

30 November 2021

Summerway Capital Plc

Second Unaudited Interim Report for the twelve months ended 31 August 2021

London, 30 November 2021 - Summerway Capital Plc ("Summerway" or the "Company") announces its unaudited condensed interim results for the twelve months ended 31 August 2021.

Over the period, Summerway incurred a loss after taxation for the twelve months to 31 August 2021 of £473,007 (2020: £174,511), reflecting operating expenses of £276,957 (2020: £186,552), share based payment expense of £105,749 (2020: Nil), one-off costs relating to the January 2021 placing of shares and change in investment strategy of £92,159 (2020: Nil) and finance income of £1,858 (2020: £12,041).

As at 31 August 2021, Summerway held £6.805 million cash (31 August 2020: £5.488 million).

The Interim Report is also available on the Company's website at www.summerwaycapital.co.uk.

Enquires:

Summerway Capital Plc

Tony Morris

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Canaccord Genuity Limited (Nominated Adviser and Broker)

Andrew Potts

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CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the Interim Condensed Consolidated Financial Statements of Summerway Capital Plc for the twelve months ended 31 August 2021.

As announced on 29 November 2021, Summerway extended its current financial year end to 31 December 2021 in order to align its accounting period end with that of its proposed acquisition, Vertigrow Technology Ltd ("Vertigrow"), a UK based pharmaceutical company specialising in the researching, growing and supply of medicinal cannabis.

The unaudited, second interim results incorporate results for the unaudited twelve month period to 31 August 2021 and are set out below. All comparisons are against Summerway's audited results for the year ended 31 August 2020.

The Company's audited results for the 16-month period ending 31 December 2021 will be published no later than 30 April 2022.

Strategy

On 20 October 2021 and post period end, the Company amended its investing policy and is now focused on investment and acquisition opportunities across the healthcare and pharmaceutical sectors, particularly in new and emerging therapeutic areas.

The Directors believe there are numerous opportunities to invest in, or acquire businesses that can be organically or acquisitively grown to become leading healthcare and pharmaceutical companies, and the Company continues to progress its previously announced proposed acquisition of Vertigrow.

As part of the change in strategy, we were delighted to welcome Elizabeth ("Liz") Shanahan to the Board of Summerway as an Independent Non-Executive Director. Liz is a life sciences entrepreneur with extensive experience advising leading global pharmaceutical and healthcare organisations, and her skill set will be a valuable addition to the Board as we execute the Company's new growth strategy.

Results in the Period

The Group's loss after taxation for the twelve months to 31 August 2021 was £473,007 (2020: £174,511), reflecting operating expenses of £276,957 (2020: £186,552), share based payment expense of £105,749 (2020: Nil), one-off costs relating to the January 2021 placing of shares and change in investment strategy of £92,159 (2020: Nil) and finance income of £1,858 (2020: £12,041). As at 31 August 2021, Summerway held £6.805 million cash (31 August 2020: £5.488 million).

Developments post Period End

On 21 September 2021, the Company announced its proposed change in strategic focus to that of the healthcare and pharmaceutical sectors, where the Board considered there to be attractive options for the Company's existing Shareholders, many of which invested at the Company's original AIM Admission. At the same time, the Company noted it was in discussions with an immediate opportunity within these alternative sectors, and as the acquisition would be classified a reverse takeover transaction pursuant to the AIM Rules, its shares would be suspended, which continues to be the case.

In conjunction with the change in strategy, a number of directorate changes occurred, including the resignations of Vin Murria OBE as Chairman of the Company, and Paul Gibson and Tony Morris as Non-Executive Directors, as well as the appointment of Liz Shanahan as a Non-Executive Director, with Benjamin Shaw assuming the role of Interim Chairman of the Company.

On 20 October 2021, Shareholders approved the Company's proposed change in investing policy, and on the 28 October 2021, the Company announced the proposed acquisition of Vertigrow for £80 million consideration and a proposed £7 million placing. Concurrently, the Company also made available to Vertigrow a loan of up to £4.25 million in order to accelerate Vertigrow's capital expenditure in its Midlands based facility ahead of completion of the proposed acquisition. As at 29 November 2021, £2.125 million is drawn under the facility.

