

DATE: 28 October 2021

**AGREEMENT FOR THE SALE AND PURCHASE OF THE ENTIRE ISSUED SHARE
CAPITAL OF VERTIGROW TECHNOLOGY LIMITED**

Between

(1) THE PERSONS WHOSE NAMES ARE SET OUT IN SCHEDULE 1
(as Sellers)

and

(2) SUMMERWAY CAPITAL PLC
(as Buyer)

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THIS AGREEMENT is made on

28 October

2021

BETWEEN:

- (1) **THE PERSONS** whose names and addresses are set out in column (A) of Part 1 of Schedule 1 (together “**Sellers**” and each a “**Seller**”); and
- (2) **SUMMERWAY CAPITAL PLC**, a company incorporated in England and Wales (registered number 11545912) whose registered office is at 32-33 Cowcross Street, London EC1M 6DF (the “**Buyer**”).

RECITALS:

- (A) The Company is a private company limited by shares. Further details about the Company are set out in part 1 of Schedule 2.
- (B) The Sellers wish to sell and the Buyer wishes to buy all of the issued share capital of the Company on the terms of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, the following words and expressions shall have the following meanings unless otherwise stated:

“**Accounts**” means the group accounts in the agreed form;

“**Accounts Date**” means 31 December 2020;

“**Admission**” means the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for companies issued by the London Stock Exchange;

“**AIM**” the market of that name operated by the London Stock Exchange plc;

“**AIM Admission Document**” the document to be published by Buyer in connection with Admission and in accordance with Rule 3 of the AIM Rules;

“**AIM Approval**” means confirmation being received by the Nomad from the AIM Regulation team at London Stock Exchange plc (whether verbally or in writing) which is agreed by the Buyer and the Nomad (in each case, acting reasonably) to constitute acceptable confirmation that Admission would not be objected to or otherwise refused by London Stock Exchange plc;

“**AIM Rejection**” means confirmation being received by the Nomad from the AIM Regulation team at London Stock Exchange plc (whether verbally or in writing) which is agreed by the Buyer and the Nomad (in each case, acting reasonably) to constitute an indication that Admission will not be permitted by London Stock Exchange plc;

“**AIM Rules**” means the AIM Rules for Companies and the rules for trading AIM securities, as published by the London Stock Exchange plc and amended from time to time;

“**Alternative Admission**” means the admission of the Enlarged Share Capital or securities representing those shares (including without limitation depository interests, American depository receipts, American depository shares and/or other instruments) to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) (excluding AIM), or such other market as the boards of directors of each of the Buyer and the Company may agree in writing to constitute an Alternative Admission;

“**Assurance**” means any indemnity, guarantee, security agreement or similar commitment or agreement;

“**Associate**” means (a) in relation to an individual, any person who at any relevant time is connected with that individual within the meaning of sections 1122 to 1124 Corporation Tax Act 2010 and (b) in relation to an undertaking, any group undertaking of that undertaking at any relevant time;

“**Business Day**” means a day that is not a Saturday or Sunday or a public holiday in England;

“**Business Plan**” means the business plan in relation to the Group in the agreed form;

“**Buyer’s Group**” means the Buyer and its group undertakings at any relevant time;

“**Buyer’s Solicitors**” means Fox Williams LLP of 10 Finsbury Square, London EC2A 1AF;

“**Cannabis Authorisations**” means all Authorisations issued or granted, or required to be issued or granted, to a person under or pursuant to Cannabis Laws to undertake any activity with Cannabis, including research, testing, cultivation, extraction, processing, distribution, marketing and commercialisation and includes any and all approvals required to market and sell Cannabis products as applicable in any country;

“**Cannabis Laws**” means all Laws relating to Cannabis, including but not limited to the UN Drug Conventions, the Misuse of Drugs Act 1971, the Misuse of Drugs Regulations 2001 and all Cannabis Authorisations;

“**Cannabis**” means (except in the expression “cannabis resin”) any plant of the genus Cannabis or any part of any such plant (by whatever name designated) except that it does not include cannabis resin or any of the following products after separation from the rest of the plant, namely:

- (a) mature stalk of any such plant,
- (b) fibre produced from mature stalk of any such plant, and
- (c) seed of any such plant;

“**Company**” means Vertigrow Technology Limited, a private company limited by shares incorporated in England and Wales with registered number 11886065;

“**Company IPO Admission Document**” means the sections prepared in respect of the Company to be incorporated in the AIM Admission Document in the agreed form;

“**Completion**” means completion of the sale and purchase of all the issued shares in the Company accordance with this Agreement;

“**Completion Date**” means the date on which Completion takes place;

“**Completion Event**” means either: (i) Admission; (ii) Alternative Admission; or (iii) a De-listing Event;

“**Computer Systems**” means any computer systems used by any Group Company (including computer hardware and peripherals, telecommunications and network equipment and infrastructure and any operating systems for them);

“**Consideration Shares**” means the total aggregate amount of up to 48,484,848 new Ordinary Shares to be allotted and credited as fully paid to the Sellers and Convertible Loan Note Holders on Completion in accordance with clause 4.1;

“**Convertible Loan Notes**” means the £4,130,000 of principal amount of notes issued pursuant to the convertible loan note instrument relating to £4,130,000 8% fixed rate senior secured convertible loan notes entered into on 5 February 2021 and as amended on 13 March 2021 and further amended by the CLN Amendment on or around the date of this Agreement;

“**Convertible Loan Note Holders**” means the holders of Convertible Loan Notes listed in Part 2 of Schedule 1;

“**CLN Amendment**” means the deed of amendment relating to the Convertible Loan Notes in the agreed form to be executed by the Company and consented to by the Security Trustee on or around the date of this Agreement;

“**Data Protection Laws**” means all applicable laws, guidelines and industry standards relating to the processing of personal data and privacy;

“**De-listing Event**” means, in respect of the Buyer cancellation of its admission to trading on AIM of its shares, save to the extent such cancellation of its admission to trading on AIM of its shares results in or is a pre-requisite to Admission or an Alternative Admission;

“**Disclosure Documents**” means the Company IPO Admission Document, the Legal Due Diligence Report and the Long Form Report;

“**Encumbrance**” means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption or other similar third party right;

“**Enlarged Share Capital**” means the share capital of Buyer as it will be on Admission, comprising the existing Ordinary Shares and the New Ordinary Shares.

“**Exchange Rate**” means with respect to the conversion of a particular currency into another currency on a particular date, the closing mid-point rate for conversion of the first currency into that other currency on that date or, if that date is not a Business Day, on the first Business Day after that date, in both cases as set out in the London edition of the Financial Times containing exchange rates applicable to that relevant Business Day;

“**Fundraising**” means the placing of and subscription for new Ordinary Shares to be carried out by the Buyer which will complete on Admission and which will raise a minimum of £7,000,000 in gross proceeds;

“**Fundraising Shares**” means new Ordinary Shares to be issued pursuant to the Fundraising;

“**Governmental Authority**” means any governmental, state, federal, provincial, local, municipal, governmental or municipal authority, body or official whether of the United Kingdom or elsewhere in the world;

“**Group**” means the Buyer’s Group or the Seller’s Group as the context requires;

“**Group Companies**” means the Company and each of the Subsidiaries, and “**Group Company**” means any one of them;

“**Intellectual Property**” means any and all patents, trade marks, service marks, business or trade names, copyright, moral rights, rights in a design, topography rights, inventions, get-up, trade secrets, know-how, confidential information and all or any other intellectual or industrial property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating or attached thereto;

“Intellectual Property Rights” means the Intellectual Property which or the subject matter of which is owned or used by any Group Company or as to which any such Group Company otherwise has any rights;

“Interim Results” means the interim results of the Group for the six-month period ended on 30 June 2021 in the agreed form;

“Laws” means all laws, regulations, regulatory requirements and authorisations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal and all codes of practice having force of law, statutory guidance and policy notes, in each case to the extent applicable to any work carried out pursuant to this agreement or applicable to the Company and its obligations, including but not limited to the Cannabis Laws and Data Protection Legislation;

“Leasehold Property” means the leasehold property demised by the Lease;

“Lease” means the lease listed in part 1 of schedule 7;

“Legal Due Diligence Report” means the legal due diligence report in the agreed form prepared by the Seller’s Solicitors;

“Loan Agreement” means the loan agreement to be entered into between the Buyer (as lender) and the Company (as borrower) on or around the date of this Agreement;

“Lock-In Agreements” means the lock in agreements, in the agreed form;

“Long Form Report” means the long form report in the agreed form on the Group for the period from incorporation of each of the members of the Group and ended on the Accounts Date prepared by the RSM Corporate Finance LLP;

“Longstop Date” means the earlier of either:

- (a) the date falling six months after the date of AIM Rejection;
- (b) the date falling three months after the date of AIM Approval;
- (c) in the event that neither AIM Approval nor AIM Rejection has been achieved by 31 December 2021, 31 May 2022; or
- (d) such other date as agreed between the Buyer and the Sellers’ Representative in writing;

“Losses” means, in relation to any matter, all liabilities, losses and costs (to the extent reasonably and properly incurred) relating to that matter;

“Management Accounts” means the unaudited consolidated management accounts of the Company comprising a balance sheet as at the Management Accounts Date and a profit and loss account for the period which began on 1 August 2021 and ended on the Management Accounts Date;

“Management Accounts Date” means 31 August 2021;

“New Ordinary Shares” means the Consideration Shares and the Fundraising Shares;

“Nomad” means Cannacord Genuity Limited (company no.: 01774003) of 88 Wood Street, London, EC2V 7QR;

“Ordinary Shares” means ordinary shares of £0.01 each in the capital of the Buyer;

“Properties” means the Leasehold;

“**Security Trustee**” is AFS Advisors LLP (in its capacity as security trustee for the purposes of the Convertible Loan Notes);

“**Seller’s Group**” means in respect of any Seller which a body corporate, such Seller and its group undertakings at any relevant time;

“**Sellers’ Solicitors**” means CMS Cameron McKenna Nabarro Olswang LLP of Cannon Place, 78 Cannon Street, London EC4N 6AF;

“**Sellers’ Representative**” means James Short or any other Seller appointed as a replacement in accordance with clause 15.3;

“**Shares**” means all of the issued shares in the capital of the Company at Completion and immediately following the conversion of the Convertible Loan Notes into shares in the capital of the Company (as applicable);

“**Software**” means all software used by each Group Company;

“**Subsidiaries**” means the subsidiary undertakings of the Company at any relevant time (details of the subsidiary undertakings of the Company at the date of this Agreement being set out in part 2 of Schedule 2) and “**Subsidiary**” means any one of them;

“**Tax**” or “**Taxation**” means any form of tax and any duty, withholding, contribution, impost or tariff in the nature of tax (including, for the avoidance of doubt, any liability under section 455 of the Corporation Tax Act 2010 and any national insurance contribution liabilities or deductions under PAYE in the United Kingdom and any equivalent or similar obligations elsewhere), but excluding uniform business rates, council tax, water rates and other local authority rates or charges, together with all related penalties and interest;

“**Tax Authority**” means any authority in any jurisdiction competent to impose, assess, collect or administer any Tax;

“**Tax Warranties**” means the warranties given pursuant to clause 8.2 and set out in paragraph 8 of Schedule 5 and a reference to “**Tax Warranty**” shall be construed accordingly;

“**Tax Warranty Claim**” means a claim for breach of any of the Tax Warranties;

“**Title and Capacity Warranties**” means the Warranties set out in paragraph 1 of schedule 5;

“**VAT**” means (a) value added tax chargeable under VATA or in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any tax imposed in substitution for it, and (b) any other value added, turnover, sales, use, distribution or similar or corresponding tax in any jurisdiction;

“**VATA**” means the Value Added Tax Act 1994;

“**Warranties**” means the warranties given pursuant to clause 8.2 and set out in schedule 5, and the Tax Warranties, and a reference to “**Warranty**” shall be construed accordingly;

“**Warrantors**” means James Short, Cormac Short, John Mitchell, Paul Allen and Jonathan Rickard, all of whom are Sellers; and

“**Warranty Claim**” means a claim for any breach of any of the Warranties other than a Tax Warranty.

