscription	£1,000,000
Estimated net cash including the Subscription proceeds	£1,448,040
Issued Share Capital on Admission	404,900,000 Ordinary Shares
Market capitalisation on Admission at the expected Admission price	£4,049,000
NEX Exchange Growth Market symbol (TIDM)	SAPI
ISIN Number	GB00BFX17474
LEI	213800UBHKVCNXTZEZ74

DIRECTORS, SECRETARY AND ADVISERS

Directors	Geremy Howard Prance Thomas (<i>Chief Executive Officer</i>) Mark Blower (<i>Executive Director</i>) Noel Lyons (<i>Independent Non-Executive Director</i>)
Registered Office	85 Great Portland Street London W1W 7LT
NEX Exchange Corporate Adviser	Peterhouse Corporate Finance Limited New Liverpool House 3rd Floor 15-17 Eldon Street London EC2M 7LD
Legal Advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Reporting Accountants and Auditors	Welbeck Associates Limited 30 Percy Street London W1T 2DB
Financial PR:	Abchurch Communications Limited 32 Threadneedle Street London EC2R 8AY
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Website	https://sativainvestments.co.uk

PART I

INFORMATION ON THE COMPANY

1. Introduction

The Company was incorporated on 19 December 2017 as an Investment Vehicle to identify investment opportunities and acquisitions in companies which are well-placed to take advantage of the dynamic regulatory environment surrounding legal Medicinal Cannabis.

The Company will focus on identifying opportunities in the Medicinal Cannabis sector in Canada, that is internationally recognised as having well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis and that comply with the United Nation's conventions on narcotics. The Company's investment strategy will focus on the production, testing and compliance, research and development, including pharmacology, commercialisation and sales and marketing of Medicinal Cannabis.

2. Medicinal Cannabis and Potential Medical Benefits

'Medicinal Cannabis' refers to the use of Cannabis and its constituent cannabinoids to treat disease or improve symptoms such as pain, muscle spasticity, nausea and other indications (**Medicinal Cannabis**). Cannabinoids is a blanket term covering a family of complex chemicals, both natural and man-made, that bind with cannabinoid receptors (protein molecules on the surface of cells) and effect a wide number of responses.

Cannabinoid receptors in the human body are part of a system called the Endocannabinoid System. This system produces chemicals called endocannabinoids, which also bind with cannabinoid receptors which are found in the brain and throughout the body. Scientists have found that cannabinoid receptors in the Endocannabinoid System are involved in a vast array of functions in our bodies, including helping to modulate brain and nerve activity (including memory and pain), energy metabolism, heart function, the immune system and even reproduction.

While there are a large number of active cannabinoids found in Cannabis, the two most commonly currently used for medical purposes are tetrahydrocannabinol (**THC**) and cannabidiol (**CBD**).

THC, a psychotropic cannabinoid, has been shown to activate pathways in the central nervous system which work to block pain signals, and has shown potential to assist patients with post-traumatic stress disorder and stimulate appetite in patients following chemotherapy. CBD, on the other hand, is non-psychotropic and has shown potential to relieve convulsion and inflammation. Plant strains referred to as sativas, indicia or hybrid varieties produce both THC and CBD and are available in varying potencies.

As outlined by Leafscience, a provider of health and science information to Cannabis consumers and professionals, legal Cannabis can be used to treat the following medical conditions and symptoms of disease: chronic pain, glaucoma, liver disease, cancer, psychosis, multiple sclerosis, inflammatory bowel disease, parkinson's disease, asthma, appetite loss, obesity, nausea and vomiting, traumatic brain injury, spinal cord injury, heart disease and others.

The Company's Medicinal Cannabis Advisory Board has significant technical experience in assessing the opportunities surrounding Medicinal Cannabis and in identifying opportunities for the Company's investment strategy. The Company's Directors believe that, together with the Medicinal Cannabis Advisory Board, they have the ability to source investment opportunities pursuant to the Company's investment strategy.

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.”

As an Investment Vehicle, any substantial acquisition or investment by the Company in accordance with its investment strategy is likely to be treated as a Reverse Takeover under Rule 57 of the NEX Exchange Rules and will therefore be subject, *inter alia*, to approval by Shareholders.

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 some time for such a company to fully implement its investment strategy.

4. Investment Strategy

The investment strategy of the Company is to provide Shareholders with an attractive total return achieved primarily through capital appreciation. The Directors believe that there are numerous investment opportunities within both private and public businesses in the Medicinal Cannabis sector in Canada that is internationally recognised as having, well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis and that comply with the United Nation’s conventions on narcotics.

The Company is likely to be an active investor and acquire control of certain target companies although it may also consider acquiring non-controlling shareholdings. The proposed investments to be made by the Company may be in either quoted or unquoted securities and made by direct acquisition of an interest in companies, partnerships or joint ventures, or direct interests in projects and can be at any stage of development. Accordingly, the Company’s equity interest in a proposed investment may range from a minority position to 100 per cent. ownership and a controlling interest.

If the Company takes a controlling stake, the acquisition could trigger a Reverse Takeover under Rule 57 of the NEX Exchange Rules.

The Directors intend to acquire one or more investments in quoted or unquoted businesses or companies (in whole or in part) thereby creating a platform for further investments. The Company may need to raise additional funds for these purposes and may use both debt and/or equity.

The Directors and the Medicinal Cannabis Advisory Board believe that their broad, collective experience, together with their extensive network of contacts, will assist them in identifying, evaluating and funding suitable investment opportunities. External advisers and investment professionals, over and above the Medicinal Cannabis Advisory Board, will be engaged as necessary to assist with sourcing and due diligence of prospective opportunities. The Directors will also consider appointing additional directors with relevant experience if the need arises.

It is anticipated that returns to Shareholders will be delivered primarily through an appreciation in the price of the Ordinary Shares rather than capital distribution via regular dividends. In addition, there may be opportunities to spin out businesses in the form of distributions to Shareholders or make trade sales of business divisions and therefore contemplate returns through special dividends. Given the nature of the investment strategy, 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. It is anticipated that the Company will hold investments for the medium to long term, although where opportunities exist for shorter term investments, the Company may undertake such investments.

In compliance with Rule 51 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 52 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 57 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 78 of the NEX Exchange Rules. If suspension occurs, the Directors will consider returning the Company's cash to Shareholders after deducting all related expenses.

The Directors intend to review the investment strategy on an annual basis and, subject to their review and in the absence of unforeseen circumstances, the Directors intend to adhere to the investment strategy. Changes to the investment strategy may be prompted, inter alia, by changes in government policies or economic conditions which alter or introduce additional investment opportunities. It is the intention of the Directors to invest the Company's cash resources, as far as practicable, in accordance with the investment strategy. However, due to market and other investment considerations, it may take some time before the cash resources of the Company are fully invested.

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

5. Investment Process

5.1 Investment Committee

The Investment Committee has been established to promote and maintain a prudent and effective allocation of capital across the Company's investment portfolio. It will be responsible for investment monitoring and will report to the Board on a regular basis.

The Investment Committee will be chaired by Jeremy Thomas with the other member being Noel Lyons.

Further information on the members of the Investment Committee can be found in paragraph 12 of this Part I of this Document.

5.2 Investment Identification

Investment identification will be the responsibility of the Investment Committee, in conjunction with the Medicinal Cannabis Advisory Board. The Company also intends to work with local partners and in-country experts, as required, to assist in identifying investment opportunities.

5.3 Investment Analysis

Within the Company, it is expected that Jeremy Thomas will be responsible for commissioning appropriate financial due diligence and managing legal due diligence on prospective investments.

As part of each investment analysis, the Investment Committee will liaise with and instruct Foreign Counsel to produce a legal opinion relating to the terms and lawfulness of the structuring of the Company's proposed investment. The Investment Committee will review the Foreign Counsel's opinion to identify whether the investment is in line with a legal opinion to be given by UK Counsel in relation to the same matter. The Investment Committee will heed the advice provided by Foreign and UK

Counsel, and where the advice given reflects any negative, regulatory risks, or otherwise advised, will decline the proposed investment. In particular, the Investment Committee will seek to ensure that there is as little risk as possible of breaching POCA 2002, MDA 1971, MDDO 2001 and MDR 2001. The Investment Committee will also seek to avoid any risk of breaching Money Laundering Legislation and will seek to ensure that any prospective future dividends will not contravene any laws, having particular regard to whether there may be any breach of POCA 2002.

Once the Investment Committee, with the assistance of the Medicinal Cannabis Advisory Board, has completed due diligence on a prospective investment, it will present its findings in a comprehensive report to the Independent Non-Executive Director for review. The Independent Non-Executive Director will in turn provide their comments and recommendations to the Board as to whether the Company should pursue the prospective investment.

5.4 Investment Execution

Investments must be approved by the Board. In considering whether to pursue investments, the Board will take into account the comments of the Medicinal Cannabis Advisory Board, as well as the Company's NEX Exchange Corporate Adviser, who will assess any NEX Exchange Rules implications.

Your attention is drawn to the Risk Factors set out in Part II of this Document.

6. The Legal Cannabis Opportunity

The Company's primary strategy is to acquire interests in and to own, assist, manage and identify investment opportunities and acquisitions in companies which are well-placed to take advantage of the dynamic regulatory environment surrounding Medicinal Cannabis.