Outlook

As a Board, we remain excited about the opportunity for securing the Group's inaugural transaction, and in doing so, establish a position within the substantial and rapidly growing pharmaceutical medical cannabis sector. We look forward to updating Shareholders in due course as the Company's proposed acquisition with Vertigrow progresses towards completion.

Benjamin Shaw
Interim Chairman

SUMMERWAY CAPITAL PLC
Consolidated Statement of Comprehensive Income
For the year ended 31 August 2021

	Note	Year ended 31 August 2021	Year ended 31 August 2020
		£	£
Administrative expenses	4	(474,865)	(186,552)
Operating loss		(474,865)	(186,552)
Finance income		1,858	12,041
Loss before income tax		(473,007)	(174,511)
Income tax		-	-
Loss for the year		(473,007)	(174,511)
Total other comprehensive income		-	-
Total comprehensive loss		(473,007)	(174,511)
Attributable to:			
Ordinary equity holders of the Company		(473,007)	(174,511)
Loss per ordinary share			
Basic and diluted loss per share attributable to ordinary equity holders of the Company	5	(6.46)p	(2.85)p

The Group's activities derive from continuing operations.

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC
Consolidated Statement of Financial Position
As at 31 August 2021

Note	As at 31 August 2021	As at 31 August 2020
	£	£
Assets		
Current assets		
Cash and cash equivalents	6,805,175	5,487,991
Other receivables	7 14,755	9,779
Total current assets	6,819,930	5,497,770
Total assets	6,819,930	5,497,770
Current liabilities		
Trade and other payables	9 35,833	29,715
	35,833	29,715
Non-current liabilities		
Incentive shares	10 20,300	12,000
Total liabilities	56,133	41,715
Net Assets	6,763,797	5,456,055
Capital and reserves attributable to equity holders of the parent		
Share capital	8 80,334	61,300
Share premium reserve	7,367,052	5,711,086
Capital redemption reserve	49,500	49,500
Accumulated losses	(733,089)	(365,831)
Total Equity	6,763,797	5,456,055

SUMMERWAY CAPITAL PLC
Consolidated Statement of Changes in Equity
For the year ended 31 August 2021

Notes	Share capital	Share Premium reserve	Capital Redemption reserve	Accumulated losses	Total equity
	£	£	£	£	£
Balance as at 31 August 2019	61,300	5,711,086	49,500	(191,320)	5,630,566
Loss for the year	-	-	-	(174,511)	(191,320)
Balance as at 31 August 2020	61,300	5,711,086	49,500	(365,831)	5,630,566
Issue of shares	19,034	1,655,966	-	-	1,675,000
Warrants - share based payment expense	-	-	-	105,749	105,749
Loss for the year	-	-	-	(473,007)	(473,007)
Balance as at 31 August 2021	80,334	7,367,052	49,500	(733,089)	6,763,797

SUMMERWAY CAPITAL PLC
Consolidated Statement of Cash Flows
For the year ended 31 August 2021

	Note	Year ended 31 August 2021	Year ended 31 August 2020
		£	£
Cash flows from operating activities			
Operating loss		(474,865)	(186,552)
Adjustment for share based payment expense		105,749	-
Adjustments to reconcile loss before income tax to operating cash flows:			
(Increase)/decrease in other receivables	7	(4,976)	5,891
Increase in trade and other payables	9	14,418	8,774
Bank interest received		1,858	12,041
Net cash used in operating activities		(357,816)	(159,846)
Cash flows from financing activities			
Proceeds from issue of share capital	8	1,675,000	-
Net cash generated from financing activities		1,675,000	-
Net increase/ (decrease) in cash and cash equivalents		1,317,184	(159,846)
Cash and cash equivalents at beginning of the period		5,487,991	5,647,837
Cash and cash equivalents at the end of the period		6,805,175	5,487,991

The notes form part of these financial statements

SUMMERWAY CAPITAL PLC
Notes to the Financial Statements
For the year ended 31 August 2021

1. GENERAL INFORMATION

Summerway Capital Plc is an investing company (for the purposes of the AIM Rules for Companies) and is incorporated in England and Wales and domiciled in the United Kingdom (company number: 11545912). It is a public limited company and the address of the registered office is 32-33 Cowcross Street, London EC1M 6DF. The Company is the parent company of Summerway Subco Limited (company number: 11565845). The activity of the Company is the investment, acquisition and subsequent development of companies across the healthcare and pharmaceutical sectors, where the Directors believe there are tangible opportunities to drive strategic, operational and performance improvement, either as a standalone entity or as a result of broader initiatives.