1.2 In this Agreement, unless the context requires otherwise:

1.2.1 use of the singular includes the plural and vice versa and use of any gender includes the other genders;

- 1.2.2 reference to any specific legislation includes a reference:
- (a) to that legislation as re-enacted, consolidated, replaced or amended at any time before the date of this Agreement;
 - (b) to that legislation as it (or its effect) is retained or brought within the law of England and Wales, Scotland and Northern Ireland pursuant to the European Union (Withdrawal) Act 2018) and as subsequently re-enacted, consolidated, replaced or amended at any time before the date of this Agreement;
 - (c) to any previous legislation of which it is a re-enactment, consolidation, replacement or amendment; and
 - (d) to any subordinate legislation made under any of the same;

and “**legislation**” in this clause 1.2.2 includes any statute, statutory provision, subordinate legislation, tertiary legislation, treaty, treaty provision, regulation, directive or rule (including any rule issued by a competent regulatory or governmental authority); and

- 1.2.3 “**undertaking**” shall have the meaning given in section 1161 Companies Act 2006 save that for the purposes of this Agreement, an undertaking shall include a limited liability partnership.

1.3 In this Agreement, unless otherwise stated:

- 1.3.1 any reference to the parties or a recital, clause or schedule is to the parties or the relevant recital, clause or schedule of or to this Agreement;
- 1.3.2 any reference in a schedule to a part or a paragraph is to a part or a paragraph of that schedule or, where relevant, to a paragraph of that part of that schedule;
- 1.3.3 any reference to a “**person**” includes an individual, firm, partnership, body corporate, corporation, association, organisation, government, state, foundation and trust in each case whether or not having separate legal personality;
- 1.3.4 “**financial year**” shall be construed in accordance with section 390 Companies Act 2006;
- 1.3.5 “**group undertaking**” and “**subsidiary undertaking**” shall have the respective meanings given in section 1161(5) and section 1162 Companies Act 2006 save that, for the purposes of this Agreement, an undertaking shall be treated as a member of another undertaking if any of the shares in that other undertaking are registered in the name of another person (or its nominee) as security (or in connection with the taking of security) from the first undertaking or any of that first undertaking’s subsidiary undertakings;
- 1.3.6 “**body corporate**” shall have the meaning given in section 1173 Companies Act 2006; and
- 1.3.7 any reference to an English legal term or concept, or any court, official, governmental or administrative authority or agency in England, includes in respect of any jurisdiction other than England a reference to whatever most closely approximates to it in that jurisdiction.

- 1.4 The table of contents and the clause, schedule and paragraph headings are included for convenience only and shall not affect the interpretation of this Agreement.

- 1.5 The schedules and recitals form part of this Agreement and shall have effect as if set out in full in it.
- 1.6 Any reference in this Agreement to a document being “**in the agreed form**” means a document in a form agreed by the parties before the signing of this Agreement and either entered into on the date of this Agreement by the relevant parties or initialled by the parties (or on their behalf) and where that document is not entered into on the date of this Agreement, with such amendments as the parties may subsequently agree.
- 1.7 In this Agreement, the words “other”, “including”, “includes”, “include”, “in particular” and any similar words shall not limit the general effect of words that follow or precede them and the ejusdem generis rule shall not apply.
- 1.8 Any sum in any currency which is required to be construed, for the purposes of this Agreement, as a sum in any other currency (for example, in construing for the purposes of schedule 8, the amount of a Claim (as defined in that schedule) which is not denominated in pounds sterling) shall, unless expressly stated otherwise, be regarded as converted into that other currency at the Exchange Rate on the date of this Agreement.

2. CONDITIONS PRECEDENT

- 2.1 Clause 3 is conditional on the satisfaction or (where appropriate) the waiver of the following:
- 2.1.1 the occurrence of a Completion Event;
- 2.1.2 the shareholders of the Buyer passing all necessary resolutions to enable a Completion Event to occur including but not limited to, in respect of Admission: (i) approving the acquisition of the Company under Rule 14 of the AIM Rules; (ii) giving the directors of the Buyer authority to allot the New Ordinary Shares; (iii) dis-applying statutory pre-emption rights in respect of the issue of the Fundraising Shares; (iv) approving a dispensation from the Rule 9 mandatory takeover requirements of the Takeover Code in respect of the issue of the Consideration Shares; and (v) changing the company name of the Buyer;
- 2.1.3 if the Completion Event is Admission:
- (a) the Fundraising becoming unconditional in all respects save as to Completion and Admission; and
- (b) the Panel on Takeovers and Mergers not having revoked its waiver of the obligation under Rule 9 of the City Code on Takeovers and Mergers which would otherwise arise as a result of the issue of the Consideration Shares to the Sellers;
- 2.1.4 valid Conversion Notices under the instrument constituting the Convertible Loan Notes having been irrevocably given by or on behalf of all of the Convertible Loan Note Holders in respect all of the Convertible Loan Notes such that conversion occurs simultaneously with or immediately following Completion; the Company having exercised its rights in respect of the Convertible Loan Notes to satisfy its obligations in respect of such Conversion Notices through the issue by the Buyer of the Consideration Shares; and the Company having undertaken to the Buyer to pay to the Buyer as subscription monies for the Consideration Shares issued and allotted to the Convertible Loan Note Holders an amount in cash equal to the amount in cash as

- would otherwise have been payable to redeem the Convertible Loan Notes in accordance with their terms;
- 2.1.5 the Convertible Loan Notes being amended pursuant to the terms CLN Amendment;
- 2.1.6 consent to Completion being provided by the Security Trustee for the purposes of the Convertible Loan Notes; and
- 2.1.7 there not having occurred any material breach of this Agreement or the Loan Agreement.
- 2.2 The Buyer and the Warrantors shall use all reasonable endeavours to ensure that the conditions set out in clause 2.1 are satisfied by the Longstop Date and shall notify each other, with appropriate supporting documentation, as soon as practicable after it becomes aware that any of those conditions is satisfied or has become, or is likely to become, incapable of being satisfied.
- 2.3 The Sellers' Representative and the Buyer may together agree to waive any or all of the conditions set out in clause 2.1. The Buyer may (on its own) waive all or any of the Conditions set out in sub-clauses 2.1.3(a) and 2.1.4. Any such waiver may relate to the whole or any part of the relevant condition, may comprise an extension of the time allowed for satisfaction of the relevant condition and may be given conditionally or unconditionally.
- 2.4 If the conditions in clause 2.1 are not satisfied or (where permitted by clause 2.3) waived on or before 5.00 p.m. on the Longstop Date, the parties shall have no further rights or obligations under this Agreement, other than accrued rights and obligations at that time and for those purposes, clauses 1, 2, 12 to 15 and 18, 19 and 20 shall remain binding on the parties in accordance with their terms.
- 2.5 Receipt by the Sellers' Solicitors of any completed documentation to be provided by the Buyer in satisfaction of any of the obligations of the Buyer under this Agreement shall be accepted by the Sellers as a full and complete discharge of that obligation.

3. AGREEMENT FOR SALE

- 3.1 Subject to clause 2, the Sellers agree to sell and the Buyer agrees to buy the Shares free from all Encumbrances and in all other respects with full title guarantee, and with all rights attaching to them at Completion.

4. CONSIDERATION

- 4.1 The consideration for sale of the Shares shall be satisfied by the Buyer by the allotment and issue, credited as fully paid, of the Consideration Shares to the Sellers and Convertible Loan Note Holders in proportion to the aggregate of :
- 4.1.1 in the case of the Sellers, their holdings of Shares immediately prior to Admission; and
- 4.1.2 in the case of the Convertible Loan Note Holders who convert their Convertible Loan Notes on Completion, the Shares which they would have held immediately prior to Admission had they exercised their rights of conversion in respect of the Convertible Loan Notes immediately prior to Admission.
- 4.2 Each Seller's and Convertible Loan Note Holder's entitlement to Consideration Shares shall be rounded down to the nearest whole number of Consideration Shares and any fractions of Consideration Shares shall not be issued or allotted.

- 4.3 In the event that the Buyer waives the condition set out in clause 2.1.4 such that:
- 4.3.1 any Convertible Loan Notes become redeemable in cash on Completion, the number of Consideration Shares shall be reduced on the basis of 1 Consideration Share for every £1.65 of cash required to redeem such Convertible Loan Notes; and/or
- 4.3.2 any Convertible Loan Notes are neither redeemed in cash nor converted into Consideration Shares at Completion, the number of Consideration Shares shall be reduced by the number of Consideration Shares which the holders of those Convertible Loan Notes which are not redeemed or converted would otherwise have received had such Convertible Loan Notes been converted on Completion.

5. PERIOD BEFORE COMPLETION

- 5.1 Each Seller undertakes, so far as they are able, to the Buyer during the period beginning on the signing of this Agreement and ending at Completion (or any earlier time at which this Agreement terminates) to procure that the Company and each other Group Company shall comply with schedule 3.

6. COMPLETION

- 6.1 Completion of this agreement shall occur on a Completion Event occurring.
- 6.2 By not later than 3.00 p.m. on the Business Day prior to the expected date of a Completion Event, the Buyer and the Sellers shall comply with their respective obligations set out in schedule 4 conditional only on the relevant Completion Event.
- 6.3 If either the Sellers or the Buyer (referred to in this clause 6.3 as the “**defaulting party**”) does not or is unable to fulfil any of its respective obligations set out in schedule 4 at the time set out in clause 6.2, the Sellers’ Representative (in the case of the Sellers) or the Buyer (as the case may be)(referred to in this clause 6.3 as the “**non-defaulting party**”) may, by notice to the defaulting party:
- 6.3.1 postpone Completion to a date falling not more than 20 Business Days after the date on which Completion was otherwise due to take place; or
- 6.3.2 elect to proceed to Completion, in which case the defaulting party shall be obliged to fulfil those obligations set out in schedule 4 which the defaulting party is then able to fulfil and to fulfil the remaining obligations on or before any later date specified for the purpose in the notice; or
- 6.3.3 if having already given notice under clause 6.3.1 and the period of postponement so notified having elapsed without each unfulfilled obligation in question having been fulfilled in all material respects, elect not to complete the sale and purchase of the Shares.
- 6.4 If Completion is postponed on any occasion under clause 6.3.1, this clause 6 shall apply with respect to each occasion to which it is so postponed.
- 6.5 If the non-defaulting party elects to proceed to Completion pursuant to clause 6.3.2 such election shall also operate to waive any accrued rights of that party in respect of any prior breach by the defaulting party of its obligations set out in schedule 4. If the non-defaulting party elects not to complete the sale and purchase of the Shares in accordance with clause 6.3.3, the parties shall have no further rights or obligations under this Agreement, other than accrued

rights and obligations at the time of that election and for those purposes clauses 1, 2, 6, 12 to 15 and 18, 19 and 20, shall remain binding on the parties in accordance with their terms.

7. BORROWINGS AND ASSURANCES

7.1 Each Seller shall ensure that at Completion there are no monies owing by any member of the Seller's Group to any Group Company, and that there are no monies owing by any Group Company to any Seller or any member of the Seller's Group and the Sellers shall waive any such amounts owing by any Group Company at Completion, other than, to the extent that a Seller is an employee of a Group Company, in the course of such Seller's employment with that Group Company.

7.2 Each Seller hereby, so far as they are able, releases and discharges in full (on a non-recourse basis to the Buyer and the Group Companies) any Assurance entered into by any Group Company to any person in respect of any obligation of that Seller or any Associate of that Seller and shall, at the cost of that Seller, execute and deliver all documents, and use all reasonable endeavours to take all other actions as the Buyer may reasonably request from time to time after Completion, in order to effect the release and discharge in full (on a non-recourse basis to the Buyer and the Group Companies) of any Assurance entered into by any Group Company to any person in respect of any obligation of that Seller or any Associate of that Seller. Pending each such release and discharge, the Sellers shall pay to the Buyer on demand the amount of all Losses incurred by the Buyer and any Group Company arising directly or indirectly from or in connection with any such Assurance.

7.3 The Buyer shall, at its own cost, execute and deliver all documents, and use all reasonable endeavours to take all other actions as each Seller may reasonably request from time to time after Completion, in order to effect the release and discharge in full (on a non-recourse basis to the relevant Seller and any Associate of that Seller) of any Assurance entered into by that Seller or any Associate of that Seller in respect of any obligation or liability of any Group Company. Pending each such release and discharge, the Buyer shall pay to the relevant Seller or Associate on demand the amount of all Losses incurred by the relevant member of the Seller's Group arising directly or indirectly from or in connection with any such Assurance.

8. WARRANTIES

8.1 The Sellers warrant to the Buyer, with regard to themselves and their Shares only that each of the Title and Capacity Warranties will be true, accurate and not misleading throughout the period beginning on the signing of this Agreement and ending at Completion (or any earlier time at which this Agreement terminates). For this purpose, each of the Title and Capacity Warranties shall be deemed to be repeated on each day of the period beginning on the signing of this Agreement and ending at Completion (or any earlier time at which this Agreement terminates) by reference to the facts and circumstances then subsisting. Any reference made to the date of this agreement (whether express or implied) in relation to any Title and Capacity Warranty shall be construed, in connection with the repetition of the Warranties, as a reference to the date of such repetition.