Canada

The Medicinal Cannabis market in Ontario is projected to climb from CA\$379 million in 2018 to CA\$2.22 billion by 2021, according to Brightfield Group projections, being an increase of 485 percent increase in three years. Subject to parliamentary approval and royal assent, the Government of Canada intends to provide regulated and restricted access to cannabis no later than July 2018, allowing adults to be able to purchase cannabis from authorised retailers and allowing the personal cultivation of cannabis at home from legal seeds. While Medicinal Cannabis has been legal in Canada since 2001, the market will expand even more thanks to the full legalisation effort.

North America

The Cannabis industry (both medical and recreational) in the United States of America was estimated at \$7.1 billion in 2016 – a boost of more than 25 per cent. over the year 2015. This substantial increase was linked to massive growth in Colorado, Washington, Oregon and other states expected to approve both medical and recreational use.

Netherlands

The demand for Medicinal Cannabis is soaring in the Netherlands. Over the past five years the number of doctor's prescriptions for Medicinal Cannabis grew by more than 400 per cent. to over 50,000 in 2017, according to figures from the Foundation for Pharmaceutical Statistics (**SFK**). The use of Medicinal Cannabis, which is only available with a doctor's prescription, took off in the Netherlands in 2016 with an increase of 75 per cent. Jan Dirk Kroon of the SFK estimates that around 8 thousand people in the Netherlands use Medicinal Cannabis.

7. Summary of UK Legislation relating to Medicinal Cannabis

Background

The Company's activities relating to Medicinal Cannabis are subject to specific regulation under the MDA 1971, the MDR 2001, the MDDO 2001 and the POCA 2002 in the UK.

Cannabis is a controlled drug listed as a Class B drug in Schedule 2 of the MDA 1971, with Class B being an intermediate category between Class A (for the most harmful drugs) and Class C (for the least harmful drugs).

The importation, exportation, supply, possession and cultivation of Cannabis is lawful in the UK as long as the conductor of such activities holds the relevant valid Home Office licence under the MDR 2001 and the MDDO 2001. The Secretary of State has also been given the necessary authority to make exceptions to the prohibition on the importation, supply, possession and cultivation of Cannabis by those without a licence issued by the Home Office. The UK government has previously recognised that Cannabis can have medicinal properties, with the authorisation of the production of Cannabis used in the manufacture of "Sativex" under a Home Office licence in 2013.

In recent years, there has been a significant interest in the issue of and support for widespread legalisation of the importation, supply, possession and cultivation of Cannabis in the UK without the need for a licence. The UK government is and has been actively involved in consultation with the Medicinal Cannabis industry. Groups, such as CLEAR Cannabis Law Reform and the All-Party Parliamentary Group, are campaigning for the legalisation of Cannabis and calling on the UK Government to introduce a system that allows for lawful access to Cannabis in the UK. Further to the All-Party Parliamentary Group for Drug Policy Reform's seven month inquiry into Cannabis, the Vice Chair of the All Party Parliamentary Group for Drug Policy Reform, Paul Flynn, introduced a Private Members' Bill titled '*The Legalisation of Cannabis (Medicinal Purposes) Bill*' into the House of Commons. This bill if passed would allow the production, supply, possession and use of Cannabis (including cannabis resin) for medicinal and other connected purposes in the UK. The bill is at very early stages of governmental review, with its second reading debate taking place on 6 July 2018, but it indicates a potential move towards legalisation of Cannabis in the UK.

The Company has in place protocols to ensure that, so far as it is able, there is no breach of relevant UK Legislation relating to Medicinal Cannabis.

The lawfulness of making investments into companies conducting the lawful production of and research into Medicinal Cannabis

The main business activities of the Company will be its investments into those target companies conducting the lawful production of and research into Medicinal Cannabis in jurisdictions that are internationally recognised as having well-developed and reputable laws and regulations for the research and production of Cannabis and comply with the United Nation's conventions on narcotics. The Board is aware of its legal duty to ensure that such activities are lawful and as such, will carefully consider each proposed investment to be made and its compliance with UK Legislation.

Whilst, 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, such actual offence is only committed if it is punishable in the jurisdiction in which it is commissioned. **As the Company will ensure its activities shall be lawful under the laws of the jurisdiction in which they take place and that such jurisdictions shall be signatories to the United Nations conventions on narcotics, the Directors believe that the Company's activities shall not amount to "*an offence punishable under the corresponding laws*" and as such, no offence shall 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.

The lawfulness of receipt of dividends by the Company from its investments in target companies lawfully producing and/or conducting research into Medicinal Cannabis

As a result of its investment activities, the Company could receive dividends from the companies it may have invested in and as such, the Board has in place appropriate policies and procedures through its Investment Committee and Medicinal Cannabis Advisory Board to ensure that the receipt of any dividends complies with UK Legislation.

Under the POCA 2002, an individual commits 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, in the UK. However, under the SOCPA 2005, an activity outside of the UK that would usually be criminal under UK Legislation no longer constitutes an offence, subject to such activity being a lawful activity in the jurisdiction in which it took place.

Given that the Company will ensure its activities are lawful in the jurisdiction in which they take place, the Directors believe that the potential receipt of dividends from companies in which the Company may have invested in are conducting the lawful production of and research into Medicinal Cannabis shall not amount to an offence under the POCA 2002 in the UK in the opinion of the Directors.

Nonetheless, the industry is subject to numerous legal challenges, and the risk of further laws being passed against the use of Medicinal Cannabis.

To date, Canada has legalised medical use of marijuana. As noted above, on November 27, 2017, the House of Commons passed Bill C-45 which is intended to create a legal framework for controlling the production, distribution, sale and possession of non-medical marijuana in Canada. On December 20, 2017, the Prime Minister communicated that the Canadian Federal Government intends to legalise cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline.

There can be no assurance that Canadian laws legalising and regulating the sale and use of marijuana will not be repealed or overturned, or that governmental authorities will not limit the application of such laws. If governmental authorities begin to enforce certain laws relating to marijuana in jurisdictions where the sale and use of marijuana is currently legal, or if existing laws are repealed or curtailed, the Company's investments in such businesses may be materially and adversely affected. Actions by governmental authorities against any individual or entity engaged in the Medicinal Cannabis industry, or a substantial repeal of marijuana related legislation, could adversely affect the Company and its Shareholders.

Compliance

To ensure its compliance with the MDA 1971, the MDA 2001, the MDDO 2001 and the POCA 2002 and that its investments (if any) in the Medicinal Cannabis sector are in compliance with that legislation, the Company has implemented appropriate policies and procedures through its Investment Committee and Medicinal Cannabis Advisory Board, further details of which are set out in paragraph 5 and 13 of Part I of this Document.

8. Medicinal Cannabis Regulatory Framework in Canada

Cannabis is subject to unique and specific regulation in Canada.

In 2001, Canada became the second country in the world to recognise the medicinal benefits of Cannabis and to implement a government-run programme for Medicinal Cannabis access. Health Canada replaced the prior regulatory framework and issued the MMPR in June 2013 to replace government supply and home-grown Medicinal Cannabis with highly secure and regulated commercial

operations capable of producing consistent quality medicine. The MMPR issued in June 2013 covered the production and sale of dried Cannabis flowers only. A court injunction in early 2013 preserved the production and access methods of the prior legislation for those granted access prior to the injunction.

On 8 July 2015, Health Canada issued certain exemptions under the Controlled Drugs and Substances Act (Canada), which includes a Section 56 Class Exemption for Licensed Producers under the MMPR to conduct activities with Cannabis, which permits Licensed Producers to apply for a supplemental license to produce and sell Cannabis oil and fresh Cannabis buds and leaves, in addition to dried Cannabis (this does not permit Licensed Producers to sell plant material that can be used to propagate Cannabis).

On 24 August 2016, the Government of Canada introduced the Access to Cannabis for Medical Purposes Regulations (**ACMPR**), regulations governing the use of Cannabis for medical purposes.

The ACMPR, remained largely consistent with the former MMPR, but restores the ability of patients to grow their own Cannabis at home, including the ability to designate a third-party grower through regulations akin to the former MMPR. Under the ACMPR, patients who choose to grow at home, subject to a maximum number of plants, will be required to register their production sites and provide copies of their medical authorization to Health Canada in order to allow for monitoring and auditing of their activities.

Under ACMPR, patients are required to obtain medical approval from their healthcare practitioner and provide a medical document to the licensed producer from which they wish to purchase Cannabis. Since the requirements under the new regulations are both simpler and involve fewer obstacles to access than the previous regulatory regime, it is anticipated that the growth in the number of approved patients will accelerate. Moreover, the new system allows for competition among licensed producers on a host of factors including product quality, customer service, price, variety and brand awareness, allowing for well-positioned and capitalised producers to leverage their position in the marketplace.

9. Information on the Subscription

Conditional on Admission, Directors and investors have subscribed for 180,900,000 Subscription Shares at the Subscription Price, which has raised £1,000,000 for the Company (before expenses).

The Subscription Shares will represent 44.68 per cent. of the Issued Share Capital at Admission. The Subscription Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including for dividends and other distributions declared, paid or made following Admission.

The entire proceeds of the Subscription, less the expenses set out in paragraph 12.1 of Part IV of this Document, will be used to provide funds needed by the Company to identify and carry out due diligence on potential acquisitions and investments and to provide working capital for the Company's initial operations in line with its acquisition and investment strategy.