2. BASIS OF PREPARATION

These Interim Condensed Consolidated Financial Statements and accompanying notes have neither been audited nor reviewed by the auditor, do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and do not include all the information and disclosures required in annual statutory financial statements. They should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 August 2020 which are available on the Group's website. Those statutory accounts were approved by the Board of Directors on 1 February 2021 and have been filed with Companies House. The report of the auditors on those accounts was unqualified.

These Interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 29 November 2021.

3. ACCOUNTING POLICIES

The accounting policies applied by the Group in these Interim Condensed Consolidated Financial statements are the same as those applied by the Group in the audited consolidated financial statements for the year ended 31 August 2020 and which will form the basis of the 2021 Annual Report.

There have been no new accounting standards or changes to existing accounting standards applied for the first time since 1 September 2020 which have a material effect on these interim results. The Group does not currently expect any material impact of any other standards issued by the IASB, but not yet effective.

4. ADMINISTRATION EXPENSES

	Year ended 31 August 2021	Year ended 31 August 2020
	£	£
Group expenses by nature		
One-off costs related to the issue of shares and change in investing strategy	92,159	-
Staff related costs	76,552	54,780
Office costs	-	21,890
NOMAD, registrar and Stock Exchange costs	67,230	46,391
Audit, accountancy & professional costs	116,162	50,997
Share based payment expense	105,749	-
Other expenses	17,013	12,494
	474,865	186,552

5. LOSS PER SHARE

Basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 August 2021	Year ended 31 August 2020
Loss attributable to the owners of the Company	£ (473,007)	£ (174,511)
Weighted average number of ordinary shares in issue	7,318,979	6,130,000
Basic and diluted loss per share	(6.46) p	(2.85) p

6. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company directly owns the ordinary share capital of its subsidiary undertakings as set out below:

The issued share capital of the subsidiary comprises 1 A ordinary share of £0.01 and 1,450,000 B ordinary shares of £0.01.

Subsidiary	Nature of business	Country of incorporation	Proportion of A ordinary shares held by Company	Proportion of B ordinary shares held by Company
Summerway Subco Limited	Incentive vehicle	England and Wales	100%	0%

As the Company's total investment holding in the subsidiary is £0.01, no investment value is presented in the statement of financial position.

The address of the registered office of Summerway Subco Limited (the "Subsidiary") is 32-33 Cowcross Street, London EC1M 6DF. The subsidiary was incorporated on 12 September 2018 and so prepares its own financial statements for the period ended 30 September each year. The subsidiary was dormant throughout the year to 30 September 2021 and it is therefore exempt from audit by virtue of s479A of Companies Act 2006.

The A ordinary shares have full voting rights, full rights to participate in a dividend and full rights to participate in a distribution of capital.

The B ordinary shares do not have voting rights. No dividends shall be declared in relation to any of the B ordinary shares without the consent of the Parent company. The B ordinary shares are not to be redeemed and are not liable to be redeemed.

Further details of the Subsidiary Incentive Scheme can be found on pages 42 and 43 of the Company's Placing and Admission document published on 16 October 2018, pages 6 and 7 of the Company's Circular issued to Shareholders on 23 December 2020, in Note 12 of the Company's Interim Report for the six months ended 28 February 2021, and in Notes 12 and 14.

7. OTHER RECEIVABLES

All receivables are current. There is no material difference between the book value and the fair value of receivables.

	As at 31 August 2021	As at 31 August 2020
	£	£
Amounts falling due within one year		
Prepayments	4,334	9,180
Other receivables	10,421	599
	<u>14,755</u>	<u>9,779</u>

8. CALLED UP SHARE CAPITAL

	As at 31 August 2021	As at 31 August 2020
	£	£
Issued		
8,033,409 (2020: 6,130,000) ordinary shares of 1p each	80,334	61,300
	<u>80,334</u>	<u>61,300</u>

On 15 January 2021 1,903,409 ordinary shares of £0.01 each were issued to Vin Murria at a placing price of 88 pence per share and were admitted to trading on AIM.