8.2 Save as disclosed in the Disclosure Documents, the Warrantors warrant to the Buyer that the terms of the Warranties other than the Title and Capacity Warranties are true, accurate and not misleading.

- 8.3 A matter shall be regarded as disclosed in the Disclosure Documents for the purposes of this Agreement if it is fairly disclosed in the Disclosure Documents in sufficient detail to reasonably identify the nature and scope of the matter disclosed.
- 8.4 For the purposes of this Agreement, the inclusion or omission of any matter or document in the Disclosure Documents shall not imply any warranty, representation or undertaking not expressly given in this Agreement, nor shall such inclusion or omission be taken as extending the scope of the Warranties.
- 8.5 None of the Sellers and the Warrantors shall be liable in respect of any Warranty Claim or any Tax Warranty Claim to the extent that the matter giving rise to such claim was within the actual knowledge of the Buyer or any of its directors or officers on or before the date of this Agreement.
- 8.6 The Buyer warrants to each of the Sellers as at the date of this Agreement that (save as disclosed in the Disclosure Documents) it is not aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the Warranties and references to the Buyer's knowledge shall include the knowledge of its directors on the date of this Agreement.
- 8.7 Each Seller waives any rights it may have against any director, employee or officer of any Group Company on whom that Warrantor has relied in connection with preparing the Disclosure Documents or agreeing to any terms of this Agreement or any document to be entered into pursuant to it. Nothing in this clause 8.7 shall apply to restrict the ability of any Seller to make any claim against any person for fraud.
- 8.8 Schedule 8 shall apply to limit or exclude in accordance with their respective terms, any liability which any Warrantor might otherwise have in respect of any such Warranty Claim or any Tax Warranty Claim.
- 8.9 Any statement in this Agreement which refers to the awareness, knowledge or belief of the Warrantors, or analogous expression, shall be deemed include an additional statement that it has been made after due and careful enquiry of each Warrantor and all such other people of whom the Warrantors may reasonably be expected to make enquiries, given the subject matter of the relevant provision and the awareness, knowledge or belief of the Warrantors shall be deemed to include that of each Warrantor and of all of such people.
- 8.10 The Buyer warrants to each of the Sellers as at the date of this Agreement in the terms of schedule 6.

9. ASSIGNMENT

- 9.1 No party may assign, grant any security interest over, or otherwise deal in or dispose of any rights under or the benefit of this Agreement, including by way of declaration of trust.

10. ANNOUNCEMENTS AND CONFIDENTIALITY

- 10.1 Subject to clause 10.2, no party may make or permit any other person to make any press release or other public announcement about this Agreement or the transactions contemplated by it.
- 10.2 Clause 10.1 shall not apply to:
- 10.2.1 the press release in the agreed form to be issued by the Buyer; or
 - 10.2.2 the information required to be included in and for the publication of the AIM Admission Document, including all announcements and other disclosures required under the AIM Rules; or

- 10.2.3 any other public announcement of the sale of the Shares by the Sellers made by the Buyer which contains no material information relating to this Agreement and the transactions contemplated by it that is not in the press release or, once published, the AIM Admission Document.
- 10.3 Subject to clauses 10.4 and 10.6, each party shall treat the following information as confidential, and shall not disclose or use it:
 - 10.3.1 details of the provisions of this Agreement and any agreement, document or arrangement entered into in connection with this Agreement;
 - 10.3.2 information relating to the negotiations leading to the execution of this Agreement and any agreement, document or arrangement entered into in connection with this Agreement; and
 - 10.3.3 (where obtained as a result of or in connection with negotiating, entering into, the exercise of rights or fulfilment of obligations under, this Agreement) information obtained by one party relating to the other party and any member of the other party's Group.
- 10.4 Any party may disclose or use information otherwise required by clause 10.3 to be treated as confidential:
 - 10.4.1 if but only to the extent included in the press release in the agreed form referred to in clause 10.1, AIM Admission Document (once published) and/or any other announcement required under the AIM Rules in connection with Admission;
 - 10.4.2 if disclosed to or used by: that party's employees, officers, agents, consultants, insurers, professional advisers, auditors or bankers (at any relevant time); any other member of that party's Group; or the employees, officers, agents, consultants, insurers, professional advisers, auditors or bankers (at any relevant time) of any other member of that party's Group;
 - 10.4.3 if but only to the extent required for the purpose of any legal (including arbitration and regulatory) proceedings arising out of this Agreement or any agreement, document or arrangement entered into in connection with this Agreement;
 - 10.4.4 if but only to the extent that the information is or becomes generally available to the public through no fault of that party; or
 - 10.4.5 if disclosed to or used by any permitted assignee.
- 10.5 Each party shall ensure that any person to whom confidential information is disclosed pursuant to clause 10.4.2 or clause 10.4.5 is made aware of the obligations of confidentiality contained in this clause and complies with clause 10.3 as if binding on it directly.
- 10.6 Each party may disclose or use information otherwise required by clause 10.3 to be treated as confidential, or may make, or permit any person to make, any press release or other public announcement:
 - 10.6.1 if but only to the extent required by applicable law or regulation in any relevant jurisdiction; and
 - 10.6.2 if but only to the extent required or requested by any court, competent regulatory or governmental body, Tax Authority or securities exchange in any relevant jurisdiction, whether or not the requirement or request has the force of law;

and, provided that the party using such information or making or permitting such disclosure, press release or announcement shall take all such steps as are reasonably practicable in the circumstances and permitted by law, to notify and consult with each other party before the relevant disclosure, release or announcement is made, and shall take into account each other parties' reasonable comments.

11. COSTS

- 11.1 Save as expressly provided otherwise, each party shall bear its own costs and expenses in connection with the preparation, negotiation, execution and performance of this Agreement and the documents referred to in it.
- 11.2 The Buyer shall bear the cost of any stamp duty or any similar tax in relation to the sale of the Shares to the Buyer.

12. THE SELLERS' REPRESENTATIVE

- 12.1 Any notice, consent, or other communication required under this Agreement to be given to or by the Sellers, or any of them, may be given to or by the Sellers' Representative in accordance with clause 13.
- 12.2 The Sellers agree that the Buyer shall be entitled to rely on notices, consents or other communications given to and by the Sellers' Representative under this Agreement as if given to and by each of the Sellers (or the relevant Seller(s), as appropriate) and shall be entitled to rely on the exercise by the Sellers' Representative of any of the other rights and powers conferred on the Sellers' Representative by this Agreement irrespective of whether the exercise of any of those rights or powers in a particular way, or at all, is consented to or not by any Seller. Subject to the ability of the Sellers to replace the Sellers' Representative in accordance with clause 12.5, the appointment of the Sellers' Representative (and any such replacement) shall be irrevocable as between the Buyer and the Sellers and conclusively binding on each Seller in favour of the Buyer.
- 12.3 The Sellers may notify the Buyer that they have chosen a different Seller to be the Sellers' Representative to replace the Seller then acting as such. Any such notice shall (notwithstanding clause 12.1) be valid only if:
- 12.3.1 the address under clause 13 of the Seller chosen to act as such is an address in England and Wales;
 - 12.3.2 the notice is signed by (or on behalf of) each Seller; and
 - 12.3.3 the notice is otherwise given in accordance with clause 13.

The change in identity of the Sellers' Representative shall take effect on the fifth Business Day after the day on which notice of the change is actually received by the Buyer or (if later) on the date (if any) specified in the notice as the date on which the change is to take place. Until any such notice is actually received by the Buyer and takes effect, the Buyer shall continue to be entitled to give notices, consents or other communications to, and to rely on notices, consents or other communications given (and other actions taken) by, the last Sellers' Representative of whom it had actual knowledge.

- 12.4 If the Sellers' Representative dies or is incapable of continuing to act as such, and no replacement has been appointed under this clause 12:

- 12.4.1 any notice required to be given by the Sellers' Representative or the Sellers (or any of them) shall be given by each of the Sellers (or by the relevant Seller(s) as the case may be); and
- 12.4.2 any act required by this Agreement to be done by the Sellers' Representative shall instead be done by the Sellers (or by the relevant Seller(s) as the case may be).
- 12.5 Notwithstanding the appointment of the Sellers' Representative, the Buyer shall be entitled to give any notice, consent or other communication required to be given by it under this Agreement, to the Sellers (or the relevant Seller(s) as the case may be) and not to the Sellers' Representative.
- 12.6 Each Seller hereby appoints the Sellers' Representative as the Seller's attorney to:
 - 12.6.1 consider, settle, approve, sign, execute, deliver and issue all agreements, certificates, instruments and other documents (all whether as a deed or not) ("**Documents**"); and
 - 12.6.2 do any and all acts and things in the Sellers' name and on the Seller's behalf which any Attorney in his or her absolute discretion considers necessary or desirablein connection with Completion and any matters incidental or related to it or any part of it and/or the performance of the Seller's obligations under this Agreement, including .
- 12.7 The Sellers' Representative may sign or otherwise execute any Document in the Seller's name or (at the Sellers' Representative's option) in the Sellers' Representative's own name on behalf of the Seller.
- 12.8 The Sellers' Representative may by deed at any time and on such terms as the Sellers' Representative thinks appropriate appoint one or more persons to act as a substitute attorney, whether concurrently with or in place of the Sellers' Representative, and to exercise one or more of the powers conferred on the Sellers' Representative by this instrument (other than the power to appoint a substitute attorney) and may revoke any such appointment.
- 12.9 The Seller shall from time to time promptly on request ratify and confirm whatever the Sellers' Representative may do or purport to do in good faith in the exercise of any authority conferred by this clause 12 and release Sellers' Representative from all claims the Seller may have against the Sellers' Representative in respect of any loss arising from anything so done.
- 12.10 The Seller undertakes to indemnify the Sellers' Representative against all claims, losses, costs, expenses, damages or liability (including any cost incurred in enforcing this indemnity) that the Sellers' Representative may sustain or incur as a result of any action the Sellers' Representative takes both in good faith and in accordance with this clause 12.

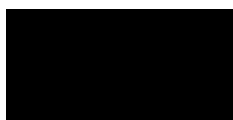
13. NOTICES

- 13.1 Any notice, consent or other communication given under this Agreement shall be in writing and in English, shall be signed by or on behalf of the party giving it, and shall be delivered by hand or sent by prepaid recorded or special delivery post (or prepaid international recorded airmail if sent internationally) in accordance with the details set out below (and, for the avoidance of doubt, may not be given by email):

to the Buyer:

For the attention of:

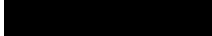
at

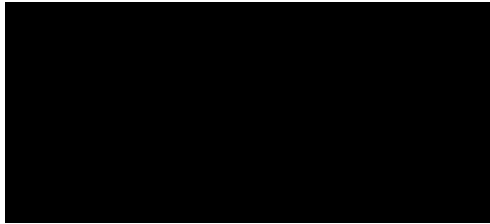




with a copy (which shall not constitute notice) delivered by hand to the Buyer's Solicitors at their main London office at the relevant time; and

to the Sellers' Representative on behalf of the Sellers (or any of them):

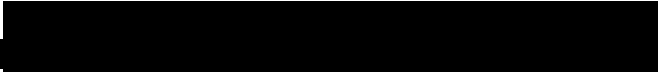
For the attention of: 



with a copy (which shall not constitute notice) to the Sellers' Solicitors (ref: 173606.00001) at



to the Sellers (or any of them):

For the attention of each Seller (or the relevant Seller) at the address set out next to that Seller's name in column (A) of Schedule 1, with one copy (which shall not constitute notice) to the Sellers' Solicitors (ref: (ref: 173606.00001) at 

- 13.2 Unless this Agreement specifically provides otherwise, notices, consents and other communications given in accordance with clause 13.1 shall be deemed to have been given and received:
- 13.2.1 where delivery is by hand, on the date and at the time the item is left at the relevant address if that is during Business Hours, or at the next opening of Business Hours if not;
 - 13.2.2 where delivery is by pre-paid first class post, at the opening of Business Hours on the second Business Day following the date of posting; and
 - 13.2.3 where delivery is by pre-paid international airmail, at the opening of Business Hours on the fifth Business Day following the date of posting;
- 13.3 It shall be sufficient when proving delivery by hand to show that the item was properly addressed and left at the relevant address, and when proving delivery by post or airmail to show that postage was paid and that the item was properly addressed and placed in the post or given to the airmail service for delivery (as appropriate).
- 13.4 The parties may from time to time notify each other of any other person or address for the receipt of notices or copy notices. Any such change shall take effect on the fifth Business Day after the day on which notice of the change is actually received or (if later) on the date (if any) specified in the notice as the date on which the change is to take place.
- 13.5 A failure to give a copy notice as required by clause 13.1 shall not invalidate any notice, consent or other communication otherwise validly given to the Buyer, the Sellers' Representative or any of the Sellers (as appropriate).