Further, the subscribers to the Subscription Shares have undertaken with the Company and Peterhouse, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission in such manner as may reasonably be required without first consulting the Company and Peterhouse in order to maintain an orderly market in the shares. Further information can be found in paragraph 15 of Part I of this Document.

10. 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
- 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.

11. Financial Information

The Company was incorporated on 19 December 2017 and has not yet commenced trading operations. Audited financial information on the Company from incorporation to 20 February 2018 is set out in Part III of this Document. The Company's current financial year end is 31 December.

12. Directors

Brief biographical details of the Directors are set out below:

Jeremy Howard Prance Thomas, Chief Executive Officer (Aged 57)

Jeremy is an entrepreneur with a successful track record in the telecommunication, e learning and consumer finance industries. Jeremy co-founded The Carphone Group Plc in the late 1980's and grew the business to exceed 10 per cent. of market share before selling it to Cable & Wireless for approximately £16 million. This was followed by the creation and listing of PNC Telecom Plc, a telecoms business that at its peak was valued at over £200 million. In 2001 Jeremy co-founded TMTI Ltd. TMTI Ltd is a profitable technical support business which works with major brands in enhancing the customer experience. Jeremy also founded George Banco Ltd in 2013, a consumer finance business, which was recently sold to Non Standard Finance Plc for approximately £53 million. Jeremy's other business interests include Carbon Managers Ltd, an environmental services consultancy company.

Mark Blower, Executive Director (aged 49)

Mark Blower, Chief Operating Officer, is an experienced finance professional, having spent the last 20 years actively overseeing the financial performance of over 70 UK small and medium-sized enterprises, with a particular focus on raising debt and private equity. He began his career in 1996 at the Investment Banking division of a large UK bank, before joining NM Rothschild in 2000. He then ran a highly successful leveraged debt team for another UK lending institution for five years before starting his Private Equity career in 2010. During his career to-date he has held a number of board positions, across a variety of sectors.

Mark is also a non-executive director of The Football Conference Limited, which manages the competition known as the National League and English professional and semi-professional football league. Mark is also the chairman of Macclesfield Town Football Club, which is a full-time professional football club playing in the National League in England.

Noel Lyons, Non-Executive Director (aged 52)

Noel started his career in the accounting profession and progressed from there to management and director level within various organisations. He has worked for such companies as Amoco/BP, Coca Cola, Kentz Corporation Plc and Oilinvest International, and has worked in diverse locations such as Africa and the Middle East.

Noel has been involved in several listings on AIM and the NEX Exchange Growth Market in both a management and advisory capacity, including as co-founder and, initially, as a non-executive director of Karoo Energy plc. Noel has an MBA and masters in Accounting and Finance.

13. Medicinal Cannabis Advisory Board

Brief biographical details of the individuals on the Medicinal Cannabis Advisory Board are set out below:

Dr. Stuart Ungar, MB,BS,(U.Lond), MRCP(UK),MRCS(ENG)

After pursuing post-graduate studies in General Medicine and research in biochemical neuropsychopharmacology at The Royal Post-Graduate Medical School, Dr. Ungar was in practice as a General Physician at The Princess Grace Hospital. Jointly with Dr. Raymond Prudo, Dr. Ungar founded a start-up company, The Doctors Laboratory PLC, a general pathology laboratory, that introduced a new paradigm in service provision for clinicians and pharmaceutical organisations throughout the United Kingdom and abroad. During his tenure as Chairman and a Board Director The Doctors Laboratory PLC grew very substantially and was sold to Sonic Healthcare in 2002. Currently Dr. Ungar is a Director of a NASDAQ quoted biopharmaceutical company creating drugs for acute and chronic orphan inflammatory diseases by modulating one or both of the complement C5 and leukotriene pathways. Dr. Ungar is qualified in medicine, with additional qualifications in medical biochemistry at the Royal Free Hospital, London and was admitted as a member to The Royal College of Physicians. Dr. Ungar is a Life Fellow of The Royal Society of Medicine and is a founder and former Vice-President of The Independent Doctors Federation.

Dr. Peter Feldschreiber

Dr. Feldschreiber is dually qualified as a barrister and physician. He specialises in medical and healthcare law including medical products liability, pharmaceutical and medical devices regulatory law, clinical negligence and personal injury and medically related employment litigation.

His casework includes the Aspirin Reyes Syndrome product liability litigation, Atomic Veterans Litigation, the morning after pill litigation, the Seroquel litigation, Foetal Anti- convulsant Syndrome Litigation, Cochlear Implants and Cardiac Stent Litigations and judicial review and references to the ECJ on pharmaceutical regulatory issues.

He has held appointments as Senior Medical Assessor and Special Litigation Coordinator to the Medicines and Healthcare products Regulatory Agency, Department of Health.

Dr. Feldschreiber is General Editor of The Law and Regulation of Medicines (Oxford University Press) and is Consultant Editor for the Volume on Medical Products for Halsburys Laws of England and the Lexis Nexis series on updates of UK and European Law. Dr. Feldschreiber is co-author of the chapter on the regulation of healthcare products in Butterworths Healthcare Law and Practice. Dr. Feldschreiber is also Visiting Senior Lecturer in Pharmaceutical Science at King's College London.

Dr. Feldschreiber is retained counsel to a number of solicitors and has experience of international litigation regarding drug induced injury. He has also published extensively on the law of causation and European regulatory procedure. Dr. Feldschreiber has published research into the repair of DNA following ionising radiation whilst working at the Institute of Cancer Research. Dr. Feldschreiber is also a member of the Expert Witness Institute.

Iqbal Gill

Iqbal Gill is a chemist with 24 years of experience in the pharmaceutical, biotechnology, fine chemical and food sectors and, is currently Director of Research and Development at Tetralabs, a top-tier Medicinal Cannabis manufacturer located in the SF Bay Area in California. He directs the extraction and refinement of cannabinoids and other phytochemicals and their formulation into Medicinal Cannabis products. He has set up cGMP kilo lab and pilot facilities for the large-scale production of cannabinoids, analytical labs for QA/QC, and formulation labs, and is in charge of operations that produce, qualify and formulate hundreds of kilos pa of cannabinoids, and other phytochemicals. Iqbal Gill also oversees the isolation and characterisation of rare and novel cannabinoids, and the application of modern bio/chemical methods to cannabinoid drug discovery and drug targeting. He has also developed and owns a broad range of IP related to extraction, refinement, formulation, etc.

The Medicinal Cannabis Advisory Board will provide advice to the Board in relation to each proposed investment to be made by the Company and provide guidance on best practice in this sector.

14. Current Shareholders

The current Shareholder of the Company, and his interest in the Company as at the date of this Document are as follows:

Name	Number of Ordinary Shares	% of Issued Share Capital
Jeremy Thomas	224,000,000	100

15. Lock-In Agreements and Orderly Market Arrangements

On Admission, the Persons Discharging Managerial Responsibility, being the Directors of the Company, Jeremy Thomas, Mark Blower and Noel Lyons, will, in aggregate, hold 233,000,000 Ordinary Shares, representing 57.54 per cent. of the Issued Share Capital. The Persons Discharging Managerial Responsibility have agreed with the Company and Peterhouse, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission (**Lock-In Period**). In addition, each of the Persons Discharging Managerial Responsibility referred to above have undertaken to the Company and Peterhouse not to dispose of their Ordinary Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares. A summary of the Lock-In Agreements is set out in paragraph 8.4 of Part IV of this Document.

Further, all of the other subscribers to the Subscription Shares have undertaken with the Company and Peterhouse, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission in such manner as may reasonably be required without first consulting the Company and Peterhouse in order to maintain an orderly market in the Subscription Shares.

In order to ensure that there is sufficient liquidity in the Ordinary Shares following Admission, Jeremy Thomas, Mark Blower and Noel Lyons who together are interested in 233,000,000 Ordinary Shares, has agreed with Peterhouse to make 4,000,000 Ordinary Shares available for sale as may be required from time to time to satisfy market demand.

16. Warrants

The Company has agreed to issue warrants to subscribe for 10,122,500 Ordinary Shares to Peterhouse, conditional on Admission. The Peterhouse Warrants are exercisable at an exercise price of 0.5 pence per share for 8,098,000 Ordinary Shares (equating to 80 per cent. of the Peterhouse Warrants) and at an exercise price of 1 pence per share for 2,024,500 Ordinary Shares (equating to 20 per cent. of the Peterhouse Warrants). The total warrants of 10,122,500 equate to 2.5 per cent. of the Issued Share Capital. Peterhouse may exercise its warrants at any time up to the fifth anniversary of Admission. The

warrants are constituted by separate instruments, further details of which are contained in paragraphs 8.5 of Part IV of this Document.

17. Dividend Policy

The Company has not yet commenced trading and 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.

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. Following Admission, due to the size and nature of the Company, audit and risk management issues will be addressed by the Directors as a whole, rather than by separate committees. As the Company develops, the Board will consider establishing separate audit and risk management committees and will consider developing further policies and procedures, which reflect the principles of good governance.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the NEX Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 71 of the NEX Exchange Rules. 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. Relationship Deed

The Company, Jeremy Thomas and Peterhouse have entered into a Relationship Deed dated 1 March 2018 whereby Jeremy Thomas, has undertaken only to exercise his voting rights or other powers of control to influence the Company in a way that is only in the interests of the Company. The Relationship Deed will remain in force for so long as Jeremy Thomas beneficially holds more than 20 per cent. of the Ordinary Shares in issue of the Company. Further details of the Relationship Deed are set out at paragraph 8.3 of Part IV of this Document.