9. TRADE AND OTHER PAYABLES

There is no material difference between the book value and the fair value of the trade and other payables.

	As at 31 August 2021	As at 31 August 2020
	£	£
Trade payables	1,051	315
Accruals	33,225	28,800
Other tax and social security payables	1,557	600
	<u>35,833</u>	<u>29,715</u>

10. NON-CURRENT LIABILITIES

	As at 31 August 2021	As at 31 August 2020
	£	£
Incentive shares	20,300	12,000
	<u>20,300</u>	<u>12,000</u>

The incentive shares liability is estimated at fair value through profit and loss using level 3 fair value measurement techniques.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The B shares issued by the subsidiary under the incentive scheme were deemed to have an implied aggregate subscription price of £20,300, based on the nominal value per B share plus a premium. The initial subscription price of the incentive shares remains the best estimate of the fair value of the liability associated with the incentive shares as none of the criteria for potential value creation have been met as at 31 August 2021. The fair value of the liability is assessed at each reporting

date with any changes accounted for as a fair value gain or loss and recognised directly in the statement of comprehensive income.

11. SHARE-BASED PAYMENTS

On 15 January 2021, the Company granted Vin Murria a warrant providing for a right to subscribe for an additional 3,246,062 new ordinary shares at 88 pence per share. The warrant instrument was exercisable at any time from grant date up to and including the eighteen-month anniversary of grant date. As at 31 August 2021, all of the 3,246,062 warrants remained outstanding, and the share-based payments expense for the period to 31 August 2021 was £105,749.

The fair value of the outstanding warrants has been estimated using the Black-Scholes option pricing model. Volatility has been estimated at 19.75 per cent. using the arithmetical mean of both the 1 year AIM All Share volatility index and the 3 year AIM All Share volatility index as at 31 March 2021. Additional assumptions used in the calculation of fair value are outlined as follows:

	31 August 2021
Net asset value per share at grant date	£0.88
Exercise price	£0.88
Expected volatility	19.75%
Dividend yield	0%
Expected life of option	1.5 years
Risk free rate	0.003%

12. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

In conjunction with the corporate events announced on the 15 January 2021, the Company continued with, entered into, amended and terminated a number of related party arrangements. These are set out below.

Service agreements

Under the terms of the Chairman and Non-Executive Director service agreements, the Chairman and the Non-Executives were each paid a monthly fee of £1,500 per calendar month in arrears.

Administrative and accounting services

The Company engaged Fraser Real Estate, a company in which Alexander Anton is an indirect shareholder to provide administrative and accounting services throughout the period. The Company paid Fraser Real Estate £2,964 during the period for the provision of these services.

Placing agreement and issue of warrants

On 15 January 2021, the Company raised gross proceeds of £1,675,000 through the issuance of 1,903,409 new ordinary shares of the Company to Vin Murria at a placing price of 88 pence per share. At the same time, the Company issued Vin Murria with 3,246,062 warrants which provided for a right to subscribe for an addition 3,246,062 additional new ordinary shares of the Company at an exercise price of 88 pence per share. The warrants were exercisable in whole or in part during an exercise period commencing on the date of issue of the warrants and terminating 18 months after the date of issue. Vin Murria also purchased 500,000 existing ordinary shares at 85 pence per share from a shareholder on 15 January 2021.

Share capital and Directors' holdings

Following completion of the placing and the issuance of 1,903,409 new ordinary shares, the Company's total issued share capital is 8,033,409 ordinary shares of 1p each.

On 8 April 2021, Vin Murria sold 1,000,000 ordinary shares of the Company to a UK institutional investor at a price of £1.65 per share. Following this secondary share trade, Vin Murria continued to hold 1,403,409 ordinary shares of the Company.

As at 29 November 2021, the Directors and their connected persons hold a total of 500,000 ordinary shares in the Company, representing 6.2% of the Company's total issued share capital.