13.6 The provisions of this clause 16 shall not apply in relation to the service of process in any legal proceedings arising out of or in connection with this Agreement.

14. THIRD PARTY RIGHTS

14.1 Except as otherwise stated in this Agreement, a person who is not a party to this Agreement shall have no right pursuant to the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this Agreement. This clause shall not affect any right or remedy of a third party which exists or is available apart from that Act.

14.2 Notwithstanding any other provision of this Agreement, the Sellers and the Buyer may by agreement in writing rescind or vary any of the provisions of this Agreement without the consent of any third party, and accordingly section 2(1) Contracts (Rights of Third Parties) Act 1999 shall not apply.

15. WAIVER

15.1 No delay, failure or omission (in whole or part) in enforcing, exercising or pursuing any right, power, privilege, claim or remedy conferred by or arising under this Agreement or by law, shall be deemed to be, or be construed as, a waiver of that or any other right, power, privilege, claim or remedy, or operate so as to bar the enforcement, exercise or pursuance of that or any other right, power, privilege, claim or remedy, in any other instance at any other time.

15.2 Each Seller consents to the entry of each other Seller into this Agreement and entry by the Company into the Loan Agreement pursuant to and in accordance with the terms of the shareholders' agreement in respect of the Company dated 14 February 2020 as amended on 18 July 2020.

16. SEVERAL LIABILITY

16.1 Unless expressly provided otherwise, all obligations entered into and liabilities incurred by the Sellers in or under this Agreement are entered into or incurred by each of them severally and not jointly and severally.

16.2 The Buyer may take action against any one or more of the Sellers who are or may be liable in respect of the same or any similar obligation or liability, and may release or compromise (in whole or in part) the liability of any one or more of the Sellers (or grant any one or more of them any time or other indulgence) without affecting the liability of any of the other Sellers.

17. NO MERGER

17.1 The provisions of this Agreement shall remain in full force and effect notwithstanding Completion.

18. COUNTERPARTS

18.1 This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts (which may include scanned or electronically signed copies attached to emails in portable document format), each of which shall be an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until each of the parties has executed at least one counterpart.

19. ENTIRE AGREEMENT AND THE BUYER'S REMEDIES

- 19.1 This Agreement and the documents referred to in it together constitute the entire agreement and understanding of the parties relating to the transactions contemplated by this Agreement and those documents and supersede any previous agreement between the parties relating to the subject matter of this Agreement and those documents, which shall cease to have any further effect. The Buyer acknowledges that no provisions are to be regarded as implied into this Agreement, save for those implied by law and which are not lawfully capable of being excluded. All implied provisions lawfully capable of being excluded are excluded for all purposes.
- 19.2 In entering into this Agreement and except as otherwise stated in this Agreement, the Buyer accepts that it is not relying on any representation, warranty or on any other information or statement of opinion or belief, including, without limitation, projections, forecasts and replies to due diligence enquiries, whether written or oral, express or implied, and whether made or given by the Seller or any of its advisers, which is not expressly comprised within or the express subject of any of the Warranties.
- 19.3 The Buyer irrevocably and unconditionally waives any right it may have to rescind this Agreement for any misrepresentation, whether or not contained in this Agreement, or to terminate this Agreement for any other reason other than in accordance with its express terms.
- 19.4 The Buyer irrevocably and unconditionally waives any right it may have to bring a claim or take any proceedings against any Seller for misrepresentation, whether in equity, tort or under the Misrepresentation Act 1967, in respect of any representation, whether or not contained in this Agreement and whether innocently or negligently made. The Buyer's sole remedy in respect of any such misrepresentation shall be an action for breach of contract under the terms of this Agreement if and to the extent that the misrepresentation in question constitutes a breach of the Warranties.
- 19.5 Nothing in this Agreement shall limit or exclude the liability of any party for the fraud of that party or any of its directors, employees, officers, agents or advisers.
- 19.6 The Buyer acknowledges and accepts that the provisions are reasonable in all the circumstances.

20. APPLICABLE LAW, JURISDICTION AND SERVICE OF PROCEEDINGS

- 20.1 The validity, construction and performance of this Agreement and any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with this Agreement or its enforceability shall be governed by and construed in accordance with the law of England and Wales.
- 20.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with this Agreement or its enforceability or the legal relationships established by this Agreement (including non-contractual disputes or claims) and waives any objection to proceedings being brought in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inconvenient forum. Each party further irrevocably agrees that a judgment in any proceedings brought in the courts of England and Wales shall be conclusive and binding upon each party and may be enforced in the courts of any other jurisdiction.
- 20.3 Each Seller irrevocably appoints James Short of Vertigrow Technology Limited, 32-33 Cowcross Street, London, EC1M 6DF as its agent to receive on its behalf in England or Wales service of any proceedings arising out of or in connection with this Agreement. Such

service shall be deemed completed on delivery to that agent (whether or not it is forwarded to and received by any relevant Seller). If for any reason that agent ceases to be able to act as agent or no longer has an address in England or Wales, each Seller shall promptly appoint a replacement agent (and each Seller shall appoint the same person as replacement agent) and shall give notice to the Buyer of the new agent's name and address within England and Wales. Any such change in agent for service shall take effect on the fifth Business Day after the day on which notice of the change is actually received by the Buyer or (if later) on the date (if any) specified in the notice.

20.4 Nothing in this Agreement shall affect the right to serve process in any manner permitted by law.















THIS AGREEMENT has been executed by or on behalf of the parties on the date at the top of page 1.


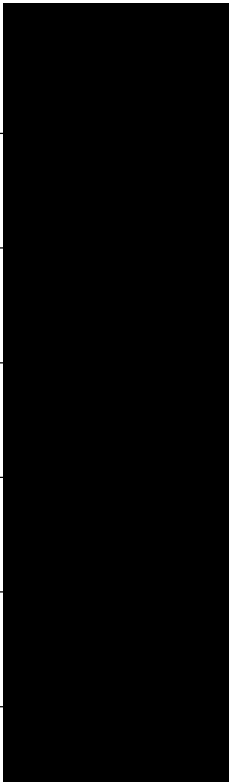
SCHEDULE 1

**Part 1
The Sellers**

(A)	(B)	(C)
Name of Seller	Address	Number of Shares held
James Short	[REDACTED]	[REDACTED]
John Mitchell	[REDACTED]	[REDACTED]
Cormac Short	[REDACTED]	[REDACTED]
Paul Allen	[REDACTED]	[REDACTED]
Jonathan Rickard	[REDACTED]	[REDACTED]
Edward Henry	[REDACTED]	[REDACTED]
John Hall	[REDACTED]	[REDACTED]
Wallis Health Consultants Limited	[REDACTED]	[REDACTED]
Robert Sedgwick	[REDACTED]	[REDACTED]
Henry Porter	[REDACTED]	[REDACTED]
Fraser Robertson	[REDACTED]	[REDACTED]

Part 2
The Convertible Loan Note Holders

(A)	(B)	(C)
Name Noteholder	Address	Principal amount of Convertible Loan Notes held
AFS Advisors LLP		
Surplus Property Solutions Holdings Limited		
Sir Bryan and Lady Mary Nicholson		
Trevor Fenwick		
David Brazier		
James Gardner		
Andrew Gardner		
Bolton Agnew		
Jill Bishop		
Citrine Ventures 2, LLC		
Sebben Investments Limited		
Nicholas Bell		
Blue-Eye Capital Ltd		

(A)	(B)	(C)
Name Noteholder	Address	Principal amount of Convertible Loan Notes held
Anna Schubert		
Justin Dowding		
Mark Simmons		
Mark Irvine		
Christine Greaves		
Omar-Salim Dhanani		
JAG Group Holdings PTE. Ltd		

SCHEDULE 2

Part 1 Details of the Company

Date and place of incorporation: Incorporated on 15 March 2019 in England and Wales

Registered number: 11886065

Registered office: 32-33 Cowcross Street, London, England, EC1M 6DF

Issued share capital: 13,500 fully-paid issued ordinary shares of £0.01 each, 16,500 fully-paid issued A ordinary shares of £0.01 each and 981 deferred shares of £0.01 each in the capital of the Company

Directors: Paul Allen, John Francis Mitchell and James Short

Auditors: n/a

Accounting reference date: 31 December

Charges: A Debenture granted on 5 February 2021 and registered on 15 February 2021 (charge code: 1188 6065 0001) between the Company and AFS Advisors LLP, as security trustee

Part 2 Details of the Subsidiaries

Name of Subsidiary: Celadon Pharma Limited (100% shareholding)

Date and place of incorporation: Incorporated on 3 September 2018 in England and Wales

Registered number: 11549833

Registered office: 32-33 Cowcross Street, London, England, EC1M 6DF

Issued share capital: 2 Ordinary Shares of £1.00 each

Directors: Paul Allen, John Francis Mitchell and James Short

Auditors: n/a

Accounting reference date: 31 December

Charges: n/a

Name of Subsidiary: Celadon Pharmaceuticals Ltd (100% shareholding)

Date and place of incorporation: Incorporated on 28 January 2019 in England and Wales

Registered number: 11793377

Registered office: 32-33 Cowcross Street, London, England, EC1M 6DF

Directors: Paul Allen

Shareholders (and shareholding): Vertigrow Technology Ltd (1 Ordinary Share)

Auditors: n/a

Accounting reference date: 31 December

Charges: n/a

Name of Subsidiary: Kingdom Therapeutics Limited (17% shareholding)

Date and place of incorporation: Incorporated on 18 February 2019 in England and Wales

Registered number: 11833371

Registered office: The Brew Eagle House 1st Floor, 163 City Road, London, England, EC1V 1NR

Issued share capital: 120,481 Ordinary Shares of £0.001 each

Directors: Elizabeth Shanahan, Bruce Finnamore, Damien Mitchell and James Short

Auditors: n/a

Accounting reference date: 28 July

Charges: n/a

Name of Subsidiary: Harley Street (CPC) Limited (57.5% shareholding)

Date and place of incorporation: Incorporated on 18 December 2018 in England and Wales

Registered number: 11732923

Registered office: The Walbrook Building, 25 Walbrook, London, England, EC4N 8AF

Issued share capital: 85 A ordinary shares of £0.01 each and 115 B ordinary shares of £0.01 each

Directors: Paul Allen, Richard Huston, Kathleen Long, Jonathan Rickard, Gregory Stoloff and James Short

Auditors: n/a

Accounting reference date: 31 December

Charges: n/a

SCHEDULE 3

SELLERS' OBLIGATIONS BETWEEN SIGNING AND COMPLETION

1. Subject to paragraph 3, the Sellers shall ensure (so far as each of them is able) that no Group Company takes any of the following actions without the prior written consent of the Buyer, which consent shall not be unreasonably withheld, delayed or conditioned:
 - 1.1 depart in any material respect from the ordinary course of its day-to-day business as set out in the Business Plan;
 - 1.2 allot, issue, redeem or purchase any shares in the capital of any Group Company (except as resulting from the conversion of the Convertible Loan Notes into Shares);
 - 1.3 purchase any shares in any company or any ownership interest in any other undertaking;
 - 1.4 grant, issue or redeem any mortgage, charge, debenture or other security, in any case other than in the ordinary course of business;
 - 1.5 give any Assurance in respect of any obligation of any person other than a Group Company;
 - 1.6 except to the extent provided for in the Business Plan, employ any person as an employee at a basic salary exceeding £100,000 per annum or terminate or give notice to terminate (in each case other than for breach) the employment of any such employee;
 - 1.7 except to the extent provided for in the Business Plan, terminate or give notice to terminate (in either case other than for breach) or materially vary the terms of, any material agreement to which it is a party at the date of this Agreement in any case other than in the ordinary course of business;
 - 1.8 enter into any agreement or transaction with any Seller or pay any management charge or other fee to any Seller, except to the extent provided for in the Business Plan;
 - 1.9 pass, propose or circulate any resolution of its shareholders;
 - 1.10 declare, make or pay any dividend or other distribution other than in favour of any other Group Company;
 - 1.11 incur any item of capital expenditure in excess of £100,000 except to the extent provided for in the Business Plan;
 - 1.12 incur any borrowings other than (a) borrowings incurred by way of trade credit in the ordinary course of business; (b) borrowings from another Group Company; (c) any interest accruing on borrowings incurred before the date of this Agreement; and (d) existing borrowings from its loan facility with Aurora Cannabis Inc.;
 - 1.13 make any loan other than to another Group Company or in the ordinary course of business;
 - 1.14 amend or agree to amend the terms of the Convertible Loan Notes;
 - 1.15 sell or otherwise dispose of any interest in, or grant any third party rights in respect of, any of its material assets except in the ordinary course of business;
 - 1.16 do anything outside the ordinary course of business or anything that would require the Buyer to make any material amendment to the Company IPO Admission Document; or
 - 1.17 agree (whether conditionally or not) to do any of the above activities.