20. 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.

On Admission, Geremy Thomas, including members of his family and connected persons, will hold 264,500,000 Ordinary Shares representing approximately 65.32 per cent. of the Issued Share Capital. Assuming, that Geremy Thomas exercise his 100,000,000 options, he and his family and connected persons, will own in aggregate 364,500,000 Ordinary Shares representing approximately 72.19 per cent. of the Issued Share Capital of the Company, assuming no others shares are issued.

After Admission, the City Code will apply to the Company.

21. Options

The table below sets out a summary of the terms of the options that have been issued by the Company, conditional on Admission.

<i>Option holders</i>	<i>Number of options</i>	<i>Exercise price per Ordinary Share</i>	<i>Exercise period</i>		<i>% of Issued Share Capital following exercise</i>
			<i>From</i>	<i>To</i>	
Geremy Thomas*	100,000,000	0.5p	Admission	Fifth anniversary of Admission	19.81
Mark Blower*	10,000,000	0.5p	Admission	Fifth anniversary of Admission	2.41
Noel Lyons*	20,000,000	0.5p	Admission	Fifth anniversary of Admission	4.71
Julian Bosdet	500,000	1p	Admission	Fifth anniversary of Admission	0.12
Dr. Stuart Ungar**	500,000	1p	Admission	Fifth anniversary of Admission	0.12
Dr. Peter Feldschreiber**	500,000	1p	Admission	Fifth anniversary of	0.12

				Admission	
Iqbal Gill**	500,000	1p	Admission	Fifth anniversary of Admission	0.12

* Director of the Company

** Medicinal Cannabis Advisory Board

22. 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 16 March 2018.

The Ordinary 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.

23. 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.

24. 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 11 of Part IV 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.

25. 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

In addition to all other information set out in this Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities prior to making any investment.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

1. Risks relating to the Company and its Investment Strategy

Short operating history

The Company has recently been incorporated, has not yet made any investments and has no operating history upon which prospective investors may base an evaluation of the likely performance of the Company.

Expansion risk

The Company intends to pursue a growth strategy, subject to the availability of funding. Such a strategy brings with it certain risks and will place additional demand on the Company's management, financial and operational resources. If the Company is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

Implementation of Investment Strategy

The Company's ability to implement the investment strategy (as set out in this Document) will be limited by its ability to identify and acquire suitable investments. Suitable opportunities may not always be readily available. The Company's initial and future investments may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving investments;
- the Company may conduct extensive negotiations in order to secure and facilitate an investment;
- it may be necessary to establish certain structures in order to facilitate an investment;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive investments or such investments may not be available at the rate the Company currently anticipates;
- the Company may be unable to raise bank finance on terms the Directors consider reasonable; and/or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in,

all of which may in turn have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

The Company cannot accurately predict how long it will take to deploy the capital available to it or at all. Precise timing will depend on, amongst other things, the availability of suitable direct investments, due diligence, negotiations with counterparties and investment structuring conditions.

Competition

The Company may face significant competition in identifying and acquiring suitable investments from other investors, including competitors who may have greater resources. Competition in the investment market may lead to prices for investments, identified by the Company as suitable, being driven up through competing bids of potential purchasers.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Company's ability to acquire investments at satisfactory prices and otherwise on satisfactory terms, thereby reducing the Company's potential profits.

Article 50 Withdrawal

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 the assets acquired and the strategy (in both its current form and as amended from time to time). The success of the strategy depends on the Investment Committee'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 Company will be able 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.

Dependence on Management and Investment Committee

The Company's ability to provide returns to Shareholders and achieve its investment objective is dependent on the performance of its management team and the Investment Committee in the identification, acquisition, management and disposal of investments in various target companies. Failure by the management and the Investment Committee in this regard could have a material adverse effect on the Company's business, financial condition and return on investments.

Scarcity of suitably qualified individuals

The Company's ability to execute its investment strategy depends on the successful recruitment and retention of talented and appropriately experienced and knowledgeable employees. If the Company does not succeed in attracting suitably qualified employees or retaining and motivating them once employed, it may be unable to execute its investment policy.

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.

The Company may not be able to successfully identify and execute future acquisitions or dispositions, or to successfully manage the impacts of such transactions on its operations

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

- potential disruption of the Company's ongoing 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.

The presence of one or more material liabilities of a target company that are unknown to the Company at the time of investment could have a material adverse effect on the results, operations, business prospects and financial condition of the Company, and its return on investment.

2. Risks relating to target investment companies and opportunities

Target companies dependent on licences

In the majority of cases it is likely that the Company will target biopharmaceutical companies which specialise in either the research and development of Medicinal Cannabis, or the production of Medicinal Cannabis.

In the latter scenario (and subject to the jurisdiction in which they sit), target companies will be dependent on the grant of certain licenses to enable them to grow, store and sell Medicinal Cannabis. This is the case in Canada, where a cultivation license and a commercial license are both required.

Such licenses will be subject to on-going compliance and reporting obligations. Failure to comply, or maintain any license would no doubt 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.

In addition, there is no guarantee that relevant regulatory bodies will renew or extend a license, or renew or extend on the same terms as the previous one. Again, should the relevant regulatory bodies not extend or renew any license which a target company is reliant on, or should they renew on the license on different terms, the business, financial condition and operating results of the target company would be materially adversely affected, and in turn this will materially adversely affect the Company's return on its investment.

Target companies reliance on certain facilities

A target company may hold license(s) which are specific to certain facilities. 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.

Client acquisition and retention

A target company's success may depend on its ability to attract and retain patients. There are many factors which could impact this, including but not limited to the target company's ability to continually produce desirable and effective product, the successful implementation of a patient-acquisition plan and the continued growth in the aggregate number of patients selecting Medicinal Cannabis as a treatment option, and other companies producing or supplying similar products. A target company's failure to acquire and retain patients 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 characterise 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 nice 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 no doubt hold finished goods (e.g. herbal Cannabis and Cannabis oil products) in inventory which will have a 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.

Risks inherent in an agricultural business

The businesses of some target companies are likely to involve the growing of Medicinal Cannabis, an agricultural product. Such target companies will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. These natural elements could result in a material adverse effect on the production of a target company's products and therefore materially impact the business, financial condition and operating results of a target company, 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.

Investments in private companies by the Company are subject to a number of risks

The Company may invest in or acquire privately held companies. These may (i) be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition; (ii) have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors; (iii) have limited financial resources; (iv) be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals; and (v) require additional capital. All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

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 Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the investee company and assets. 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.

Difficulties integrating investments

The success of an investment will depend upon the ability of the Directors to integrate the investment in a timely and cost-effective manner. Any difficulties in the integration process may result in increased expense, loss of sales and a decline in profitability. The process of integration may require a disproportionate amount of time and attention of the Company's management, which may distract management's attention from its day-to-day responsibilities. In addition, any interruption or deterioration in service resulting from an investment may result in a customer's decision to stop dealing with the Company or a target. For these reasons the Company may not realise the anticipated benefits of an investment, either at all or in a timely manner. If that happens and the Company incurs significant costs, it could have a material adverse impact on the profits and the business of the Company. Similarly, getting added value for an investment may prove to be difficult and limit returns.

Joint ventures

The Company or a business in which it invests may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the Company or a business in which it invests may therefore suffer additional costs or other losses. It is also possible that the interests of the Company or a business in which it invests and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

3. Risks relating to investing in foreign territories

The Company's investments made in accordance with its investing policy will include investments into approved and properly licensed companies lawfully producing and/or conducting research in the Medicinal Cannabis sector in jurisdictions, such as Canada, that are internationally recognised as having, well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis and that comply with the United Nation's conventions on narcotics.

Foreign Markets

Foreign markets can be volatile and the material risks, of which, the Company is aware include:

- the Company may invest in a concentrated number of shares and this focus may result in higher risk when compared to a portfolio that has a wider spread of diversified investment risk;
- the economies of some foreign markets may be more dependent on relatively few industries that may be highly vulnerable to local and global changes;
- some countries generally have less developed securities markets or exchanges, and legal and accounting systems;
- securities may be more difficult to sell at an acceptable price and may be more volatile than securities in countries with more mature markets;
- the value of the various currencies in some foreign markets may fluctuate more than the currencies of countries with more mature markets;
- investments in some foreign markets may be subject to greater risks of government restrictions, including confiscatory taxation, expropriation or nationalisation of a

company's assets, restrictions on foreign ownership of local companies and restrictions on withdrawing assets from the country;

- potentially higher rates of inflation (including hyperinflation);
- a potential risk of substantial deflation;
- potentially less stringent laws and practices in relation to the fiduciary duties of officers and directors and protection of investors;
- potential difficulty in bringing legal proceedings to enforce contractual rights and the risk of the fraudulent appropriation of investments; and
- the possibility of the imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Company, political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the Company's investments in those countries.