Subsidiary Incentive Scheme

On 15 January 2021, the Company made certain adjustments to the Subsidiary Incentive Scheme in order to recognise the proposed change in strategic direction of the Company at that stage and the expectation that the incoming team and others will be instrumental in leading the execution of this revised strategy, and in turn, the anticipated creation of Shareholder Value.

A summary of the key amendments compared to the original Subsidiary Incentive Scheme as at Admission are set out in the following table.

Item	Previous Subsidiary Incentive Scheme	Amended Subsidiary Incentive Scheme
Percentage of Shareholder Value available to Scheme Participants (pre acquisition of, or investment in operating company)	10 per cent.	Up to 20 per cent.
Target compound annual growth rate hurdle	13.5 per cent.	7.5 per cent.
Commencement date	On Admission	15 January 2021
Initial Value	Market capitalisation on Admission	Unchanged
Vesting period	Three- to five-year period or upon a change of control of the Company or the Subsidiary	Unchanged
Scheme Participants, respective B Share holdings and current aggregate Shareholder Value participation	Alexander Anton – 333,333 Benjamin Shaw – 333,333 Mark Farmiloe – 333,333	Alexander Anton – 75,000 Benjamin Shaw – 75,000 Mark Farmiloe – 75,000 Tony Morris – 175,000 Vin Murria – 1,000,000 Paul Gibson – 50,000 Aggregated – 1,450,000

Under the Subsidiary Incentive Scheme, participants are only rewarded if a predetermined level of Shareholder value is created over a three-year period, a five-year period, or upon a change of control of the Company (whichever occurs first), which is calculated by reference to the growth in market capitalisation of the Company, following adjustments for the issue of any new ordinary shares and taking into account dividends and capital returns.

From 15 January 2021, participants are entitled to up to 20 per cent. of the Shareholder value created, subject to such Shareholder value having increased by 7.5 per cent. per annum compounded over a period of between three and five years from 15 January 2021 or following a change of control of the Company or the Subsidiary.

Under the amendments to the Subsidiary Incentive Scheme, Alexander Anton's, Benjamin Shaw's and Mark Farmiloe's original B share allocations were subject to a buyback by the Company at their original subscription price of £0.012 per B share for a total consideration of £4,000 each (£12,000 in aggregate).

Following this buyback, the articles of Summerway Subco Limited were amended in order to implement the proposed changes to the Subsidiary Incentive Scheme. Alexander Anton, Benjamin Shaw, Mark Farmiloe, Tony Morris, Vin Murria and Paul Gibson subscribed for newly issued B shares at a revised subscription price of £0.014 per B share.

The allocations of B shares in issue as at 31 August 2021 are set out below.

Name	B Shares held
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Alexander Anton	75,000
Benjamin Shaw	75,000
Mark Farmiloe	75,000
Tony Morris	175,000
Vin Murria	1,000,000
Paul Gibson	50,000
Total	1,450,000

Corporate advisory agreements

On 15 January 2021, the Corporate Advisory Agreement entered into between the Company and AFS Advisors LLP (an entity wholly-owned by Alexander Anton, Benjamin Shaw and Mark Farmiloe) was terminated at nil cost to the Company.

On 15 January 2021, the Company entered into a new agreement with Tessera Investment Management Limited ("Tessera") pursuant to which Tessera has agreed to provide strategic and general corporate advice, and M&A and capital raising transaction support services to the Company. Tessera charge £12,500 per month (plus VAT) payable monthly in arrears from the date of the agreement. In order to align the parties' collective interests and ensure the parties share in the risk and reward of certain successful transactions, a discretionary bonus may be awarded to Tessera by the Board in the event of the successful completion of certain transactions. Tony Morris, Non-Executive Director of the Company during the period, is a director and shareholder of Tessera.

13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 August 2021 that require disclosure or adjustment in these financial statements.

14. POST BALANCE SHEET EVENTS

Amendment to Company investing policy and directorate changes

On 20 October 2021, the Company announced that following a vote by Shareholders at the General Meeting held on the same date, the Company's investing policy was changed to a focus on investment and acquisition opportunities across the healthcare and pharmaceutical sectors, particularly in new and emerging therapeutic areas.