2. Subject to paragraph 3, the Sellers shall not do, and shall use their respective reasonable endeavours (so far as they are able) to ensure that no Group Company does, anything which would cause any of the Warranties to be untrue in any material respect if they were repeated immediately before Completion.
3. The Sellers and any Group Company may take all or any of the following actions without breach by the Seller of paragraphs 1 and 2:
 - 3.1 any action required to be taken in order to comply with any applicable law or regulation (including any action taken by any director of the Seller or any Group Company to ensure compliance with his duties as a director); and
 - 3.2 any action taken at the request of the Buyer.

SCHEDULE 4

COMPLETION OBLIGATIONS

1. The Sellers shall deliver or make available to the Buyer:
 - 1.1 copy(ies) of the duly executed notices of exercise of the rights of conversion of the Convertible Loan Notes;
 - 1.2 an undertaking by the Company in the agreed form to the Buyer to pay to the Buyer as subscription monies for the Consideration Shares issued and allotted to the Convertible Loan Note Holders an amount in cash equal to the amount in cash as would otherwise have been payable to redeem the Convertible Loan Notes in accordance with their terms;
 - 1.3 transfers of the Shares in favour of the Buyer, duly executed by the Sellers;
 - 1.4 the share certificates representing the Shares, or indemnities in the agreed form for any missing share certificates duly executed as a deed;
 - 1.5 share certificates representing all of the issued shares held by any Group Company in each Subsidiary, or an indemnity in the agreed form for any missing share certificates duly executed as a deed;
 - 1.6 a power of attorney in favour of the Buyer in the agreed form duly executed by each Seller as a deed;
 - 1.7 the seal (if any), statutory registers, certificate of incorporation and any certificate of incorporation on change of name of each Group Company;
 - 1.8 the Lock-in Agreements to be delivered to the Buyer;
 - 1.9 notifications in the agreed form signed by each of James Short and John Mitchell informing the Company that they have ceased to be a registrable relevant legal entity in relation to the Company for the purposes of part 21A Companies Act 2006 on the Completion Date; and
 - 1.10 an original signed copy of the minutes of a meeting of the directors of the Company in the agreed form, electing that the conversion rights under the Convertible Loan Notes should be satisfied by the issue of Consideration Shares and not Shares following the exercise of the rights of conversion thereunder.
2. The Buyer shall:
 - 2.1 deliver to the Seller a copy of the minutes of a meeting of the directors of the Buyer, in the agreed form, resolving that the Buyer should complete this Agreement, and execute or sign each other document to be executed or signed by or on behalf of it at Completion, and authorising the execution or signing of those documents by each person signing on behalf of the Buyer; and
 - 2.2 allot and issue the Consideration Shares, subject only to Admission; and
 - 2.3 in the event of Admission, procure that an application to AIM is made in respect of the Consideration Shares and shall use all reasonable endeavours to procure that the Consideration Shares be admitted to trading on AIM in accordance with the provisions of the AIM Rules, or in the event of an Alternative Admission, procure that the relevant application is made in respect of the Consideration Shares and use all reasonable endeavours to procure that the Consideration Shares are admitted to trading on the relevant market and in accordance with all applicable rules.

SCHEDULE 5 WARRANTIES

1. TITLE AND CAPACITY

Title

- 1.1 Each of the Sellers is the legal and beneficial owner of that Seller's Shares free from all Encumbrances and is entitled to enjoy and exercise all of that Seller's rights as a member in relation to the Company.

Capacity

- 1.2 Each Seller has all necessary power and authority to enter into and perform its obligations under this Agreement and all agreements to be entered into by it pursuant to this Agreement.
- 1.3 This Agreement, and all agreements to be entered into by or on behalf of that Seller pursuant to this Agreement constitute, or will when executed or signed constitute, binding and enforceable obligations on that Seller in accordance with their respective terms.
- 1.4 The entering into and performance by each Seller of their respective obligations under this Agreement and all agreements and documents to be executed or signed by or on behalf of that Seller pursuant to this Agreement:
- 1.4.1 will not result in a breach of, or constitute a default under, any agreement or instrument under which that Seller has rights or by which that Seller is bound;
 - 1.4.2 will not, in relation to any Seller that is not an individual, result in a breach of the articles of association or equivalent constitutional document of that Seller;
 - 1.4.3 will not result in a breach of, or default under, any order, judgment, decree or other decision or ruling of any court or governmental, administrative or regulatory body or agency in any jurisdiction under which that Seller has rights or by which that Seller is bound; and
 - 1.4.4 will not require the consent of any third party.
- 1.5 No formal insolvency proceedings, whether in or out of court, leading to any form of bankruptcy, liquidation, administration, receivership, arrangement or scheme with creditors, moratorium, stay or limitation of creditors' rights, interim or provisional supervision by a court or court appointee, winding-up or striking-off, or any event analogous to any such events in any jurisdiction outside England and Wales, have commenced in relation to the Seller or any part of its assets or undertaking.

2. LONG FORM REPORT

All relevant information was supplied to RSM Corporate Finance LLP for the purposes of the preparation by RSM Corporate Finance LLP of the Long Form Report and all information given to them for such purposes was given in good faith and was when supplied true and accurate in all material respects and not misleading and the contents of the Long Form Report are true and accurate in all material respects and not misleading and no fact or matter has been omitted.

3. LEGAL DUE DILIGENCE REPORT

All relevant information has been supplied by the Company to the Sellers' Lawyers for the purpose of preparing the Legal Due Diligence Report and all information given to them for such

purposes was given in good faith and was when supplied true and accurate in all material respects and not misleading and the contents of the Legal Due Diligence Report are true and accurate in all material respects and not misleading and no material fact or matter has been omitted.

4. ACCOUNTS

- 4.1 The Accounts have been prepared in accordance with the 2006 Act and International Financial Reporting Standards (as adopted in the United Kingdom) (“**IFRS**”) in force as at the dates to which they were prepared (except to the extent, if any, disclosed therein) consistently applied and give a true and fair view of the assets and liabilities and state of affairs of the Group as at the dates to which they were prepared and of the profits, losses and cash flows of the Group for the period starting on the date of incorporation of each Group Company respectively and ending on the Accounts Date.
- 4.2 The Interim Results were prepared in accordance with IFRS in force as at the dates to which they were prepared (except to the extent, if any, disclosed therein) and on bases and in accordance with policies consistent with those adopted in preparing the Accounts (except as stated otherwise in the Interim Results).
- 4.3 The Management Accounts:
- 4.3.1 have been prepared in good faith and with due care, using accounting policies consistent with those used in preparing the Management Accounts for each of the 8 months ending on the Management Accounts Date; and
- 4.3.2 are believed by the Warrantors, having regard to the purpose for which they were drawn up, to represent without material misstatement the state of affairs of the Group Companies as at the Management Accounts Date.

5. EVENTS SINCE THE ACCOUNTS DATE

Since the Accounts Date:

- 5.1 the business of the Group has been carried on in the ordinary and usual course;
- 5.2 there has been no material adverse change in the financial or trading position or prospects of the Group and, so far as the Warrantors are aware, there is no development reasonably likely to give rise to such a material adverse change;
- 5.3 save as disclosed in the Disclosure Documents, no Group Company has made or agreed to make any acquisition or disposal of any business, company or any material asset or assumed or acquired any material liabilities (including contingent liabilities) other than in the ordinary course of business;
- 5.4 no Group Company has entered into any contracts or commitments of a long term or unusual nature which are material and which are not disclosed in the Disclosure Documents;
- 5.5 the business of the Group has not been materially adversely affected by the loss of any important customer or source of supply and to the best of the knowledge and belief of the Company and the Directors, there are no facts or circumstances likely to give rise to any such loss; and
- 5.6 save as disclosed in the Disclosure Documents, no dividends, bonuses, loans or other distributions have been declared, made or paid by the Company to its shareholders.

6. BORROWINGS

- 6.1 All the term loans, loan facilities and overdraft facilities of each Group Company are in full force and effect and all undrawn amounts under such loans and facilities are capable of drawdown and all conditions precedent to such drawdown have been met.
- 6.2 No event has occurred or is likely to occur which (with the giving of notice, the lapse of time, the fulfilment of any condition or the compliance with any other formality) has caused or may cause any material outstanding indebtedness of any Group Company to become repayable in whole or in part before its stated maturity, nor has any security in respect of such indebtedness become enforceable by reason of default by any Group Company.
- 6.3 No Group Company has outstanding any loan capital, nor has it factored any of its debt or engaged in financing of a type which would not be required to be shown or reflected in audited accounts.
- 6.4 The terms of the Convertible Loan Notes disclosed to the Buyer comprise all of the terms agreed between the Company (or any other Group Company) and any holder of Convertible Loan Notes.

7. SHARE CAPITAL

- 7.1 Save as disclosed in the Disclosure Documents and in respect of the Convertible Loan Notes, no person has the right (whether actual or contingent) to require any Group Company to issue any share or loan capital or other securities.
- 7.2 All sums payable and other consideration due to each Group Company in respect of its allotted share capital have been received in full by such Group Company.
- 7.3 None of the owners or holders of any of the share capital of any Group Company has any rights, in his capacity as such, in relation to that Group Company other than as set out in the articles of association of that Group Company.
- 7.4 All sums due in respect of the issued share capital of the Company have been or will, upon Admission be paid to and received by the Company.

8. TAX

- 8.1 Save as disclosed in the Disclosure Documents, each Group Company has at all times submitted to all relevant tax authorities by the due dates every computation, return and all information required to be made for the purposes of Tax and each such computation, return and information was and remains true, complete and accurate in all material respects.
- 8.2 Each Group Company has, within any applicable time limit, paid all Tax (whether or not a primary liability of the Company), which it has become liable to pay and is under no liability to pay any penalty, fine or interest in connection with any claim for Tax.
- 8.3 Save for as disclosed in the Disclosure Documents, each Group Company has properly made all deductions, withholdings and retentions required to be made in respect of any actual or deemed payment made or benefit provided and has accounted for all such deductions, withholdings and retentions to each relevant Tax Authority.
- 8.4 No Group Company is subject to any investigation or non-routine audit or visit by any Tax Authority and there are no facts or circumstances which are likely to give rise to any such dispute or investigation.

- 8.5 Proper provision or reserve has been made in the Accounts in accordance with Accounting Standards for all Tax liable to be assessed on each Group Company or for which it is or may become accountable in respect of:
- 8.5.1 profits, gains or income (as computed for Tax purposes) accruing or arising or deemed to accrue or arise on or before the Accounts Date;
 - 8.5.2 any transactions effected or deemed to be effected on or before the Accounts Date.
- 8.6 Since the Accounts Date and save as disclosed in the Disclosure Documents, no event has occurred which has given or may give rise to any liability to Tax on any Group Company other than Tax arising from transactions entered into in the ordinary course of business of the Company as carried on at the Accounts Date.
- 8.7 Save for Celadon Pharmaceuticals Limited, which is dormant, and Harley Street (CPC), which is not registered for VAT, each Group Company is registered as a taxable person for the purposes of VAT (or its equivalent in any jurisdiction other than the UK) and has complied in all material respects with all applicable legislation relevant to VAT (or its equivalent).

9. CONTRACTS

- 9.1 The Company and the Directors are not aware of the invalidity of or grounds for recession, avoidance or repudiation of any agreement or other transaction to which any Group Company is a party and which is material to the business and/or financial position of any Group Company, and no Group Company has received notice of any intention to terminate any such agreement or repudiate or disclaim any such transaction.
- 9.2 So far as the Company and the Directors are aware, no event has occurred and is subsisting or is about to occur which constitutes or would constitute a default, or result in the acceleration by reason of default, of any obligation under any agreement, undertaking, instrument or arrangement to which any Group Company is a party or by which any Group Company or any of its interests, properties, revenues or assets are bound which would, in any such case, have a material adverse effect on the business, assets, financial or trading position or prospects of any Group Company.