There can be no assurance that any market for the Company's investment strategy will develop in such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition, some of those are mentioned above. These factors may limit the Company's capability to successfully expand its investment strategy and may have a material adverse effect on the Company's business, financial condition and return on investments.

Restrictions on foreign investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Company. As illustrations, certain countries require governmental approval prior to investment by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of the Company. For example, the Company may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Company. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which the Company may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where the Company places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Company of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to the Company's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. The Company could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Company of any restriction on investments.

4. Risks relating to the investment in target companies whose main activities include Cannabis production and research and development thereof

The Company and its shareholders may be at risk of committing offences under POCA 2002

Even with the Company taking all precautions to ensure that it and the target companies in which it invests comply fully with all applicable regulations and legislation in relation to Cannabis (both in the UK and in the relevant foreign jurisdiction applicable to a target company), there are no guarantees that the activities of the Company and a target company will always be deemed lawful if there are any changes in the applicable law.

The Company will take all precautions possible to ensure that it does not at any time contravene POCA 2002. Contravention of POCA 2002 carries potential criminal liability.

The Company's reputation may be damaged

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. This may arise as a consequence of investing in the production and the research and development of Medicinal Cannabis, Cannabis being a Class B drug within the UK.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, along with those activities of certain target companies in which the Company invests.

Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, banking relationships etc. and thereby having a material adverse impact on the financial performance, financial conditions, cash flows and growth prospects of the Company.

The Company, or the Medicinal Cannabis industry more generally, may receive unfavourable publicity or become subject to negative consumer perception

The Company believes that the Medicinal Cannabis industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the Cannabis distributed for medical purposes to such consumers. Consumer perception of a target company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements, media attention and other publicity (whether or not accurate or with merit) regarding the consumption of Cannabis products for medical purposes, including unexpected safety or efficacy concerns arising with respect to the products of a target company or its competitors.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the Medicinal Cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for a target company's products and the business, results of operations and financial condition of a target company and therefore materially adversely affect the Company's return on investment.

Furthermore, adverse publicity reports or other media attention regarding the safety, efficacy and quality of Cannabis for medical purposes in general, or a target company's products specifically, or associating the consumption of Cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Cannabis plant may not be approved for medicinal use in all (or any) jurisdictions

Medical regulatory authorities in many jurisdictions require carefully conducted studies (clinical trials) in hundreds to thousands of human subjects to determine the benefits and risks of a possible medication. In many jurisdictions, researchers have not conducted sufficient large-scale clinical trials that show that the benefits of the cannabis plant (as opposed to its cannabinoid ingredients) outweigh its risks in patients it's meant to treat.

Further clinical research studies on the effects of Medicinal Cannabis may lead to conclusions that dispute or conflict with the Company's (and target companies') understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of Cannabis

Research in Canada, the US and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of Cannabis or isolate cannabinoids (such as CBD and THC) remains in early stages. The statements made in this Document concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, the statements made in this Document are subject to experimental parameters, qualifications and limitations in the studies that have been completed.

Although the Company believes that the articles, reports and studies referenced in this Document support its belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of Cannabis as set out in this Document, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, Cannabis. Given these risks, uncertainties and assumptions, prospective investors should not place undue reliance on such articles and reports.

Future research studies and clinical trials may draw opposing conclusions to those stated in this Document or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions relating to Medicinal Cannabis, which could have a material adverse effect on the demand for target company products with the potential to lead to a material adverse effect on a target company's business, financial condition and results of operations, and as such, materially adversely affect the Company's return on investment.

5. Risks relating to regulatory matters

Laws, regulations and guidelines may change in ways that the Company has not predicted

The laws, regulations and guidelines applicable to the Medicinal Cannabis industry may change in ways currently unforeseen by the Company.

The Company's operations and investments into approved and properly licensed companies lawfully producing and/or conducting research into Cannabis are subject to laws, regulations and guidelines. If there are any changes to such laws, regulations or guidelines occur, which are matters beyond the Company's control, the Company may incur significant costs in complying with or is unable to comply with such changes. This may have a material adverse effect on the Company's business, financial condition and results of operations.

Regulatory Compliance Risks and maintaining a bank account

Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition, and, therefore, on the Company's prospective returns.

As a result of perceived reputational risk and regulatory risks, the Company, in the Medicinal Cannabis sector, may in the future have difficulty in maintaining its current bank accounts, establishing further bank accounts, or other business relationships.

Environmental Regulations and Risks

The operations of some target companies will be subject to environmental regulation in the various jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not 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.

Changes to safety, health and environmental regulations could have a material affect on future operations of target companies

Safety, health and environmental legislation will affect nearly all aspects of a target company's operations including product development, working conditions, waste disposal and emission controls. Compliance with safety, health and environmental legislation can require significant expenditures and failure to comply with such safety, health and environmental legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages and the loss of important permits. Exposure to these liabilities arises not only from a target company's existing operations but from operations that have been closed or sold to third parties. A target company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurances that a target company will at all times be in compliance with all safety, health and environmental regulations or that steps to achieve compliance would not materially adversely affect a target company's business, and therefore have a material adverse effect on the Company's return on investment.

Safety, health and environmental laws and regulations are evolving in all jurisdictions. The Company is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on a target company's operations and activities, and its resulting financial position; however, the Company anticipates that capital expenditures and operating expenses will increase in the future as a result of new and increasingly stringent safety, health and environmental regulation. Further changes in safety, health and environmental laws, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions on an inability to obtain necessary permits, may require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on a target company, and therefore have a material adverse effect on the Company's return on investment.

6. Risks relating to the Ordinary Shares

No prior market

There has been no prior public market in the Ordinary Shares, so the trading price of the Ordinary Shares is likely to be volatile, and investors might not be able to sell their Ordinary Shares at or above the Subscription Price.

The Subscription Price may not be indicative of the market price of the Ordinary Shares after Admission and therefore the market price of the Ordinary Shares after Admission may be significantly different from the Subscription Price. As a result of these and other factors, investors may be unable to resell their Ordinary Shares at or above the Subscription Price.

Further issues of Ordinary Shares

It may be desirable for the Company to raise additional capital by way of further issues of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Company.

Acceptability of Ordinary Shares as consideration

Although it is the Company's intention, where appropriate, to use Ordinary Shares to satisfy all or part of any consideration payable for investments, vendors may not be prepared to accept these shares.

The price of the Ordinary Shares in public markets may experience significant fluctuations

The market price for the Ordinary Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of investments made;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company;
- addition or departure of the Company's management or key personnel;
- release or expiration of lock-in or other transfer restrictions on the Ordinary Shares; or
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

The market price for Ordinary Shares may be less than the Subscription Price

The price of the Ordinary Shares will fluctuate with market conditions and other factors. If a holder of Ordinary Shares sells its Ordinary Shares, the price received may be more or less than the original Subscription Price.

Secondary fundraisings

Once the first investment opportunity is identified, the Company will likely be required to seek further equity financing. There can be no guarantee that the Company will be successful in future rounds of fundraising. Such failure to secure further financing may result in the Company abandoning its Investment Policy.

Holders of Ordinary Shares in the Company may be subject to dilution resulting from secondary fundraisings by the Company

The Company may raise additional funds in the future by issuing equity securities (and in connection with the exercise of options granted following Admission). Such additional equity issuances, could depending on the price at which the securities are issued, substantially dilute the interests of the existing holders of Ordinary Shares in the capital of the Company at the time of Admission.

7. Risks relating to financial matters

Borrowings

The Company may, from time to time, be required to raise capital (whether through the issue of debt or equity) to make investments. There is no guarantee that the Company will be able to obtain financing on appropriate terms and conditions or at all. The companies in which the Company invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet any such required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions, which are beyond the Company's control) may make it difficult for the Company to obtain new financing on attractive terms or even at all. An inability to obtain such facilities may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Tax risks

The Company may purchase investments that will subject the Company to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature. The Company shall be making investments in jurisdictions where the tax regime is not fully developed or is not certain.

There can be no certainty that the current taxation regime in England and Wales or in other jurisdictions within which the Company may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have a material adverse effect on the financial position of the Company.

The Company's income may be reduced by exchange controls

The Company may purchase investments that will subject the Company to exchange controls in various jurisdictions, predominantly Canada. In the event that exchange controls are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

Currency and foreign exchange risks

The Company's business will be carried out in currencies other than sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company's accounts, which could have a material impact on the Company's financial position or result of operations, as shown in the Company's accounts going forward.

The Company does not currently undertake foreign currency hedging transactions to mitigate potential foreign currency exposure but may do so in future. The Board cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Company.

8. Risks Relating to trading on the NEX Exchange Growth Market

Investment in unlisted 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 in companies whose shares are listed on the Official List or AIM. 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.

Suitability

An investment in the Ordinary Shares may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised under FSMA, or its equivalent in another jurisdiction, before making their decision.

Share price volatility and liquidity

The share price of early stage public companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are traded and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the NEX Exchange Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the NEX Exchange Growth Market is entirely at the discretion of NEX Exchange.

If the Company has not substantially implemented its investment strategy within two years of Admission, trading in the Ordinary Shares will be suspended pursuant to the NEX Exchange Rules. There can be no guarantee that trading in the Ordinary Shares will re-commence if such suspension occurs.

Any changes to the regulatory environment, in particular the NEX Exchange Rules could, for example, affect the ability of the Company to maintain a trading facility on the NEX Exchange Growth Market.