In conjunction with the change in strategy, a number of directorate changes occurred on 21 September 2021, including the appointment of an existing non-executive director, Benjamin Shaw, as Interim Chairman of the Company and Liz Shanahan as a Non-Executive Director, as well as the resignations of Vin Murria OBE, Paul Gibson and Tony Morris as directors of the Company.

Following these directorate changes, the current Board of Directors for Summerway is set out below.

Benjamin Shaw – Interim Non-Executive Chairman

David Firth – Independent Non-Executive Director

Elizabeth ("Liz") Shanahan – Independent Non-Executive Director

Acquisition Agreement

On 28 October 2021, the Company entered into a conditional agreement to acquire the issued share capital of Vertigrow for total consideration of £80 million (the "Acquisition Agreement"). The proposed acquisition will be subject, inter alia, to Summerway shareholder approval at a general meeting, customary regulatory approvals and re-admission of the share capital of Summerway (as enlarged by the proposed acquisition and proposed placing) (the "Enlarged Group") to AIM, or admission to another stock exchange within the UK, North America or other certain territories.

The total consideration of £80 million will be satisfied by the issue of approximately 48.5 million new ordinary shares in the capital of the Company at 165 pence per ordinary share to the shareholders of Vertigrow (the "Consideration Shares").

The Consideration Shares issued to the founders of Vertigrow will be subject to a lock in arrangement for a period of 12 months following completion of the proposed acquisition, and customary orderly market provisions for a further 12 months following the expiry of the lock in arrangement.

Related Party Disclosures

In conjunction with the corporate events announced on the 21 September 2021, the Company at the same time entered into, amended and terminated a number of related party arrangements. These are set out below.

Service agreements

Under the terms of the Non-Executive Director service agreements which were entered into on 21 September 2021, the Non-Executives (comprising David Firth and Liz Shanahan) are each paid a monthly fee of £3,333 per calendar month in

arrears. Benjamin Shaw entered into a new Interim Chairman's service agreement, and his monthly fee remained at £1,500 paid in arrears.

Subsidiary Incentive Scheme

Under the agreed amendments to the Subsidiary Incentive Scheme, Vin Murria (former Chairman of the Company) agreed with the Company the buyback of her 1,000,000 B Shares at the original subscription price of £0.014 per B Share. In addition, Tony Morris (former Non-Executive Director of the Company) agreed with the Company the buyback of 50,000 B Shares at the original subscription price of £0.014 per B Share. Both buybacks and certain amendments to the Subsidiary Incentive Scheme shall be undertaken ahead of completion of the proposed acquisition of Vertigrow.

The current and revised B share holdings reflective of the related party transactions noted above is shown in the table below.

<i>Name</i>	<i>B Shares held</i>	<i>Revised B Shares to be held</i>
Alexander Anton	75,000	75,000
Benjamin Shaw	75,000	75,000
Mark Farmiloe	75,000	75,000
Tony Morris	175,000	125,000
Vin Murria	1,000,000	-
Paul Gibson	50,000	50,000

Resignation Letters

On 21 September 2021, Vin Murria, Paul Gibson and Tony Morris resigned as directors of the Company. Under the terms of the resignation letters, each exiting director received a compensation payment for loss of office of £9,000. In addition, Vin Murria's warrant instrument issued on 15 January 2021 lapsed and was cancelled, and Vin Murria also agreed to the buyback of her B Shares acquired under the Subsidiary Incentive Scheme. In addition, Tony Morris agreed to the buyback of 50,000 of his B Shares acquired under the Subsidiary Incentive Scheme. Both buybacks will be at the original subscription cost of £0.014 per B Share.

Irrevocable Undertakings

Vin Murria also entered into an irrevocable undertaking with the Company under which, as beneficial owner of 1,403,409 ordinary shares of the Company, agreed to vote those shares in favour of the Company's change of investing policy and also in favour of the Company's proposed acquisition of Vertigrow and other related resolutions to be tabled to Shareholders as part of the AIM reverse takeover transaction approval process.

Corporate Advisory Agreement

The Corporate Advisory Agreement entered into between the Company and Tessera pursuant to which Tessera has agreed to provide strategic and general corporate advice, and M&A and capital raising transaction support services to the Company, will terminate in full with effect from admission of the enlarged share capital of the Company to trading on AIM following shareholder approval of the Company's acquisition of Vertigrow.