10. ASSETS

Each Group Company has absolute unencumbered title to all the fixed assets which are material to its business, save in respect of any such assets which are held on lease, hire purchase or any similar financing arrangements.

11. REAL ESTATE

- 11.1 Except as described in the Disclosure Documents and except in relation to matters which are not (singly or in the aggregate) material, each Group Company has good and marketable title to all real estate property owned or used by it, free from any Encumbrance.
- 11.2 No Group Company is under any obligation to purchase, lease, sub-lease or otherwise occupy or acquire any rights in respect of any real property, other than the premises which it currently occupies.
- 11.3 No Group Company has any continuing liability in respect of any real property (other than the premises which it currently occupies) either as:

- 11.3.1 an original contracting party or by virtue of any direct covenant having been given on a sale or assignment to any Group Company; or
- 11.3.2 a guarantor of the obligations of any other person (other than another Group Company).

12. ENVIRONMENTAL

- 12.1 Each Group Company has complied in all material respects with all laws concerning environmental and health and safety matters, is in possession of all relevant consents or other authorisations (together the "**Environmental Permits**") relating to such matters and has complied with the conditions of the Environmental Permits in all material respects.
- 12.2 There are no facts or circumstances of which the Company is aware entitling any authority or regulatory agency to revoke, vary or not renew any of the Environmental Permits.
- 12.3 No Group Company is required to make any material investment under or by any Environmental Permit or any relevant legislation in order to renew any Environmental Permit or maintain an Environmental Permit in full force and effect.
- 12.4 So far as the Company and the Directors are aware, there has not been at any property now or previously held, owned or occupied by any Group Company:
 - 12.4.1 any significant leakage or release of any poisonous, noxious or polluting matter into the ground, the atmosphere or water source or water system; or
 - 12.4.2 any illegal generation, treatment, recycling, keeping, storage or disposal of any waste.

13. INTELLECTUAL PROPERTY

- 13.1 All Intellectual Property Rights are valid and subsisting and no claims have been made or intimated challenging their use or such validity, subsistence or enforceability and so far as the Company and the Directors are aware no grounds exist which might support any such claims.
- 13.2 Each Group Company has taken appropriate steps to protect all Intellectual Property Rights which are material to its business and which are, or could through registration or the taking of any other steps become, its property.
- 13.3 So far as the Company and the Directors are aware, there is and has been no infringement or threatened infringement of any of the Intellectual Property Rights by any third party or of any third party Intellectual Property by any Group Company and no claim or threat of a claim concerning such infringement has been made by any Group Company or the Directors.
- 13.4 All know-how comprised in the Intellectual Property which is material to the business of each Group Company has been adequately documented in accordance with normal business practices and no part of such know-how has been disclosed to any third party except subject to valid and binding confidentiality obligations in favour of the relevant Group Company.

14. INFORMATION TECHNOLOGY

- 14.1 The Computer Systems are owned by or properly licensed or leased to a Group Company and are not dependent (in whole or in part) on any facilities or services that are not exclusively owned by or under the direct control of a Group Company.
- 14.2 The Software is owned by or licensed to the Group Company that uses it.

- 14.3 So far as the Company and the Directors are aware, the Computer Systems and the Software are functioning properly, have adequate capability and capacity for the requirements of the business of each Group Company and have been regularly and properly maintained, supported and replaced.
- 14.4 Disaster recovery and security and confidentiality arrangements are in force in relation to the Computer Systems and the Software which the Directors consider to be adequate for the Company's needs and in line with disaster recovery and security and confidentiality arrangements in place by companies carrying on the same or similar business to that carried on by each Group Company.
- 14.5 During the period of 12 months ending on the date of this agreement, there has not been any breakdown, defect or failure in the Computer Systems or Software, any virus affecting the Software or any unauthorised access to the Computer Systems, which has caused any substantial disruption or interruption to the business and activities of any Group Company.

15. DATA PROTECTION

- 15.1 Each Group Company has complied in all material respects with Data Protection Laws, and no Group Company has received any notices or communications from any person alleging non compliance with any Data Protection Laws or complaining about its use of personal data.
- 15.2 No Group Company has suffered any breach of security which has led to the accidental or unlawful destruction, loss or alteration of, or the unauthorised disclosure of or access to, personal data.

16. INSURANCE

- 16.1 All the assets of each Group Company which are of an insurable nature are insured in amounts which the Warrantors reasonably regard as adequate against fire and other risks normally insured against by companies carrying on a similar business to that carried on by each Group Company and so far as the Warrantors are aware, all such insurances are in full force and effect and not void or voidable and all premiums due in respect of them have been duly paid. There is no material insurance claim pending, threatened or outstanding by or against any Group Company.

17. ANTI CORRUPTION

- 17.1 Each Group Company and its current and former directors, officers, employees and agents have complied with all applicable anti bribery and anti corruption laws in any jurisdiction (including the Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977).
- 17.2 Each Group Company has instituted and maintained appropriate policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, compliance by such Group Company and its directors, officers, employees and agents for the time being with all applicable anti bribery and anti corruption laws in any jurisdiction in relation to the businesses of the Group Companies.
- 17.3 No Group Company is the subject of any sanctions administered by HM Treasury, the United Nations, the European Union or the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC").

18. COMPETITION

18.1 No Group Company nor, so far as the Warrantors are aware, any person for whose acts and defaults any Group Company may be vicariously liable is or has been a party to or involved in any agreement, understanding, arrangement, concerted practice or conduct which (in whole or in part) may infringe or has infringed any applicable competition, state aid, anti trust or anti restrictive trade practice or merger control laws.

19. LITIGATION

19.1 No Group Company has any claims outstanding against it or is engaged in any litigation, arbitration, prosecution, regulatory investigation, enquiry or other legal proceedings, nor, so far as the Warrantors are aware, is any such proceeding pending or threatened against any Group Company, nor is there any claim or any fact which might reasonably be expected to give rise to such a claim, which in any such case individually or collectively may have or has had during the 12 months preceding the date of this agreement a significant effect on the business or financial position of any Group Company.

19.2 There is no unfulfilled or unsatisfied judgment or court order outstanding against any Group Company.

20. EMPLOYMENT

20.1 No director or senior management employee of any Group Company has given or been given notice terminating his contract of employment and no such person has threatened or is expected to give such notice

20.2 Save as disclosed in the Disclosure Documents, no employment problem, dispute, slowdown, work stoppage or disturbance involving the employees of any Group Company exists or, to the knowledge of the Warrantors, is imminent, and the Warrantors are not aware of any existing or imminent employment disturbance by the employees of any principal supplier to, or customer or contractor of, any Group Company.

20.3 There are no amounts owing or promised to any present or former directors or senior management employees of any Group Company (other than remuneration accrued due or for reimbursement of business expenses).

21. PENSIONS

21.1 Save as set out in the Disclosure Documents, no Group Company has any obligation, or is or could become liable, to provide or contribute towards any pension or other benefit on retirement, death or disability or on the attainment of a specified age or on the completion of a specified number of years of service, in each case for its directors or employees or former directors or employees.

21.2 There are no material liabilities associated with or arising from any Group Company participating in, or contributing to, either currently or in the past, any retirement benefits scheme or arrangement (occupational or personal) ("**Pension Schemes**") which are not funded, insured or provided for on a generally accepted basis, either through a separate trust, insurance policy or provision in the accounts of the relevant Group Company, and, so far as the Warrantors are aware, no such liability is likely to arise.

21.3 All amounts due to the trustees of each of the Pension Schemes and to any insurance company in connection with any of the Pension Schemes have been paid.

22. INSOLVENCY

- 22.1 No Group Company has taken any action nor have any other steps been taken or legal proceedings started or threatened against any Group Company for its administration, winding up or dissolution or for it to enter into any arrangement or composition for the benefit of creditors or for the appointment of an administrative receiver, an administrator or a liquidator, receiver, trustee or similar officer of it or of any of its interests, properties, revenues or assets nor have any orders been made in respect of any such matters.
- 22.2 No Group Company is insolvent or unable to pay its debts as they fall due.

23. AUTHORITY

Each Group Company has been duly incorporated and has full corporate power and authority to carry on its activities in the ordinary course of business, as described in the Disclosure Documents.

24. LICENSING AND PRODUCT REGULATORY COMPLIANCE

- 24.1 The Company, and each other Group Company:
- 24.1.1 is and at all relevant times has been in compliance with all Laws, in all material respects, including all Cannabis Laws which are or were at the time applicable to the Company's business, affairs and operations and those of the Group;
 - 24.1.2 has not received any correspondence or notice from the UK Home Office, the Medicines & Healthcare products Regulatory Agency (MHRA), the European Medicines Agency, the Health Research Authority or any other Governmental Authority alleging or asserting any material non-compliance with Laws which were at the time of the correspondence or notice applicable to the Company's business, affairs and operations and those of its subsidiary undertakings, including Cannabis Laws;
 - 24.1.3 is in the process of obtaining all appropriate Cannabis Authorisations required to conduct the business, affairs and operations of the Company and its subsidiary undertakings as intended to be operated and as set out in the Disclosure Documents and such Cannabis Authorisations will be valid and in full force and effect and the Warrantors have no reason to believe that any such Cannabis Authorisations will not be forthcoming;
 - 24.1.4 have made all notifications, certifications and filings with all Governmental Authorities in connection with the Cannabis Authorisations;
 - 24.1.5 has not received notice of any pending or threatened claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Company or any other Group Company or any of their directors, officers and/or employees is in violation of any Laws or, once received, any Cannabis Authorisations, or asserting any noncompliance with any Laws or Cannabis Authorisations, that could reasonably be expected to materially and adversely affect the Company, and has no knowledge that any such Governmental Authority or third party is considering or would have reasonable grounds to consider any such Claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action, save that the Company expects that the MHRA will be carrying out audits and/or inspections in future in preparation for granting to the Company and/or any other Group Company

relevant licences, certificates, authorisations and registrations and/or for the purposes of maintaining such licences, certificates, authorisations and registrations; and

- 24.1.6 has not received notice that any Governmental Authority has taken, is taking, or intends to take action to not give any Cannabis Authorisations, and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable grounds to take such action, or that the Company or any other Group Company does not hold a Cannabis Authorisation required for the conduct of the business, affairs and operations of the Company and the Group as now operated.
- 24.2 All Cannabis and Cannabis products produced by the Company and any other Group Company or in inventory at the Company or any other Group Company: (i) meets the applicable specifications for the product; (ii) is fit for the purpose for which it is intended by the Company or other Group Company, and is, or will be of a merchantable quality; (iii) has been cultivated, processed, packaged, labelled, imported, tested, stored, transported and delivered in accordance with the Authorizations and all Laws; (iv) is not adulterated, tainted or contaminated and does not contain any substance not permitted by Laws; and (v) has been cultivated, processed, packaged, labelled, imported, tested, stored and transported in facilities authorized by the applicable Authorization in accordance with the terms thereof. All of the marketing and promotion activities of the Company and the Group relating to its Cannabis and Cannabis products, within the past three years, complies with all Laws in all material respects.
- 24.3 Neither the Company nor any other Group Company has ever received any notice or communication from any customer or Government Authority alleging a material defect, any issue requiring a withdrawal, recall or quarantine of product (whether voluntary, required or otherwise) or claim in respect of any products produced by the Company or any other Group Company and supplied to a customer and, to the Warrantors' knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Company or any other Group Company in respect of any products supplied or sold by any of them.
- 24.4 The Company and each other Group Company has implemented, maintains, regularly audits (as required by the terms of such policies and programs) and complies in all material respects with internal compliance policies and programs, including with respect to governance matters, and those designed to detect and prevent violations of any Laws, including the Cannabis Laws and all other Laws related to the Cannabis industry, periodically reviews and updates such internal compliance policies and programs to account for any changes in Laws and/or standards applicable to the Group's business, affairs and operations, as needed, employs or engages internal personnel and third party consultants to perform routine audits to test the effectiveness of the Group's internal compliance policies and programs, and processes and controls related thereto.
- 24.5 All directors, officers, internal personnel and third party consultants of the Group have, where reasonably required by the position and services rendered by such persons, sufficient knowledge of Laws relating to Cannabis which are applicable to the Group's business, affairs and operations and all such persons have all qualifications, including security clearances, if required by the Laws, training, experience and technical knowledge required by Laws. The Company has ensured its employees responsible for the Group's internal compliance programs have sufficient training including ensuring that, where reasonably required by the position and services rendered by such persons, they are adequately informed: (i) to the extent applicable, the Cannabis Laws and all other Laws applicable to the Group's business, operations and affairs

and the Cannabis industry, and any changes thereto; and (ii) of the Group's internal compliance programs and controls related thereto.