The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.

PART III

FINANCIAL INFORMATION ON SATIVA INVESTMENTS PLC

SECTION A - ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SATIVA INVESTMENTS PLC

The Directors
Peterhouse Corporate Finance Limited
New Liverpool House
15 Eldon Street
London,
EC2M 7LD

The Directors
Sativa Investments Plc
85 Great Portland Street
London
W1W 7LT

Dear Sirs

Sativa Investments plc (company number 11118594) (the "Company")

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the Admission Document of the Company ("the Admission Document") on the basis of the accounting policies set out in Note 2 to the financial information. This report is required by the NEX Exchange Rules, Appendix 1 information, for an admission document, NEX Exchange Rules 30 – 34 and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Notes 1 and 2 to the financial information and in accordance with FRS102.

It is our responsibility to form an opinion 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.

Basis of opinion

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

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

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 the dates stated and of its profits, cash flows and

changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 and in accordance with FRS102.

Declaration

For the purposes Appendix 1: Information for an admission document, Paragraph 30 -34 of the NEX Growth Market – Rules for issuers 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. This declaration is included in the Admission Document in compliance with paragraph 30 -34 of Appendix 1 of the NEX Exchange Rules.

Yours faithfully

Welbeck Associates
Chartered Accountants & Registered Auditors
30 Percy Street
London
United Kingdom
W1T 2DB

PART III

SECTION B - HISTORICAL FINANCIAL INFORMATION ON SATIVA INVESTMENTS PLC

Profit and Loss account for the period ended 20 February 2018

	Notes	£
Administrative expenses		(46,560)
Operating loss		<u>(46,560)</u>
Net loss for the period		<u><u>(46,560)</u></u>

Balance sheet as at 20 February 2018

	Notes	£
Current Assets		
Trade and other receivables	3	50,000
		<u>50,000</u>
Creditors due within 1 year		
Trade and other creditors	4	(46,560)
		<u>-</u>
Net Assets		<u><u>3,440</u></u>
Capital and reserves		
Ordinary Shares	5	50,000
Profit and Loss account		(46,560)
		<u>(46,560)</u>
Total capital and Reserves		<u><u>3,440</u></u>

Statement of cash flows from 19 December 2017 to 20 February 2018

	Notes	£
Cash and cash equivalents brought forwards		<u>-</u>
Cash and cash equivalents carried forward		<u><u>-</u></u>

Notes to the Historical Financial Information Statement for the period from 19 December 2017 to 20 February 2018

1. General Information

Sativa Investments Plc (the “Company”) was incorporated in England and Wales under the Companies Act 2006 as a public company on 19 December 2017. The Company is in the development stage and has not yet commenced principal operations. The Company’s principal business activities will be that of making Investments in, and acquisitions in companies, which are well-placed to take advantage of the dynamic regulatory environment surrounding legal Medicinal Cannabis.

Sativa Investments Plc is a Public Limited Company incorporated in England and Wales (Registration Number 11096713). The address of the registered office is 85 Great Portland Street, London, W1W 7LT.

These historical financial information statements have been prepared in accordance with FRS102 and on the going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to identify and complete successful investments as well as raise additional funding as and when needed. There can be no assurance that the Company will be able to find suitable opportunities, in which case the Company may be unable to meet its obligations. Should the Company be unable to realise on its assets and discharge its liabilities in the normal course of business, the net realisable value of its assets may be materially less than the amounts recorded on the statement of financial position.

2. Principal Accounting Policies

The Principal Accounting Policies applied in the preparation of these Historical Financial Information Statements are set out below. These Policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of Preparation of Historical Financial Information Statements

The Historical Financial Information of Sativa Investments Plc for the period ended 20 February 2018, as set out in this document, has been prepared by the Directors of the Sativa Investments Plc.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2003. The Directors of the Sativa Investments Plc are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information Statements have been prepared in accordance with FRS102. The Historical Financial Information Statements have also been prepared under the historical cost convention.

The historical financial information statements are presented in sterling (£), rounded to the nearest pound.

2.2. Financial instruments

As at 20 February 2018, the Company had no financial instruments.

3. Trade and other receivables

Cash held in Escrow agent’s client account	£ 50,000
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	50,000
4. Creditors due less than 1 year	
Trade and other creditors:	£ 46,560
	-
5. Share capital	
Allotted 50,000 ordinary shares of £0.0025:	£
Paid up 50,000 ordinary shares of £1 each paid.	50,000

6. Commitments

The Company is committed to pay certain fees in connection with the fundraising and admission. The minimum cost is approximately £46,560. The maximum expected cost on successful completion of the fundraising and admission is approximately £111,960 inclusive of VAT of which £65,400 is conditional.

7. Capital Management

The capital of the Company consists of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition opportunities and to maintain optimal returns to shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 20 February 2018. The Company is not subject to externally imposed capital requirements.

8. Risk Management

a) Credit risk

All the Company's cash will be held with well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

The Company's maximum credit risk exposure is limited to the carrying value of its cash and subscriptions receivable. At 20 February 2018, the Company had no material amounts deemed to be uncollectible.

b) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have a material exposure to this risk as there are no outstanding debt facilities.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

The Company utilises authorisation for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources.

9. Ultimate Controlling Party

The Company is currently under the control of its current founder subscribers.

PART IV

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered as a public company limited by shares in England and Wales on 19 December 2017 under the Act with the name Sativa Investments plc and with registered number 11118594.
- 1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.3 On 12 February 2018 the Registrar of Companies issued a certificate entitling the Company to do business under section 761 of the Act.
- 1.4 The registered office of the Company is 85 Great Portland Street, London, W1W 7LT. The Company's telephone number is + 44 (0)20 7971 1255.
- 1.5 The accounting reference date of the Company is currently 31 December.

2. Share Capital of the Company

- 2.1 The Company was incorporated with an issued share capital of 20,000,000 Ordinary Shares, each with a nominal value of £0.0025. Geremy Thomas was allotted 20,000,000 Ordinary Shares, all of which are fully paid up.
- 2.2 Since incorporation, there have been the following changes to the issued share capital of the Company:
 - 2.2.1 By resolutions passed on 23 February 2018 it was resolved that:
 - a) the Directors be generally and unconditionally authorised, in accordance with section 551 of the Act, to allot equity securities (as defined in section 560 of the Act),
 - (i) in the case of Ordinary Shares, having a nominal amount; and
 - (ii) in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares in the Company having a nominal amount, not exceeding, in aggregate, £4,000,000, provided that the power granted by this authority shall expire on the conclusion of the Company's next annual general meeting, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
 - b) the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by the resolution set out at paragraph 2.2.1 (a) above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities having:
 - (i) in the case of Ordinary Shares, having a nominal amount; and

- (ii) in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares having a nominal amount,

not exceeding, in aggregate, £4,000,000 provided that the power granted by this resolution shall expire at the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

- 2.2.2 On 19 December 2017, the Company allotted and issued 20,000,000 Ordinary Shares for cash at their par value of 0.25 pence to Jeremy Thomas.
- 2.2.3 On 23 February 2018, the Company also allotted and issued 204,000,000 Ordinary Shares for cash.
- 2.3 Pursuant to the Act, with effect from 1 October 2009, the concept of authorised share capital was abolished and accordingly there is no limit on the maximum number of shares that may be allotted by the Company.
- 2.4 As at 27 February 2018 (being the latest practicable date prior to the issue of this Document), the issued and fully paid up share capital of the Company was as follows:

Issued and fully paid

Number and Class	Nominal Amount (£)	Total Aggregate Amount (£)
224,000,000 Ordinary Shares	0.0025	560,000

- 2.5 The issued and fully paid share capital of the Company immediately following completion of the Subscription and Admission is expected to be as follows:

Issued and fully paid on Admission

Class	Nominal Amount (£)	Total Aggregate Amount (£)
404,900,000 Ordinary Shares	0.0025	1,012,250

- 2.6 Prior to Admission, the Company's share capital consists of one class of Ordinary Shares with equal voting rights (subject to the Articles) and the Ordinary Shares are freely transferrable in both certificated and uncertificated form. No Shareholder has any different voting rights from any other Shareholder. The same rights will apply to the Company's Issued Share Capital following Admission.

3. Summary of the Articles of Association of the Company

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law. The Articles, which were adopted by special resolution of the Company passed on 23 February 2018, contain, *inter alia*, provisions to the following effect:

3.1 Voting rights

At general meetings of the Company, on a show of hands every member holding Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is

present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share held by him.

No voting rights attached to a share may be exercised unless all amounts due and payable to the Company in respect of that share have been paid.

3.2 *Variation of rights*

Subject to the provisions of the Act, if the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated (a) in such manner as may be provided by such rights or (b) in the absence of any such provision with the written consent of the holders of three quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

3.4 *Transfer of shares*

All transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors. All transfers of uncertificated shares shall be made in accordance with and be subject to the Uncertificated Securities Regulations 2001 and the facilities and requirements of the Relevant System concerned and subject thereto in accordance with any arrangements made by the Board

3.5 *Return of capital on a winding up*

On a winding up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and for such purpose may set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members as the liquidator determines.

3.6 *Restrictions on shares*

If the Board is satisfied that a member or any person appearing to be interested in shares in the Company has been duly served with a notice under section 793 of the Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice, the Board may serve on such member or on any such person a notice ("a direction notice") in respect of the shares in relation to which the default occurred ("default shares") directing that a member shall not be entitled to vote at any general meeting or class meeting of the Company. Where default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may in addition direct that any dividend (including shares issued in lieu of a dividend) which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest and no transfer of any of the shares held by the member shall be registered unless it is a transfer on sale to a bona fide unconnected third party, or by the acceptance of a take-over offer or through a sale through a recognised investment exchange as defined in the FSMA.

3.7 *Pre-emption*

Subject to the provisions of the Act and any resolution of the Company relating thereto or relating to any authority to allot any shares in the Company or grant any right to subscribe for

or convert any securities into any shares of the Company, the Directors may allot (with or without conferring a right of renunciation), grant options over offer or otherwise deal with or dispose of shares of the Company to or in favour of such persons on such terms and conditions at a premium or at par and at such times as the Directors think fit.

3.8 *Share capital*

3.8.1 The Company may from time to time by ordinary resolution (a) consolidate and divide all or any of its shares into shares of larger amount; or (b) sub-divide all or any of its shares into shares of smaller amount.

3.8.2 The Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised and subject to the provisions of the Act.

3.9 *Purchases and redemption*

Subject to the provisions of the Act, the Company may purchase its own shares (including redeemable shares).

3.10 *Borrowing powers*

Subject to the provisions of the Act, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

3.11 *Dividends and other distributions*

Subject to the provisions of the Act, the Company may by ordinary resolution in general meeting declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears to them that the profits available for distribution justify the payment.

All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividends or other sums payable on or in respect of a share unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any dividend unclaimed after a period of twelve years from the date on which it became due for payment shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution of the Company in general meeting, offer members the right to elect to receive Ordinary Shares credited as fully paid up instead of cash, in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

3.12 *Directors*

3.12.1 At every annual general meeting any Directors:

- 3.12.1.1 who have been appointed by the Directors since the last annual general meeting; or
- 3.12.1.2 who were not appointed or reappointed at one of the preceding two annual general meetings

must retire from office and may offer themselves for reappointment by the members.

- 3.12.2 The Directors may resolve to authorise a matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.
- 3.12.3 The Directors who do not hold executive office shall be paid by way of fees for their services as directors such sums as the Board may from time to time determine.
- 3.12.4 Each Director shall be entitled to any reasonable expenses as he may properly incur, including in attending meetings of the Board, committees of the Board, general meetings or separate meetings of any class of shares or of debentures of the Company.
- 3.12.5 Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two but is not subject to any maximum (unless determined by ordinary resolution). A Director shall not be required to hold any shares in the Company by way of qualification.
- 3.12.6 The Directors may purchase and maintain insurance at the expense of the Company for a person who is, or was at any time, a Director, officer or employee of the Company or any other body in which the Company is or has been interested, against any liability incurred by such persons in respect of any act or omission in the actual or proposed exercise of their powers and/or otherwise is relative to their duties, powers or offices in relation to the Company or any such other company, body or pension fund.

3.13 *Authorisation and Notification of interests*

- 3.13.1 The Board may authorise a matter in respect of any situation in which a Director has, or can have, a direct or indirect interest that conflicts with the interests of the Company, provided that:
 - 3.13.1.1 the Director has declared the full nature and extent of the situation to the board; and
 - 3.13.1.2 the Directors (other than the conflicted Director who shall not be counted in the quorum at any meeting of the Directors and shall not vote on any resolution of the Directors in relation to such authorisation) may resolve to authorise the conflict and determine the continuing performance by the Director of his duties in relation to such matter.

3.14 *Overseas members*

A member who (having no registered address in the UK) has not supplied to the Company an address for the service of notice within the UK at which notices may be given to him or an address to which notices may be sent using electronic communications shall not be entitled to receive notices from the Company.

3.15 *Meetings of Shareholders*

Subject to the requirement to convene and hold annual general meetings in accordance with the requirements of the Act, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Act. An annual general meeting shall be called by at least 21 days' notice. All general meetings shall be called by at least 14 days' notice. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, the Directors and the auditors for the time being of the Company. The notice shall specify the time and place of the meeting and notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as such. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by the Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any person, shall not invalidate the proceedings of that meeting. The appointment of a proxy shall be executed by or on behalf of the appointer. Delivery of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion. A corporation which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

3.16 *CREST*

The Articles are consistent with CREST membership and, inter alia, allow for the holding and transfer of securities of the Company in uncertificated form. Application will be made for the admission of the Ordinary Shares into CREST with effect from Admission.

4. **Directors' Interests**

4.1 On Admission the interests of the Directors and their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) (within the meaning of sections 252 to 254 of the UK Companies Act 2006) in the Issued Share Capital are and will be as follows:

<i>Director</i>	<i>Number of Ordinary Shares on Admission</i>	<i>% of Issued Share Capital</i>
Jeremy Thomas*	224,000,000	55.32
Mark Blower	6,000,000	1.48
Noel Lyons	3,000,000	0.74

* Family members of Jeremy Thomas will own a further 40,500,000 Ordinary Shares on Admission. In total Jeremy Thomas, including members of his family and connected persons, will own 264,500,000 Ordinary Shares.

4.2 The Company and the Directors are neither aware of any arrangements or operations of which may, at a subsequent date, result in a change in control of the Company, nor, that the Company is owned or controlled directly or indirectly by any entity.

- 4.3 Save as disclosed in paragraphs 4.1 above and 5.1 below, as at the date of this Document, the Directors are not aware of any interest which will immediately following Admission represent 3 per cent. or more of the Issued Share Capital or voting rights of the Company or of any person who, directly or indirectly, jointly or severally, exercises or could exercise control of the Company.
- 4.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.5 Noel Lyons is independent of any significant Shareholders and investments of the Company.
- 4.6 The Persons Discharging Managerial Responsibility (including members of their family and connected persons) have agreed not to dispose of any interest in the Ordinary Shares for a period of twelve months following Admission. In addition, each of the Persons Discharging Managerial Responsibility referred to above have undertaken to the Company and Peterhouse not to dispose of their Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares. Details of the lock in provisions are set out in paragraph 8.4 of this Part IV.
- 4.7 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 during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

5. Significant Shareholders

- 5.1 As at 27 February 2018 (being the latest practicable date prior to the publication of this Document) the Company has been notified or is aware of the following holdings which will, following Admission, represent more than 3 per cent. of the Issued Share Capital or voting rights of the Company:

<i>Name</i>	<i>Number of Ordinary Shares on Admission</i>	<i>% of Issued Share Capital</i>
Andrew McDonald	18,000,000	4.45
Clive Lonsdale	18,000,000	4.45
James Curtis	18,000,000	4.45
Nikolas West	18,000,000	4.45
George Thomas	18,000,000	4.45

6. Directors' Terms of Appointment

The Company has entered into service agreements and letter(s) of appointment as follows:

- (a) On 1 March 2018, Mr Jeremy Thomas entered into a service agreement with the Company, under the terms of which Mr Thomas has agreed to act as Chief Executive Officer of the Company. The service agreement will be for an initial period of one year,

effective from Admission unless terminated by either party giving to the other not less than three months' notice in writing. The fee payable is £120,000 per annum payable in monthly arrears. The Director's fees will be reviewed on the first anniversary of Admission.

- (b) On 1 March 2018, Mr Mark Blower entered into a service agreement with the Company, under the terms of which Mr Blower has agreed to act as an Executive Director of the Company. The service agreement will be for an initial period of one year, effective from Admission unless terminated by either party giving to the other not less than three months' notice in writing. The fee payable is £60,000 per annum payable in monthly arrears. The Director's fees will be reviewed on the first anniversary of Admission.
- (c) A letter of appointment with Mr Noel Lyons was entered into on 1 March 2018 under the terms of which Mr Lyons has agreed to act as an Independent Non-Executive Director of the Company. The letter of appointment will be for an initial period of one year effective from Admission unless terminated by either party giving to the other not less than three months' notice in writing, such notice not to be given before 12 months after the date of Admission. The fee payable to Mr Lyons is £24,000 per annum. The Director's fees will be reviewed on the first anniversary of Admission.
- (d) Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company.
- (e) The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 20 February 2018 was £nil.