- 24.6 Each individual employed by or associated with a Group Company that is required to hold security clearance under applicable Cannabis Laws in order to maintain the Cannabis Authorizations holds, or has applied for, such clearance. For any such application pending, the Company and such individual are complying with applicable guidance from the Governmental Authorities in connection with such individual's activities at the Company and each other Group Company. The Warrantors are not aware of any material circumstance that would negatively affect the granting of such security clearances.

25. COMPLIANCE

- 25.1 Neither any Group Company nor any of its officers has committed or is liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty (whether imposed pursuant to statute, contract, its articles of association or otherwise) which is reasonably likely to lead to any material future liability or punishment of any Group Company, and no claim that any such officer or company has committed any such act or breach, or is liable, remains outstanding.
- 25.2 Each Group Company and its current and former directors, officers, employees and agents have complied with all applicable anti-money laundering laws and regulations in any jurisdiction (including the Proceeds of Crime Act 2002).
- 25.3 Each Group Company has the benefit of all licences, permissions, authorisations, approvals and consents necessary to enable it to carry on its business as now conducted and all those licences, permissions, authorisations, approvals and consents are in full force and effect and there are no circumstances which indicate that any of them may be revoked, rescinded, modified, avoided, repudiated, rendered subject to conditions not applicable at the date of this agreement or not renewed in whole, or in part, in the ordinary course of events.
- 25.4 The statutory books, accounting records and other records of whatsoever kind of each Group Company have been properly maintained, are up to date and contain records of all matters that ought to be dealt with in them and no notice or allegation that any of the same is incorrect or should be rectified has been received.
- 25.5 Save for the accounts in respect of Celadon Pharmaceuticals Limited for the period ending 31 January 2020, which were filed late at Companies House, all returns, particulars, resolutions and other documents required by law to be filed with or delivered to Companies House have been properly and correctly made up and duly filed or delivered by or on behalf of each Group Company.

26. RELATED PARTIES/CONFLICTS OF INTEREST

- 26.1 The Disclosure Documents contain details of all current agreements in force (whether written or unwritten) between each Group Company and any one or more of the Sellers.
- 26.2 The Disclosure Documents contain all material information concerning any actual or potential conflicts of interest between each Group Company and any director of a Group Company or any company of which any such director is a director in which he has an interest.
- 26.3 In relation to each Group Company, there is no person who is could be deemed to be a shadow director within the meaning of section 251 of the 2006 Act.

SCHEDULE 6
BUYER WARRANTIES

1. Subject to the condition in clause 2.1.1 being satisfied, the Buyer has all necessary power and authority to enter into and perform its obligations under this Agreement and all agreements to be entered into by it pursuant to this Agreement.
2. Subject to the condition in clause 2.1.1 being satisfied, this Agreement, and all agreements to be entered into by the Buyer under this Agreement, constitute, or will when executed or signed constitute, binding and enforceable obligations on the Buyer in accordance with their respective terms.
3. Subject to the condition in clause 2.1.1 being satisfied, the entering into and performance by the Buyer of its obligations under this Agreement and all agreements to be entered into by the Buyer under this Agreement:
 - 3.1 will not result in any breach of any agreement under which the Buyer has rights or by which it is bound;
 - 3.2 will not result in a breach of the articles of association or equivalent constitutional document of the Buyer;
 - 3.3 will not result in a material breach of any order, judgment or decree of any court or governmental, administrative or regulatory body or agency under which the Buyer has rights or by which it is bound; and
 - 3.4 does not require the consent of any third party, save as specified in this Agreement.
4. No formal insolvency proceedings, whether in or out of court, leading to any form of bankruptcy, liquidation, administration, receivership, arrangement or scheme with creditors, moratorium, stay or limitation of creditors' rights, interim or provisional supervision by a court or court appointee, winding-up or striking-off, or any event analogous to any such events in any jurisdiction outside England and Wales, have commenced in relation to the Buyer or any part of its assets or undertaking.
 - 4.1 The Buyer has net cash of not less than £6,500,000 less such amount (if any) of principal as the Buyer may have provided to the Company by way of a loan (including under the Loan Agreement) prior to the date of this Agreement.

**SCHEDULE 7
PROPERTIES**

Part 1

Lease

1. LEASEHOLD PROPERTY WITH REGISTERED TITLES

Registered proprietor (owner)	Title number	Date and type of lease	Parties	Term	Current rental	Short description of property
Waverton Property LLP	MM149432	1 October 2019	(1) Data Centre (DC) Ltd (2) The Company	25 years beginning on 1 October 2019	Data Centre (DC) Ltd	The land and buildings known at Unit 13 Holford Industrial Estate, Tameside Drive, Birmingham, B6 7AX;

SCHEDULE 8
LIMITATIONS ON WARRANTORS' LIABILITY

1. INTERPRETATION

- 1.1 For the purposes of this schedule, unless specifically provided otherwise, “**Claim**” means a Warranty Claim and any other claim under or in connection with this Agreement other than a Tax Warranty Claim.

2. FINANCIAL LIMITS

- 2.1 The Warrantors shall not be liable in respect of any Claim or any Tax Warranty Claim unless its liability in respect of that Claim or Tax Warranty Claim would exceed £25,000.
- 2.2 The Warrantors shall not be liable in respect of any Claim or Tax Warranty Claim unless its aggregate liability in respect of all Claims and Tax Warranty Claims (excluding all Claims and Tax Warranty Claims for which it has no liability by reason of paragraph 2.1) would exceed £150,000, in which case the Warrantors shall be liable for the whole of that liability and not merely the excess.
- 2.3 The aggregate liability of each of the Warrantors for all Claims and Tax Warranty Claims, including any liability for costs and interest, shall not exceed an amount equal to £150,000 per Warrantor.
- 2.4 In the event that any of the Warrantors has any liability in respect of any Claim or an Tax Warranty Claim the liability of that Warrantor shall be satisfied;
- 2.4.1 in the case of James Short, in cash; and
- 2.4.2 in the case of the other Warrantors, by the relevant Warrantor selling Ordinary Shares and remitting the net proceeds of such sale(s) to the Buyer up to an aggregate amount equal to the amount of the relevant Claim or Tax Warranty Claim and provided that no such Warrantor shall have any liability for a Claim or Tax Warranty Claim after such Warrantor has sold all of that Warrantor's Ordinary Shares.

3. NOTICES

- 3.1 If the Buyer or any Group Company becomes aware of any matter which gives or might give rise to a Claim, the Buyer shall give written notice to the Warrantors within the time periods set out in paragraph 4. The Buyer's notice shall, so far as is practicable, give reasonable details of the matter and Claim or potential Claim. The Buyer's right to bring a Claim in relation to any matter shall be conditional on notice being given by it in relation to that matter in accordance with this paragraph 3.

4. TIME LIMITS

- 4.1 The Warrantors shall not be liable in respect of any Claim unless notice of that Claim, is received by it on or before the publication of the annual accounts of the Buyer for the financial year ending 31 December 2022.
- 4.2 The Warrantors shall not be liable in respect of any Tax Warranty Claim unless notice of that Tax Warranty Claim is received by it on or before the seventh anniversary of the end of the accounting period of the Company current at Completion.

- 4.3 The Warrantors shall not be liable in respect of any Claim or any Tax Warranty Claim if, on or before the date falling 25 Business Days after the date on which valid notice of that Claim or Tax Warranty Claim (as the case may be) is received by it, the Seller has remedied the relevant breach in all material respects (meaning that the Seller has either prevented the Buyer from suffering any material loss in respect of the subject matter of that Claim or Tax Warranty Claim, or has caused any loss so suffered by the Buyer to be made good in all material respects). The Buyer shall, at the cost of the Warrantors, comply with all reasonable requests made by the Warrantors during that period for the purposes of so remedying any such breach or preventing any such loss.
- 4.4 Any Claim notified in accordance with paragraphs 4.1 or 4.2 shall (if not previously satisfied, settled, or withdrawn) be deemed to have been irrevocably withdrawn if legal proceedings have not been issued and served on the Warrantors on or before the date falling 180 days after the date on which notice of that Claim was given or, in the case of a Claim referred to in paragraph 8 and if later, 180 days after the date on which the matter giving rise to the Claim constitutes or gives rise to an actual liability which is due for payment and capable of being quantified. For the purposes of this Agreement, legal proceedings shall be regarded as having been served when the relevant step referred to in Civil Procedure Rule 7.5(1) has been completed.

5. MATTERS INCLUDED IN THE ACCOUNTS, MANAGEMENT ACCOUNTS

- 5.1 The Warrantors shall not be liable in respect of a Claim to the extent that the Accounts or Management Accounts include any provision, accrual or other liability, reserve or allowance for any matter relating to the subject of the Claim or to the extent that any such matter is the subject of a note in the Accounts or Management Accounts.

6. BUYER'S ACTIONS

- 6.1 The Warrantors shall not be liable in respect of a Claim to the extent that the matter giving rise to it results from:
- 6.1.1 any act done or omitted to be done in accordance with the terms of this Agreement or otherwise at the written request of or with the prior written approval of the Buyer or any other member of the Buyer's Group; or
 - 6.1.2 any act done or omitted to be done on or after Completion by or on behalf of the Buyer or any member of the Buyer's Group or the Buyer's successors in title to the Shares; or
 - 6.1.3 any breach by the Buyer of its obligations under this Agreement; or
 - 6.1.4 any change after Completion in the accounting policies or practices used in preparing any Group Company's accounts or in the accounting reference date of any Group Company, other than is necessary to conform to IFRS or applicable law at the date of this Agreement.

7. CHANGES IN LAW AND REGULATION

- 7.1 The Warrantors shall not be liable in respect of any Claim to the extent that the matter giving rise to it results from:
- 7.1.1 any act, event, or omission after the date of this Agreement compelled by law; or
 - 7.1.2 the enactment, amendment, or change in the generally accepted interpretation or application, of any law, rule or regulation, or any change in the practice of any

governmental, regulatory or other body (including a Tax Authority) after the date of this Agreement (whether or not having retrospective effect) or the imposition of any Tax not in force on the date of this Agreement or any change, after the date of this Agreement, in the rates of Taxation or availability of any Relief.

8. CONTINGENT LIABILITIES

8.1 The Warrantors shall not be liable in respect of any Claim or Tax Warranty Claim based on a matter involving a contingent liability until such matter constitutes or gives rise to an actual liability which is due for payment and is capable of being quantified and provided this occurs on or before the relevant date set out in paragraph 4.1 or paragraph 4.2 (as appropriate). This paragraph shall not relieve the Buyer from any obligation to give notice of that matter in accordance with paragraph 3 in relation to a Claim or Tax Warranty Claim.

9. IRRECOVERABLE LOSSES

In assessing the amount of the Buyer's loss in relation to any Claim or Tax Warranty Claim, the value of the Company shall not be taken as exceeding the purchase price payable for the Shares pursuant to clause 4.1, assuming a price per Share of £1.65.

10. THIRD PARTY CLAIMS AND RIGHTS OF RECOVERY AGAINST THIRD PARTIES

10.1 If any third party asserts a claim against the Buyer or any Group Company which gives rise or may give rise to a Claim ("**Third Party Claim**"), then the Buyer shall, and shall ensure that the relevant Group Company shall:

10.1.1 consult with the Sellers' Representative as soon as reasonably practicable with regard to the Third Party Claim in question and subsequently in relation to any actual or proposed developments relating to the Third Party Claim in question;

10.1.2 if requested in writing to do so by the Sellers' Representative, provide the Sellers' Representative with copies of all documents relating to the relevant Third Party Claim (save where to do so would result in the loss of legal professional privilege) and (on request from time to time) provide the Seller with a status report with regard to the relevant matter;

10.1.3 take reasonable account of the views of the Sellers' Representative before taking any action in relation to the Third Party Claim in question.