7. Additional Information on the Directors

7.1 In addition to directorships of the Company, the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	Current directorships	Previous directorships
Jeremy Howard Prance Thomas	Antigua Clays Limited George Botanicals Ltd Carbon Managers Limited Phytovista Laboratories Ltd	George Banco Limited George Banco.Com Limited Georgefinance.com Ltd TMTI Limited World Tree Appeal Limited
Mark Blower	The Football Conference Ltd M&A ³ Mandacubed Ltd SK9 Ltd P27 Topco Limited PW Mey UK Limited	Aghoco 1079 Limited Flowtech Holdings Ltd Fluidpower Shared Services Ltd Gresham LLP Gresham Private Equity IESA Ltd SK10 Limited
Noel Lyons	African Direct Invest Ltd Advanced Marble Solutions Ltd Clean Invest Africa plc Equatorial Oil and Gas plc	Blue Doe Gold plc Blue Star Capital plc Circle Opportunities plc Connected Devices Limited

HD Shelf Four Limited
Karoo Energy plc

DD Operations Limited
Interactive Social Media
Investments plc
London & Landmark Limited
NJL Management Services Ltd
Noco Limited
Nodding Donkey Ltd
Phino Limited
Preipo2ipo (UK) Limited
Rap Management Limited
Zeomedical Public Limited
Company

- 7.2 Noel Lyons was a director of Circle Opportunities plc when an order was made for its winding up on 15 April 2013 following a petition from a creditor dated 20 November 2014. On the company's winding up the shortfall to creditors was £25,000.
- 7.3 Save as disclosed in paragraph 7.2 above none of the Directors has:
- 7.3.1 had any previous names;
 - 7.3.2 any unspent convictions in relation to indictable offences;
 - 7.3.3 had any bankruptcy order made against him or entered into any voluntary arrangements;
 - 7.3.4 been a director of a company which has been placed in receivership, insolvent 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 of that company;
 - 7.3.5 been a partner in any partnership which has been placed in insolvent 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;
 - 7.3.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 7.3.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - 7.3.8 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 a Company.
- 7.4 None of the Directors has, or has had, any conflict of interest between any duties to the Company and their private interests or any duties they owe. The Company does not intend to make investments which involve related parties, but if any such investment is to be proposed, the Company will comply with the requirements related to such transactions under the NEX Exchange Rules.

8. Material Contracts

8.1 Peterhouse Engagement Letter

An engagement letter dated 10 January 2018 between the Company and Peterhouse pursuant to which the Company has appointed Peterhouse to act as the corporate adviser to the Company for the purposes of seeking admission of the Company's shares to trading on the NEX Exchange Growth Market, for which, the Company agreed to pay £23,000 plus VAT.

8.2 Peterhouse Corporate Adviser Agreement

A NEX Exchange Corporate Adviser agreement dated 1 March 2018 between the Company and Peterhouse pursuant to which the Company has appointed Peterhouse to act as corporate adviser to the Company on an ongoing basis following Admission for which the Company agreed to pay a fee of £11,000 plus VAT per annum, payable quarterly in advance. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of Admission and thereafter is subject to termination by either party giving three months' prior written notice.

8.3 Relationship Deed

The Company, Jeremy Thomas and Peterhouse entered into the Relationship Deed dated 1 March 2018 pursuant to which Jeremy Thomas agreed to refrain from exercising any control in a manner which, gives rise to a conflict of interest between it, the persons connected to it for the purpose of section 252 of the Companies Act 2006 (the 'Connected Persons') and the Company or, which would prevent the Company from carrying on its business independently. The parties agreed that any transactions between Jeremy Thomas, the Connected Persons and the Company will be on arm's length terms. Jeremy Thomas has agreed to abstain from voting on any resolution concerning any transaction or conflict of interest between the Company and him, not to vote in any resolution to cancel Admission for a period of one year following Admission, not to use his shareholding to unduly influence the composition of the board of directors or appoint any directors without the approval of an independent director and to not prejudice the rights of the minority shareholders. The agreement shall be in effect for so long as the Jeremy Thomas and his Connected Persons hold at least 20 per cent. of the issued shares of the Company.

8.4 Lock-In Agreements

Lock-In Agreements dated 1 March 2018 between (1) the Persons Discharging Managerial Responsibility, being the Directors (2) the Company and (3) Peterhouse, (the "Lock-In Agreements") pursuant to which the Persons Discharging Managerial Responsibility have agreed with Peterhouse and the Company not to dispose of any Ordinary Shares held by them during the Lock-in Period. In addition, each of the Persons Discharging Managerial Responsibility referred to above have undertaken to the Company and Peterhouse not to dispose of their Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares. Certain disposals are excluded from the Lock-In Agreements including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of the death of a Person Discharging Managerial Responsibility or as otherwise agreed to by the NEX Exchange Growth Market and Peterhouse. The Lock-In Agreements also contain covenants given by the Persons Discharging Managerial Responsibility to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Lock-In Agreements.

8.5 Peterhouse Warrant

Pursuant to the Peterhouse Warrants dated 1 March 2018, the Company granted Peterhouse warrants to subscribe for 8,098,000 Ordinary Shares (equating to 80 per cent. of the Peterhouse Warrants) at an exercise price of 0.5 pence per share and 2,024,500 Ordinary Shares at an exercise price of 1 pence per share (equating to 20 per cent. of the Peterhouse Warrants), being the price at which the last fundraising took place, at any time for a period of five years from the date of Admission and pursuant to the terms of the Warrant Instrument.

8.6 Abchurch Communications Limited

An integrated communications programme agreement dated 19 February 2018 between the Company and Abchurch Communications Limited, pursuant to which the Company has appointed Abchurch Communications Limited to act as *inter alia* financial public relations adviser to the Company on an ongoing basis following Admission for which the Company agreed to pay a fee of £36,000 plus VAT per annum, payable quarterly in advance. The agreement, conditional on Admission, is subject to termination by either party giving three months' prior written notice.

9. Related Party Transactions

There are no material related party transactions required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of twelve months preceding the date of this Document.

10. Litigation

The Company is not involved in any legal, governmental or arbitration proceedings which may have or have had since incorporation a significant effect on the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

11. United Kingdom Taxation

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of shareholders who are resident (and in the case of individuals, ordinarily resident and domiciled) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. Unless otherwise noted the paragraphs below are based on current UK legislation, HM Revenue & Customs practice and incorporates the announcements made by the Chancellor on 8 March 2017, but not yet enacted by Parliament. 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.

11.1 An investor should consult his/her own tax professional about the tax consequences of an investment in the shares of the Company.

11.2 Taxation of dividends

(a) Under current UK legislation, no tax is withheld from dividend payments by the Company.

As from 6 April 2016 the notional 10 per cent. tax credit was abolished, instead a £5,000 per year dividend tax allowance was introduced and dividend income above this allowance is taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers

and 38.1 per cent. for additional rate taxpayers. The dividend allowance will be reduced down to £2,000 per year from tax year 2018 to 2019.

- (b) Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 38.1 per cent.
- (c) Investors should consult their own tax advisers on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

11.3 Taxation of capital gains made by shareholders

- (a) A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the Company may be liable to capital gains tax in relation thereto at a rate of 10 per cent. if their total gains and income is up to £33,500 and at the rate of 20 per cent. on any total gains and income in excess of £33,500 of any chargeable gain thereby realised. In computing the chargeable gain, the shareholder should be entitled to deduct from proceeds the cost to him of the shares (together with incidental costs of acquisition and disposal). A UK resident individual shareholder is also entitled to deduct the annual exemption at £11,300. The above rates and allowances relate to the 2017/2018 tax year.
- (b) A UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 19 per cent. as of 1st April 2017). In computing the chargeable gain liable to corporation tax, the shareholder is entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.
- (c) Trustees of all trusts will be liable to capital gains tax at the rate of 20 per cent. on any chargeable gain, due regard having been given to the costs of acquisition of the shares together with any incidental costs of acquisition or disposal. A trustee is also entitled to deduct the annual exemption at £5,650. The above rates and allowances relate to the 2017/2018 tax year.

11.4 Inheritance tax

The Company's shares are treated as unquoted shares for UK inheritance tax (IHT) purposes. Individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time. However, the nature of the Company's business (making and holding investments) may preclude this.

11.5 UK stamp duty and duty reserve tax

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will give rise to a liability to pay UK ad valorem stamp duty, or stamp duty reserve tax, at the rate in each case of 50p per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5). Transfers under CREST system for paperless transfers of shares will generally be liable to stamp duty reserve tax.

11.6 General Note on Taxation

Investors should be aware that taxation treatment may be varied in accordance with changes made in taxation rules by H.M. Government from time to time.

12. **General**

- 12.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £93,300.00 (excluding VAT).
- 12.2 Except as disclosed in this Document and for the advisers named on page 11 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after the start of trading on the NEX Exchange Growth Market, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.
- 12.3 Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 20 February 2018, the date to which the Financial Information in Part III of this Document was prepared.
- 12.4 Welbeck Associates has given and has 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. Welbeck Associates Ltd also accepts responsibility for its report.
- 12.5 Peterhouse has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.
- 12.6 There are no investments in progress and there are no future investments in respect of which the Directors have already made firm commitments which are significant to the Company.
- 12.7 No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.
- 12.8 The Directors accept responsibility for the financial information contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.
- 12.9 On Admission, the Company will have cash resources of £1,448,040 after expenses. The current funds are sufficient to fund the proposed uses stated in Part I of this Document.

13. **Working Capital**

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company on Admission will be sufficient for the present requirements of the Company, that is, for the period of twelve months following Admission.

14. **AIF Status**

The Directors who have sought and received appropriate legal advice, are of the opinion that the Company is currently not subject to the Alternative Investment Fund Managers Directive (**AIFMD**) and accordingly is at present not required to be registered as an Alternative Investment Fund (**AIF**) under AIFMD; and that Admission will not of itself trigger an obligation so to register. As soon as is practicable following Admission, however, the Directors intend to register the Company as an AIF under AIFMD in order to preserve future flexibility for the Company as its portfolio of investments expands.

15. **Availability of this Document**

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and from the offices of Peterhouse Corporate Finance Limited, New Liverpool House, 15-17 Eldon Street, London, EC2M 7LD and shall remain available for at least one month after the date of Admission.

Dated: 1 March 2018