10.2 The Buyer shall: (i) not admit liability in respect of, or settle or compromise the Third Party Claim, or offer to do any of those things, in any case without the prior written consent of the Sellers' Representative, such consent not to be unreasonably withheld or delayed; and (ii) take and shall ensure that any relevant Group Company takes, all such action as the Seller's Representative may reasonably request to dispute, resist, avoid, appeal, compromise, defend, remedy, mitigate, negotiate or resolve the relevant Third Party Claim including pursuing any claim the Buyer may have for reimbursement of costs and expenses provided that:

10.2.1 the Sellers' Representative shall not be entitled to take any action otherwise than pursuant to this paragraph, or entitled to require a Group Company to delegate the conduct of such action to itself, the Sellers, the Sellers' Representative or any agent or professional adviser of the Sellers; and

10.2.2 the Warrantors shall indemnify the Buyer for any and all reasonable costs properly incurred by the Buyer or the relevant Group Company complying with this paragraph

10.2. If, following any such payment by the Warrantors, the Buyer or any relevant Group Company receives an amount from a third party in reimbursement of such costs, the Buyer shall repay such amount to the relevant Warrantors, save to the extent that such amount has been taken into consideration when calculating any payment due under paragraph 10.3 or 10.4.

- 10.3 If the Buyer or any Group Company receives any sum or other benefit by reason of the enforcement of any right to make recovery or claim indemnity from a third party in respect of any matter giving rise or which may give rise to a Claim, including under any policy of insurance (“**Right of Recovery**”) (including the reimbursement of any cost or expense incurred by it in enforcing such right) then any subsequent liability of the Warrantors in respect of any Claim made in relation to the matter giving rise to the Right of Recovery shall be reduced by the sum or benefit so received, less any Taxation thereon and less the reasonable and properly incurred costs and expenses (including VAT thereon except insofar as recoverable as input VAT or by way of other credit) of the Buyer or the relevant Group Company in enforcing that Right of Recovery which have not been reimbursed by the Warrantors pursuant to paragraph 10.2.
- 10.4 If any Claim is satisfied (in whole or in part) by the Warrantors before the Buyer or any Group Company receives any sum or other benefit by reason of the enforcement of a Right of Recovery relating to the matter giving rise to the Claim, then the Buyer shall pay to the Warrantors, within five Business Days of receiving any such sum or benefit, the lesser of:
- 10.4.1 the sum or benefit so received (including any amount recovered in relation to costs) less any Taxation thereon and less the reasonable and properly incurred costs and expenses (including VAT thereon except insofar as recoverable as input VAT or by way of other credit) of the Buyer or the relevant Group Company in enforcing that Right of Recovery which have not been reimbursed by the Warrantors pursuant to paragraph 10.2.2; and
- 10.4.2 the amount paid by the Warrantors in satisfaction of the relevant Claim (including any amount paid in relation to costs) plus the amount of any payment made by the Warrantors pursuant to paragraph 10.2 in respect of that Claim.
- 10.5 For the purposes of paragraph 2.2, the Warrantors shall be deemed never to have been liable to the Buyer in respect of the amount of any reduction in its liability pursuant to paragraph 10.3 or the amount payable to it by the Buyer pursuant to paragraph 10.4.

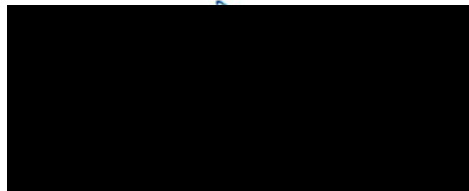
11. GENERAL

- 11.1 Should issues arise or matters come to light which have the potential to form the basis for a Claim then the board directors of the Buyer at such time shall immediately establish a committee of the board of directors of the Buyer comprised of directors who are independent and free of conflicts for the purposes of the Buyer’s articles of association to deal with such Claim as it thinks fit.
- 11.2 The Buyer shall not be entitled to recover damages or obtain any payment more than once in respect of the same loss, damage, breach, shortfall, event or circumstance and whether claimed under the Warranties or any other provision of this Agreement. For this purpose, recovery by any member of the Buyer’s Group or any Group Company shall be deemed to be a recovery by each of them.

- 11.3 Without limiting any obligations it may have at law or in equity, the Buyer shall mitigate, and shall cause each Group Company to mitigate, any loss or liability which may give rise to a Claim or a Tax Warranty Claim.
- 11.4 The provisions of this schedule shall not apply to any claim for breach of any of the Title and Capacity Warranties.

BUYER

Executed as a deed by)
SUMMERWAY CAPITAL PLC)
acting by a Director:)




.....)
in the presence of:)

.....)
Director

Name of witness

Signature of witness:

Address:

Occupation:



THE SELLERS

Signed as a deed by)
JAMES SHORT)
in the presence of:)

.....)

Signature of witness:

Name:

Address:

Occupation:

BUYER

Executed as a deed by)
SUMMERWAY CAPITAL PLC)
 acting by a Director:)
)
)
 in the presence of:) Director

Name of witness

Signature of witness:

Address:

.....

Occupation:

THE SELLERS

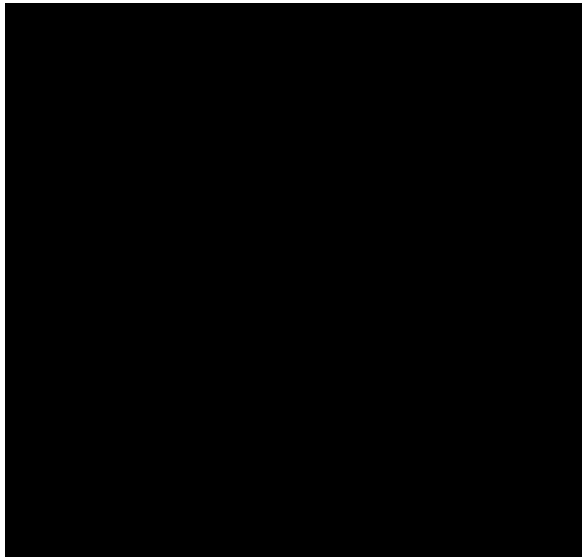
Signed as a deed by
JAMES SHORT
 in the presence of:

Signature of witness:

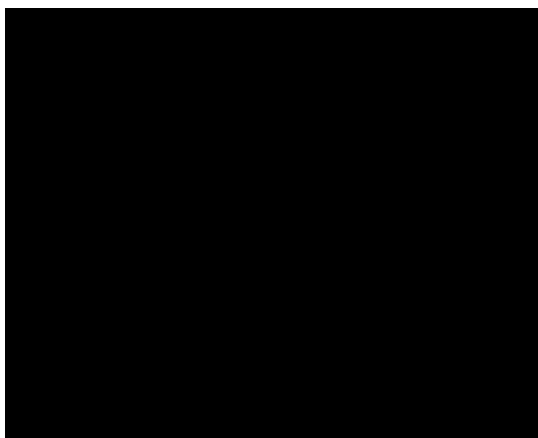
Name:

Address:

Occupation:



Signed as a deed by
JOHN MITCHELL
in the presence of:



.....

Signature of witness:

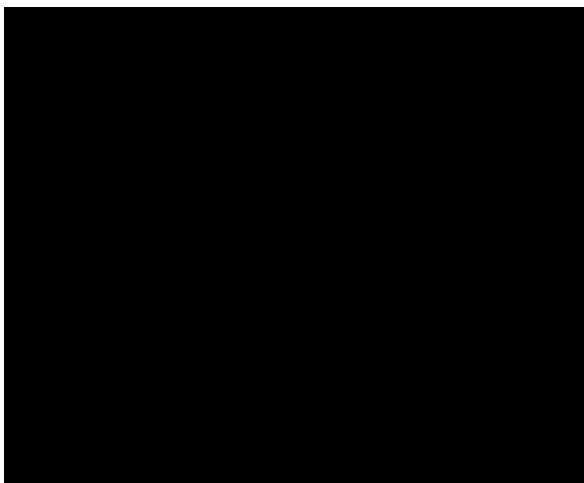
Name:

Address:

Occupation:

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Signed as a deed by
CORMAC SHORT
in the presence of:



.....

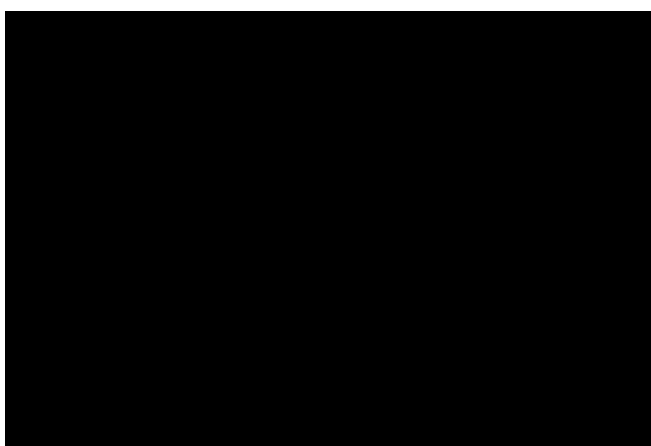
Signature of witness:

Name:

Address:

Occupation:

Signed as a deed by
PAUL ALLEN
in the presence of:



.....

Signature of witness:

Name:

Address:

Occupation:

.....

Signed as a deed by
JONATHAN RICKARD
in the presence of:

[Redacted signature area]
[Redacted witness information]

Signature of witness:

Name:

Address:

Occupation:

Signed as a deed by
HENRY PORTER
in the presence of:

[Redacted signature area]
[Redacted witness information]

Signature of witness:

Name:

Address:

Occupation:

Signed as a deed by)
JOHN HALL)
in the presence of:)

[Redacted signature area]
[Redacted witness information]

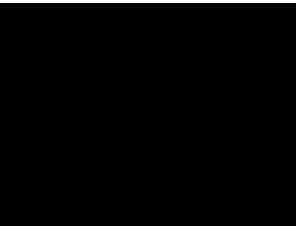
Signature of witness:

Name:

Address:

Occupation:

Executed as a deed by)
WALLIS HEALTH CONSULTANTS)
LIMITED)
acting by a Director)
Andrew Wallis.....)
in the presence of:)

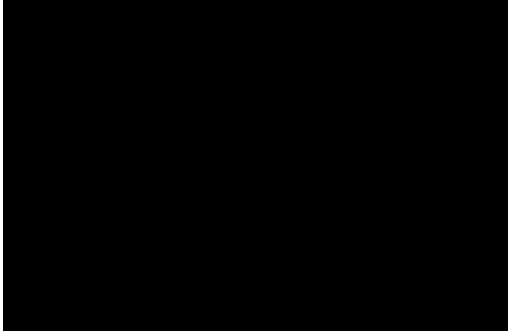


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Name of witness

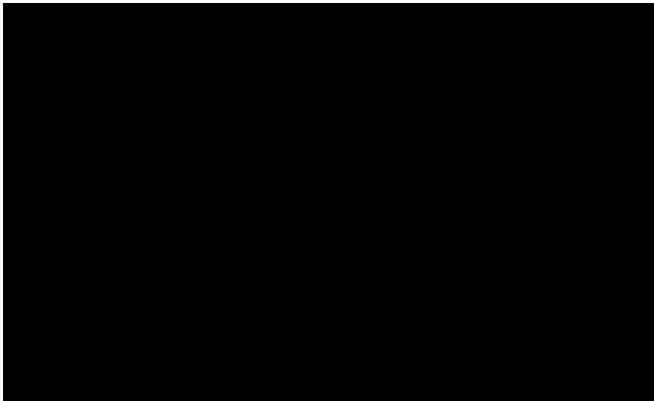
Signature of witness:

Address:



Occupation:

Signed as a deed by
ROBERT SEDGWICK
in the presence of:



.....

Signature of witness:

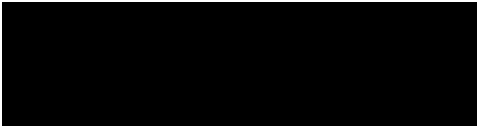
Name:

Address:

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Occupation:

Signed as a deed by)
FRASER ROBERTSON)
in the presence of:)

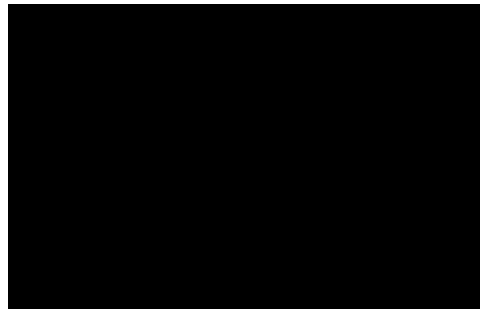


Signature of witness:

Name:

Address:

Occupation:



Signed as a deed by
EDWARD HENRY
in the presence of:



Signature of witness:

Name:

Address:

Occupation: