

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

This Document comprises an Admission Document drawn up in compliance with the requirements of the NEX Exchange Rules and is being issued in connection with the proposed admission of World High Life Plc to the NEX Exchange Growth Market. This Document does not constitute and the Company is not making an offer to the public within the meaning of sections 85 and 102B of FSMA. Therefore, this Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the Financial Conduct Authority (FCA) or any other authority which could be a competent authority for the purposes of the Prospectus Directive. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA. This Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK.

The Directors of the Company, whose names are set out on page 18 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document including the Company's compliance with the NEX Exchange Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the issued ordinary share capital of the Company to be traded on the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the NEX Exchange Growth Market on 12 September 2019.

WORLD HIGH LIFE PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 11797850)

Admission to trading on the NEX Exchange Growth Market



NEX Exchange Corporate Adviser
Peterhouse Capital Limited



SHARE CAPITAL ON ADMISSION

Ordinary Shares of 1.0 pence each

Number of Ordinary Shares in issue
110,398,091

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

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on

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

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

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

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

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

OVERSEAS SHAREHOLDERS

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

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

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage",

“estimate”, “intend”, “may”, “plan”, “will” or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

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

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

CONTENTS

DEFINITIONS	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	9
SHARE ADMISSION STATISTICS	9
DIRECTORS, SECRETARY AND ADVISERS	10
 PART I.....	 11
INFORMATION ON THE COMPANY	11
 PART II.....	 22
RISK FACTORS	22
 PART III.....	 32
FINANCIAL INFORMATION ON WORLD HIGH LIFE PLC	32
SECTION A ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF WORLD HIGH LIFE PLC AND HISTORICAL FINANCIAL INFORMATION ON WORLD HIGH LIFE PLC	32
PART IV	44
ADDITIONAL INFORMATION	44

DEFINITIONS

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

“Act”	the Companies Act 2006, as amended
“Admission”	admission of the issued ordinary share capital of the Company to trading on the NEX Exchange Growth Market becoming effective in accordance with the NEX Exchange Rules
“Articles” or “Articles of Association”	the articles of association of the Company from time to time
“Board” or “Directors”	the directors of the Company, whose names are set out on page 18 of this Document
“Business Day”	a day other than Saturday or Sunday or a public holiday in England and Wales
“City Code”	the City Code on Takeovers and Mergers
“Company”	World High Life Plc, a company registered in England and Wales with company number 11797850 and whose registered office is at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW
“Consultants”	the consultants who have been issued and allotted shares in the Company as consideration for services being Evander Kane, Proactive Investors, Yini Lu, Mike Evariste, K. Charlie Perperidis, Rodimus II Securities Ltd and Westridge Management International Limited
“CREST”	the computerised settlement system (as defined in the CREST Regulations) to facilitate the transfer of title in shares and the holding of shares in uncertificated form which is operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
“Document”	this document and its contents
“Existing Ordinary Shares”	the 110,398,091 Ordinary Shares of £0.01 each in issue as at the date of this Document
“First Issue Subscription”	the first issue of private subscriptions to raise £909,157.12 through the issue of 90,915,712 Ordinary Shares at a price of £0.01 per share
“FCA”	the United Kingdom Financial Conduct Authority
“Foreign Counsel”	independent legal counsel who is familiar with local operations in the relevant foreign territory in which the Company is seeking to target and invest in
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“GMP”	means good manufacturing practice, a system for ensuring that products are consistently produced and controlled according to quality standards.
“Initial Subscribers”	the initial subscribers who subscribed for the First Issue Subscription and Second Issue Subscription at prices of £0.01 and £0.06 per Ordinary Share completed on 27 August 2019
“Investment Vehicle”	as defined in paragraph 4 of Part I of this Document

“Investor Warrants”	the 7,245,698 warrants to be issued to all participants in the Second Issue Subscription and Third Issue Subscription, each such warrant entitling the holder to subscribe for one new Ordinary Share at a price of £0.12 per share (in respect of the Second Issue Subscription Warrants) and £0.20 per share (in respect of the Third Issue Subscription Warrants), further details of which are set out in Part IV of this Document.
“Issued Share Capital”	the issued ordinary share capital of the Company immediately following Admission, being the Existing Ordinary Shares
“MAR” or “Market Abuse Regulation”	EU Regulation 596/2014 of the European Parliament and the Council of 16 April 2014, as may be amended from time to time
“NEX Exchange”	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA
“NEX Exchange Growth Market”	the primary market for unlisted securities operated by NEX Exchange
“NEX Exchange Rules”	the NEX Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the NEX Exchange Growth Market
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 1.0 pence each in the capital of the Company
“Panel”	as defined in paragraph 17 of Part I of this Document
“Persons Discharging Managerial Responsibility”	as defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as at the date of this Document
“Peterhouse”	Peterhouse Capital Limited, NEX Exchange Corporate Adviser to the Company, which is authorised and regulated by the FCA
“QCA Code”	the Corporate Governance Code for Small and Mid-sized Quoted Companies 2018, published in April 2018 by the Quoted Companies Alliance
“Reverse Takeover”	an acquisition by the Company which constitutes a reverse takeover for the purposes of the NEX Exchange Rules
“Rule 9”	as defined in paragraph 17 of Part I of this Document
“Second Issue Subscription”	the second issue of private subscriptions to raise £389,978.52 through the issue of 6,499,642 Ordinary Shares at a price of £0.06 per share
“Second Issue Subscription Warrants”	the 3,249,828 warrants to be issued to all participants in the Second Issue Subscription, each such warrant entitling the holder to subscribe for one new Ordinary Share at a price of £0.12 per share, further details of which are set out in Part IV of this Document
“Shareholders”	the persons who are registered as the holders of Ordinary Shares from time to time

“Significant Shareholders”	those Shareholders whose holdings represent more than 3 per cent. of the Issued Share Capital or voting rights of the Company
“Subsidiary”	as defined in the Act
“Technical Advisory Board”	the board established by the Company and made up of individuals who review and analyse the Company’s proposed investments from time to time being Dr Kaiyo Nedd and Dr David L Cooper as at the time of Admission
“Third Issue Subscription”	the third issue of private subscriptions to raise £1,099,174 through the issue of 10,991,737 Ordinary Shares at a price of £0.10 per share
“Third Issue Subscription Warrants”	the 3,995,870 warrants to be issued to all participants in the Third Issue Subscription, each such warrant entitling the holder to subscribe for one new Ordinary Share at a price of £0.20 per share, further details of which are set out in Part IV of this Document
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Counsel”	legal counsel appropriately qualified in England and Wales
“UK Legislation”	the laws that are in force in England and Wales, Scotland and Northern Ireland from time to time
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations may be transferred by means of CREST

GLOSSARY

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

“ACMD”	the Advisory Council on the Misuse of Drugs
“Cannabis”	Cannabis, also known as marijuana, is a plant, the by-products of which are used for medical or recreational purposes
“CBD”	Cannabidiol (commonly known as CBD), is one of the identified chemical compounds found in cannabis plants which has been studied for many therapeutic uses
“Hemp”	hemp is a variety of the cannabis sativa plant and includes industrial hemp
“Medicinal Cannabis”	a broad term for any sort of cannabis based medicine used to relieve symptoms
“Member States”	those 28 states that make up the European Union
“MDA 1971”	the Misuse of Drugs Act 1971
“MDR 2001”	the Misuse of Drugs Regulations 2001 (S.I. 2001/3998)
“MDDO 2001”	the Misuse of Drugs (Designation) Order 2001
“MHRA”	Medicines Healthcare Regulatory Products Agency
“MMPR”	Marihuana for Medical Purposes Regulations
“POCA 2002”	Proceeds of Crime Act 2002
“SOCPA 2005”	Serious Organised Crime and Police Act 2005
“THC”	Tetrahydrocannabinol (commonly known as THC) which is the principal psychoactive compound of the cannabis plant

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	12 September 2019
Admission to trading on the NEX Exchange Growth Market effective and commencement of dealings in the Ordinary Shares	8:00 a.m. on 12 September 2019
Ordinary Shares credited to CREST accounts (where applicable)	12 September 2019
Despatch of share certificates (where applicable)	By 12 September 2019

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

SHARE ADMISSION STATISTICS

Issued Share Capital on Admission	110,398,091 Ordinary Shares
Expected share price on Admission	10p per Ordinary Share
Market capitalisation on Admission at the expected Admission price	£11,039,309.10
NEX Exchange Growth Market symbol (TIDM)	LIFE
ISIN Number	GB00BK777P75
LEI	213800ERYVHIGFSPMM75

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Stadnyk (Chairman and Chief Executive Officer) Robert Payment (Executive Director and Chief Financial Officer) Kevin Ernst (Non-Executive Director) Charles (<u>Charlie</u>) Lamb (Independent Non-Executive Director)
Secretary	Heytesbury Corporate LLP 7-9 Swallow Street London W1B 4DE
Registered Office	The Broadgate Tower 20 Primrose Street London EC2A 2EW
NEX Exchange Corporate Adviser	Peterhouse Capital Limited 3 rd Floor 80 Cheapside London EC2V 6EE
Legal Advisers to the Company as to English law	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal Advisers to the Company as to Canadian law	Dentons Canada LLP 15 th Floor, Bankers Court 850 – 2 nd Street SW Calgary AB T2P 0R8 Canada
Reporting Accountants and Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Ltd The Courtyard 17 West Street Farnham GU9 7DR
Website	www.worldhighlife.uk

PART I

INFORMATION ON THE COMPANY

1. Background

The Company was incorporated on 30 January 2019 as an Investment Vehicle to identify investment opportunities and acquisitions in companies to specifically take advantage of the rapidly changing regulatory environment surrounding legal Medicinal Cannabis as well as investment opportunities within the Hemp and CBD wellness sectors. The Company has raised £2,398,309 through three issues of Ordinary Shares to private subscribers between 26 June 2019 and 27 August 2019.

The investment strategy of the Company is to focus on making investments and/or to acquire companies operating within the burgeoning legal Medicinal Cannabis, Hemp and CBD industries to achieve an attractive total return primarily through capital appreciation.

The Company will monitor deregulation as it relates to Medicinal Cannabis globally with a particular emphasis on Europe to ensure that the Company can take advantage of proposed changes to relevant laws.

The Company's investment strategy will be three-fold in that it will emphasise investments in: (1) Medicinal Cannabis sectors within countries that are recognised as providing well-developed and reputable laws and regulations for the production, research and distribution of Medicinal Cannabis; (2) the CBD wellness sectors; and (3) the diverse Hemp sectors (including the industrial Hemp sector). The Board believes that by working closely with the Technical Advisory Board and taking advantage of the technical knowledge they can provide, they are well equipped to identify and implement the Company's investment strategy.

2. Introduction to Cannabis

Cannabis is a genus of flowering plants which has been used for thousands of years for medicinal and recreational use as well as providing a source of fibre for textiles and providing seeds and oil which are used in food and cooking.

Three species of cannabis are commonly recognised: *C. indica*, *C. sativa* and *C. ruderalis* with *sativa* and *indica* being the most frequently referred to.

The cannabis plant has been found to contain more than 100 pharmacologically active compounds called cannabinoids and terpenes. The most important of these compounds are two cannabinoids; tetrahydrocannabinol (THC) and cannabidiol (CBD). THC is the principal psychoactive component of cannabis known for its euphoric effects whilst CBD is known for its calming effects. Terpenes in cannabis interact with the cannabinoids and are also responsible for the distinctive aroma of the plant.

Sativa generally has very low concentrations of THC and relatively high concentrations of CBD, whilst some strains can contain up to 30% THC. In the United Kingdom, THC and certain other cannabinoids are deemed controlled substances under the MDA 1971, while CBD is not deemed a controlled substance.

There are four distinct cannabis-related markets:

- i) Medical cannabis - plant based/derived products which are used to treat specific conditions and prescribed by a medical practitioner;
- ii) Pharmaceutical cannabis - products based on cannabinoids which have received clinical approval and licensed as a medicine e.g. Sativex;
- iii) CBD wellness - CBD infused products such as capsules and oils which contain no controlled substances and are regulated as food supplements;
- iv) Recreational cannabis - cannabis used for non-medical purposes, illegal in many countries (including the UK) and therefore obtained via criminal means.

In addition, there is a significant Hemp industry which yields four main products - fibres, shivs, pharmaceuticals and seeds. The cultivation of Hemp is regulated both in the UK (by the Home Office) and also by each of the governing bodies of the Member States. The varieties of Hemp which are allowed to be grown in the EU are those listed in the EU's "Common Catalogue of Varieties of Agricultural Plant Species" where the THC content of the plant must not exceed 0.2% for industrial purposes and must be grown from EU approved seeds.

3. Potential Medical Benefits of Cannabinoids

There is a growing movement globally to use cannabinoids to treat various conditions and this is reflected in the number of jurisdictions that have deregulated or are considering deregulating cannabinoid consumption. The current Chief Medical Officer for England and Chief Medical Advisor to the UK Government, Professor Dame Sally Davies, and ACMD

have reported that there is conclusive evidence of the therapeutic benefit of Cannabis-based medicinal products for certain medical conditions. Patients have also reported numerous benefits from the use of cannabinoids; including relieving insomnia, anxiety, spasticity and pain, as well as treating life-threatening conditions such as epilepsy. Chronic pain is the segment which is expected to see the fastest growth within the next few years and there are many studies that have shown that Medicinal Cannabis is an effective way to treat chronic pain while being substantially safer than many other options. The benefits of using cannabinoids to treat epilepsy symptoms were acknowledged by the Home Office in two high profile cases when it initially granted specific licences to two children before undertaking further deregulation on 1 November 2018 which now allows specialist doctors to prescribe Medicinal Cannabis for a number of conditions in certain limited circumstances.

The Board believes its experience coupled with the substantial technical experience of the Technical Advisory Board will allow them to successfully identify and assess opportunities in line with the investment strategy of the Company as well as effectively navigate the dynamic regulatory nature of the market.

4. Definition of an Investment Vehicle

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

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

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

5. Investment Strategy

The Company will look to identify investment opportunities in the Medicinal Cannabis, Hemp and CBD sectors globally with a particular interest in the European and Canadian markets. The investment strategy will focus on markets that are internationally recognised as having well-developed and reputable laws and regulations relating to the research and production of Medicinal Cannabis, Hemp and CBD; as well as therapeutic Cannabis derivatives including but not limited to nutraceuticals, dietary supplements and cosmetic products. The Directors believe that there are numerous investment opportunities within the CBD wellness industry, the Hemp industry and the Medicinal Cannabis industry. The Company will undertake due diligence on investment opportunities encompassing the breadth of the Medicinal Cannabis, Hemp and CBD Sectors including their ancillary industries and services including, but not limited to:

- the cultivation of Cannabis and Hemp;
- the manufacture and distribution of Medicinal Cannabis, Hemp and CBD products,
- pharmacological commercialisation of Medicinal Cannabis, Hemp and CBD;
- professional prescription by practitioners and after care as it relates to Medicinal Cannabis;
- statistical management, laboratory testing and compliance in respect of Medicinal Cannabis, Hemp and CBD sectors; and
- the development of CBD within the wellness sector including retail products such as patches, topical ointments, tinctures, beverages, powdered supplements as well as vaping capsules, e-liquids and oils.

Geographically the Directors believe that the following significant opportunities exist:

- in Europe, where there is the opportunity to capitalise on the existing Medicinal Cannabis, CBD and Hemp industries and the development of ancillary services, such as advisory firms, in a potentially large market as a result of the trend towards deregulation as it relates to Medicinal Cannabis, with no less than 13 countries having allowed or currently discussing the use of Cannabis for medical reasons;
- in Canada, where the estimated total market size of Medicinal Cannabis is expected to reach CAD\$2.35 billion dollars by 2025 (up from CAD\$400 million in 2017);
- in Africa and South America, where low cost production of Medicinal Cannabis and Hemp can be achieved in conjunction with building and operating plants to create derivative products for the wellness and medical markets;
- in Israel; where a number of products are being developed including edible, dissolvable and topical cannabinoids in order to improve the way Medicinal Cannabis and CBD products are administered to improve effectiveness; and
- in Asia; where the medicinal cannabis market is estimated to be worth \$5.8 billion by 2024.

The Board will continue to monitor the deregulation of Medicinal Cannabis as a whole and particularly in Europe to

ensure the Company is best placed to take advantage of such opportunities once deregulation occurs.

The Directors believe that there are numerous investment opportunities within both private and public companies as they relate to Medicinal Cannabis, CBD and Hemp and may make investments in early-stage businesses and/or more mature operating companies. The Company is likely to be an active investor and acquire control in certain situations, although it may also consider acquiring non-controlling positions. A proposed investment may be as debt or equity, in either quoted or unquoted securities, and made by direct acquisition of an interest in companies, partnerships or joint ventures, or direct interests in projects, or by way of licensing arrangements. The Company may need to raise additional funds for these purposes and may use both debt and/or equity. It is anticipated that the Company will hold investments for the medium to long term, although where opportunities exist for shorter-term investments, the Company may undertake such investments.

It is anticipated that returns to Shareholders will be delivered primarily through an appreciation in the price of the Ordinary Shares rather than capital distribution through regular dividends. In addition, there may be opportunities to spin out businesses in the form of distributions to Shareholders or make trade sales of business divisions and therefore contemplate returns through special dividends. Given the nature of the Company's strategy, the Company does not intend to make additional regular and periodic disclosures or calculations of net asset value outside of the requirements for a NEX Exchange Growth Market traded company.

The amount of research undertaken in relation to Medicinal Cannabis has increased significantly in recent years and this is reflected in the increase in related scientific publications between 2000 and 2017 by almost nine fold. This trend is expected to continue and the Board, acting in conjunction with the expertise of the Technical Advisory Board will look to support such research through investment.

The Board believes that its significant experience and knowledge of the Medicinal Cannabis industry and its participants will enable them to successfully navigate the identification, evaluation and execution of investment opportunities as well facilitating internal growth. The Board will also consider adding to their number or employing external advisors where the need arises. The Company will also undertake comprehensive due diligence (with the support of the Technical Advisory Board) before executing any internal business plan or making any investment. The Company will ensure that any business which it establishes, invests in or acquires complies with applicable local laws and regulations. The Company has also entered into consultancy agreements with the Consultants covering a wide spectrum of services so as to support the board and assist the Company in implementing its investment strategy.

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

The investment strategy is intended to be reviewed on an annual basis and, subject to such review and in the absence of any unforeseen circumstances, the Directors intend to adhere to the investment strategy. Changes to the investment strategy may be prompted by changes in government policies or economic conditions which alter or introduce additional investment opportunities. The Directors intend to invest the Company's cash resources, as far as practicable, in accordance with the investment strategy; however, market and other investment considerations may necessitate that cash resources of the Company are not fully invested for some time.

In compliance with Rule 48 of the NEX Exchange Rules, if the Company (as an Investment Vehicle) has not substantially implemented its investing policy after the period of one year following Admission, it will seek Shareholder approval in respect of the subsequent year for the further pursuit of its investment strategy.

Pursuant to Rule 49 of the NEX Exchange Rules, the Company (as an Investment Vehicle), is required to substantially implement its investment strategy within a period of two years following Admission. In the event that the Company has not undertaken a transaction constituting a Reverse Takeover under Rule 54 of the NEX Exchange Rules, or if it has otherwise failed to substantially implement its investment strategy within such two year period, NEX Exchange will suspend trading of the Company's Issued Share Capital in accordance with Rule 74 of the NEX Exchange Rules.

6. Investment Process

Investment Committee

An Investment Committee has been established by the Company and is comprised of the executive Directors, David Stadnyk and Robert Payment. The Investment Committee is tasked with maintaining a prudent and effective allocation of capital across the Company's investments and the Investment Committee will report to the Board on a regular basis. David Stadnyk shall chair the committee.

Investment identification and analysis

The Investment Committee will work in conjunction with the Technical Advisory Board and will; when required; consult with external advisors, including in-country experts and local partners to assist in the investment opportunity

identification. Particularly, the Investment Committee will liaise and, if necessary, instruct, Foreign Counsel to produce legal opinions relating to the terms and lawfulness of the Company's proposed investment in the relevant jurisdiction in which the investment is proposed. The Investment Committee will then review the legal opinion provided in conjunction with the UK legal advice provided and, where required, seek further UK legal advice.

The Investment Committee will take a risk adverse approach when reviewing legal advice to limit as far as possible the risk of breaching POCA 2002, MDA 1971, MDDO 2001 and MDR 2001. The Investment Committee will also seek to avoid any risk of breaching Money Laundering legislation and will seek to ensure that any prospective future dividends will not contravene any laws, having particular regard to whether there may be any breach of POCA 2002.

Once the Investment Committee, with the assistance of the Technical Advisory Board (and any counsel instructed), has completed any due diligence on a prospective investment, it will present its finding to the Non-Executive Directors. The Non-Executive Directors will in turn provide comments and recommendations to the Board as to whether the Company should pursue the prospective investment.

Investment execution

The Board will approve all investments made by the Company and as part of the approval process will consider any comments made by the Technical Advisory Board, any counsel opinion (if applicable) as well as any comments from the Company's NEX Exchange Corporate Adviser, who shall assess investment in the context of the NEX Exchange Rules.

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

7. Technical Advisory Board

The members of the Technical Advisory Board have technical experience and expertise within the Medicinal Cannabis, CBD and Hemp sectors and are tasked with providing advice to the Board in relation to each proposed investment to be made by the Company and to provide guidance on best practice within each of these sectors.

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

Dr David L. Cooper, Ph.D, M.D

Dr Cooper was educated at Westminster College, New Wilmington, PA, Florida State University - Division of Biochemistry and the University of Florida-School of Medicine. Dr Cooper has a 25-year C-level management career spanning start-ups to Fortune 500 companies in biotechnology, informatics, diagnostics and pharmaceuticals. While Professor of Molecular Pathology at Duke and UPMC Dr Cooper's research focused on defining the various isoforms and role of CD44 in tumour metastasis. He has authored more than 100 manuscripts including publications in Nature Medicine, the Proceedings of the National Academy of Science and the Journal of Cell Biology. Dr Cooper consults widely in the pharmaceutical, diagnostic and healthcare industries and holds various board seats including industry relevant Acreage Holdings and the American Cannabinoid Clinics.

Dr Kaiyo Nedd, M.D., C.C.F.P

Dr Nedd has been a practicing medical doctor for over 20 years in Vancouver B.C. He was educated at the University of British Columbia and MD. Howard University and the College of Medicine Washington D.C before undertaking emergency medicine rotation training at Harvard University Brigham and Women's Hospital and family practice residency training at Vancouver, St Paul's Hospital, completing the same in 2002. Since 2002 Dr Nedd has acted as medical director of West End Medical Centre in Vancouver British Columbia, which has provided broad patient exposure as well as Dr Nedd's involvement in several clinical trials and regular participation in pharmaceutical company advisory boards. In recent years Dr Nedd's focus has been on chronic pain and mental health and he has had deep clinical experience with the use of Cannabinoids and in the management of these conditions and continues to keep abreast of ongoing clinical research.

8. Investment in Legal Cannabis

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

Canada

Canada is seen as one of the world leaders in the Medicinal Cannabis industry and also provides a relatively large singular market with a population of approximately 37 million and an estimated total health expenditure of CAD\$253.5 billion in 2018. While Medicinal Cannabis was initially made available in 1999, the number of consumers continues to grow, the percentage of registered Medicinal Cannabis clients has increased each quarter since April 2015 with the number of registered clients reaching 342,103 in July – September 2018 (up from 330,334 in the previous quarter).

Europe

It is estimated that Europe is home to a population of 743.1 million people and its economy has an annual combined gross domestic product (GDP) of over €19 trillion. The combination of having a large population as well as globally significant economies provides a large market where annual governmental health care expenditure alone is over €1.08 trillion and total annual healthcare spend is estimated at €2.3 trillion. Europe is seen as a potential hotbed for new market development as at least six European countries are currently preparing new legislative bills on Medicinal Cannabis for local parliaments and most countries in the EU currently allow some form of Medicinal Cannabis. Prohibition Partners reports that the European Medicinal Cannabis market could be valued at almost €55 billion once all markets have implemented legislation and market infrastructure. In respect of the European CBD market, Brightfield Group have estimated significant growth over the next four years, estimating the market at US\$318 million in 2018 and expecting that it will grow over 400 percent by 2023.

Considered the largest economy in Europe, Germany with annual GDP of over €3.1 trillion and a population of over 82.2 million, introduced new Medicinal Cannabis legislation in March 2017 making Medicinal Cannabis legal. Furthermore, public health insurers, which provide cover to 90% of the population, are required to cover Cannabis medication. The ABDA (Federal Union of German Associations of Pharmacists) has reported that from March 2017 until the end of that year pharmacies sold over 44,000 units containing preparations and unprocessed flowers based on about 27,000 prescriptions; these figures have since increased significantly and over the past year pharmacies sold about 145,000 units based on approximately 95,000 prescriptions resulting in 145,000 units of Medicinal Cannabis. The costs of these prescriptions is provided for by the statutory health insurance. The large population, economy and increasing demand for Medicinal Cannabis makes Germany one of the most valuable markets in Europe.

The Netherlands started one of the first national Medicinal Cannabis programs in the world and the number of doctor's prescriptions for Medicinal Cannabis grew by more than 400 per cent to over 50,000 in the five years to 2017, according to figures from the Foundation for Pharmaceutical Statistics (SFK). The use of Medicinal Cannabis, which is only available with a doctor's prescription, expanded in the Netherlands in 2016 with an increase of 75 per cent. Jan Dirk Kroon of the SFK conservatively estimates that around 8,000 people in the Netherlands use Medicinal Cannabis.

Latin America

Prohibition Partners has reported that Latin America has potential to become a leading cultivation centre for global Cannabis as the facility construction and operation costs can be reduced by as much as 80% in comparison to North America or Europe due to low labour costs and an ideal climate for cultivation. These factors are further supported by the legal framework already in place as Latin America has been at the forefront of the deregulation of Medicinal Cannabis. Both Canada and the EU have already entered into free trade agreements with Colombia and Uruguay in relation to the international trade regulations of Medicinal Cannabis with Colombia being the first country in the region to introduce a regulatory export licence.

Africa

Lesotho was the first African nation to legalise Medicinal Cannabis and the Lesotho government has already granted a number of licences to grow, distribute and export marijuana-based products to international companies. Lesotho's entry into the industry has since been followed by South Africa and Zimbabwe and a number of other African governments are now considering legislative change. Medicinal Cannabis has a long history in the African continent and Cannabis use in Lesotho dates back to the 16th century with its high altitudes and fertile soil seen as conducive to Cannabis growing. Despite this significant history it wasn't until May 2017 that Lesotho granted its first licence to grow medical Cannabis. Similarly, despite only recent deregulation in South Africa the World Health Organisation estimates that South Africa is the third largest producer of Cannabis in the world and it is estimated there are 900,000 Cannabis farmers. The unregulated market in South Africa is hundreds of years old and Prohibition Partners have estimated that if the unregulated markets were legitimised, South Africa would become a powerhouse green economy with one of the most conducive growing climates in the world and a forecast Medicinal Cannabis market value of US\$667 million by 2023.

Asia

With a population of over 4.5 billion people as well as the world's largest continental economy (by both nominal and purchasing power parity GDP) Asia provides a very large market place which is predicted to maintain its position as the fastest growing region. Asia, like Africa, has a long history relating to Cannabis and Cannabis is actually thought to be indigenous to the steppes of Central Asia and grows widely throughout the continent. Despite this history, Medicinal Cannabis remains illegal in the majority of Asian countries although there has been a recent significant shift toward legalisation. Prohibition Partners has stated that the region is on course to become a major global production and supply hub that the Asian medicinal cannabis market could be worth an estimated US\$5.8 billion by 2024, adding "China and Japan would be the biggest value markets accounting for an estimated 75% share in 2024".

Middle East

In the Middle East, Lebanon's parliament is preparing to legalise Medicinal Cannabis and its cultivation, following the recommendation of a report from international consulting group, McKinsey. Economic Minister, Rae Khoury, told CNN, "It can provide around \$400 million to \$800 million of revenue to the country".

On 25 December 2018, the Israeli Parliament passed an amendment, which lifted export restrictions as they relate to Medicinal Cannabis. This represented a further step for a country in the Medicinal Cannabis space which is already known for its research prowess, having been described by Forbes as having a "well-earned reputation for being the Silicon Valley of the Middle East". The industry in Israel has significant parliamentary support and Israeli Minister for Agriculture, Uri Ariel, when discussing the Medicinal Cannabis landscape, noted "Israeli research conditions for growth in the field precede most countries in the world by five to seven years due to progressive regulation".

9. Summary of UK Legislation relating to Medicinal Cannabis

Background

The strategy of the Company is to conduct due diligence into Cannabis and Cannabis derivatives for medical and wellness purposes as well as to make investments into and acquisitions of businesses operating in the Medicinal Cannabis, Hemp and CBD wellness industries. These activities are subject to specific regulation under the MDA1971, the MDR 2001, the MDDO 2001 and the POCA 2002 in the UK.

Cannabis is a controlled drug and is assigned to Class B under the MDA 1971 based on the potential for harm, together with many of its derivatives. As noted above, CBD is not deemed a controlled substance, however, the Home Office has taken the stance that in their view it is very difficult to separate CBD from THC. Accordingly, unless it can be confirmed based on a full spectrum analysis that no controlled substance is present, a CBD product would be controlled. Class B is an intermediate category between Class A for the most harmful drugs and Class C for the least harmful drugs.

Under MDR 2001 and MDDO 2001, drugs can be imported, exported, produced, supplied and possessed under a licence issued by the Home Secretary. In mid-2018 the then Home Secretary Sajid Javid exercised his authority by granting individual licences to allow medical teams to have access to Cannabis-based medicine to treat certain individuals with severe forms of medical issues which were considered to be improved utilising Cannabis based medicinal products, the most prevalent of which were in patients who suffered from epilepsy. This was undertaken on a case-by-case basis with the involvement of the Home Secretary exercising his executive function under the MDR 2001 and MDDO 2001. The Home Secretary has also been given the necessary authority to make exceptions to the prohibition on the importation, exportation, supply, possession and cultivation of Cannabis by those without a licence. The Home Secretary's actions followed a public outcry over two boys with severe epilepsy being denied access to Cannabis oil.

A two part review was undertaken by the UK government as a result of support and campaigning for the legalisation of the distribution, supply possession and cultivation of Cannabis in the UK without a licence from the Home Office. The publicised cases of Alfie Dingley and Billy Caldwell created significant awareness of the issues pertaining to the limitation of access to Medicinal Cannabis with respect to those suffering from epilepsy. Chief Medical Officer for England and Chief Medical Advisor to the UK Government, Professor Dame Sally Davies undertook the first part of the review and considered the evidence available for the medical and therapeutic benefits of Cannabis-based medicines. In the review which was published in July 2018, it was reported there was conclusive evidence of the therapeutic benefit of Cannabis-based medicinal products for certain medical conditions and reasonable evidence of therapeutic benefit in several other medical conditions. The second part of the review considered the appropriate schedule for Cannabis-derived medicinal products under the MDR 2001 based on the balance of harms and public health requirements and was completed by the ACMD. The ACMD agreed with Professor Davies that there was evidence of the benefit of some Cannabis-derived medicinal products and that they have the potential to treat patients with certain medical conditions. The review concluded that the whole class of Cannabis-based medicinal products should be moved out of Schedule 1 of the MDR 2001 classification, which would allow them to be prescribed under controlled conditions by specialist registered practitioners for medical benefit. The two-part review's recommendations were heeded and since 1 November 2018, certain Cannabis based medicinal products are now placed in Schedule 2 of the MDR 2001 enabling them to be prescribed under controlled conditions by specialist registered practitioners for medicinal benefit.

On 8 August 2019, the National Institute for Health and Care Excellence ("NICE") released its draft findings for consultation and review on Medicinal Cannabis use within the NHS system. The findings of NICE were that, as at the date of the review, there was insufficient empirical evidence of the medical benefit of Medicinal Cannabis at the level that should be required for the NHS to authorise and fund the prescription of Medicinal Cannabis. NICE also cited within its findings that it considers Medicinal Cannabis to be disproportionately expensive for the benefits that have been evidenced to date. The findings of NICE are of general guidance to the NHS and are not legally binding but it should be anticipated that they will form the basis for all or part of the public policy for the NHS. This development does not affect the legality of Medicinal Cannabis and the ability for specialist registered practitioners to prescribe Medicinal Cannabis. As further empirical evidence is provided and the costs associated with Medicinal Cannabis reduced, the Directors believe that the determination of NICE may be revised.

As previously noted the cultivation of Hemp is regulated both in the UK (by the Home Office) and by other Member States. There is a list of the varieties of Hemp which are allowed to be grown in the EU and this is found in the EU's "Common Catalogue of Varieties of Agricultural Plant Species", where the THC content of the plant seeds must not exceed 0.2% for industrial purposes and must be grown from EU approved seeds.

Legality of the Company's Strategy

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

Whilst, under section 20 of the MDA 1971, a person or corporate body may commit a potential offence in the UK if they assist in or induce the commission in any place outside the UK of "an offence punishable under the corresponding laws" in force in that place, such actual offence is only committed if it is punishable in the jurisdiction in which it is commissioned. **As the Company will ensure its activities will be lawful under the laws of the jurisdiction in which they take place and are either lawful in the UK or capable under existing legislation of being lawful in the UK, the Directors believe that the Company's activities will not amount to "an offence punishable under the corresponding laws" and as such, no offence should be committed under section 20 of the MDA 1971.**

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

Receipt of dividends in the UK

Following the implementation of the Company's investment strategy, the Company may receive dividends from its subsidiaries and the Company may receive dividends or interest payments from any company the Company invests in in the future following such investments. Appropriate policies and procedures are in place, including having the Technical Advisory Board review the position and, where appropriate, external legal advice will be obtained ahead of any final investment decision being made, to ensure that the receipt of any dividends and interest complies with UK Legislation.

Despite an individual committing a potential offence if they (a) conceal, convert or transfer criminal property; (b) enter into or become involved in an arrangement to launder; and/or (c) use, acquire or possess criminal property under POCA 2002, they will not commit such an offence in certain cases where the conduct which gives rise to the criminal property under POCA 2002 occurs overseas. This defence applies where both (i) the conduct which gives rise to the criminal property is lawful in the place overseas where such activity is conducted, and (ii) if that activity occurred in the UK, it would not carry a maximum sentence of more than 12 months' imprisonment. As an example, the Directors understand that cannabis can lawfully be grown for medical purposes in Greece; and, as in theory it is also possible to obtain a licence under the MDA 1971 from the Home Secretary to cultivate cannabis in the UK for medical purposes, the Directors have been advised that - subject always to obtaining external legal advice ahead of any specific investment decision being made - no offence under POCA 2002 will be committed by a person in the UK receiving, holding, or transferring interest and dividends received from a company growing cannabis for medical purposes in Greece.

Given that the Company will ensure its subsidiaries' and investee companies' activities are lawful in the jurisdiction in which they take place and are either already lawful or are capable of being lawful in the UK, the Directors believe that the potential receipt of dividends and interest from subsidiaries and companies in which the Company may invest which are conducting the lawful production of and research into Medicinal Cannabis should not amount to an offence under the POCA 2002 in the UK. However, and as noted above, external legal advice will be obtained ahead of any final investment decision being made, to ensure that the receipt of any dividends and interest complies with UK Legislation.

10. Reasons for Admission to the NEX Exchange Growth Market

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

- improved negotiating position — the ability to enter into negotiations with vendors of businesses or companies, to whom the issue of publicly traded shares as consideration is potentially more attractive than the issue of shares in an equivalent private company for which no trading facility exists;
- access to funding — Admission will enable the Company to access working capital at later dates more effectively than if it were an unquoted company;
- increased corporate profile – the status of being a company whose shares are traded publicly could benefit

any business being acquired by increasing its profile; and

- the ability to attract and retain key staff — the ability to motivate personnel through the future grant of share options will assist the Company to attract, retain and motivate high calibre personnel.

11. Financial Information

The Company was incorporated on 30 January 2019 and has not yet commenced trading operations. Audited financial information on the Company from incorporation to 30 June 2019 is set out in Part III of this Document. The Company's current financial year end is 30 June.

12. Directors

Brief biographical details of the Directors are set out below:

David Stadnyk – Chairman and Chief Executive Officer (Aged 56)

David is the founder and senior partner of Stadnyk & Partners, a venture capital investment firm focused on small cap companies in the resources, biotech and pharmaceuticals sectors, headquartered in Vancouver. He has over 30 years' experience of founding and developing both public and private companies.

David has been at the forefront of the cannabis sector in Canada since 2012 and was a key contributor to the Marijuana for Medical Purposes Regulations which were in place between 2013 and 2016. He had been involved with a number of companies in the space including FSD Pharma, The Supreme Cannabis Company and Weekend Unlimited.

David previously owned the Vancouver Whitecaps soccer club and is a co-founder of the TSN 1040 Sports Radio Station in Vancouver. He serves as Chair of the Stadnyk Foundation, a not-for-profit society established to recognize and promote sport philanthropy among athletes, coaches and executives.

Robert Payment – Chief Financial Officer (Aged 37)

Robert is a Chartered Professional Accountant with 12 years' experience in finance, reporting, regulatory requirements, public company administration, equity markets, and financing of publicly traded companies. He commenced his career in private practise and since 2014 he has served as a consultant for a number of TSX Venture Exchange and Canadian Securities Exchange (CSE) listed companies.

Robert has extensive experience in the cannabis, manufacturing, natural resource, and retail industries. He received a BBA from Simon Fraser University and is a member in good standing of the Chartered Professional Accountants of British Columbia.

Kevin Ernst – Non-Executive Director (Aged 55)

Kevin has over 30 years' experience in the investment banking industry having started his career in wealth management with Merrill Lynch and then UBS before spending nine years at the New York Stock Exchange with responsibility for over 150 listings of North American and Asia-Pacific companies. Kevin is currently a partner in a Toronto based private equity group that specialises in strategic advisory and investments into private technology and healthcare companies.

Kevin holds both an Economics degree and an MBA from Rutgers University as well as NASD securities licences.

Charles (Charlie) Lamb – Independent Non- Executive Director (Aged 37)

Charlie has over 10 years of experience working as a Canadian corporate and securities lawyer at a large international law firm in New York. With extensive cross-border corporate and securities law experience, Charlie has worked on numerous corporate transactions, including mergers and acquisitions, public and private offerings of securities for investment funds, private equity funds and other alternative investment vehicles in the Canadian markets. He also has significant experience advising broker dealers, advisers and investment fund managers on Canadian compliance issues.

Charlie graduated from University of Victoria, British Columbia and is a member of the Law Society of Upper Canada. The Canadian Bar Association and the American Bar Association. He has resided in New York since 2009.

13. Significant Shareholders

The current Significant Shareholders of the Company, and their interests in the Company as at the date of this Document (as has been notified to the Company or that the Company is aware of) are as follows:

Shareholder	Shareholding	% of Share Capital

Christine McIntosh	19,333,333	17.51%
David Stadnyk	13,501,000	12.23%
Paul Saunders	10,666,667	9.66%
Andrew MacDonald	9,180,000	8.32%
Fortius Research & Trading Corp	5,700,000	5.16%
Fab Carella	5,670,000	5.14%
Litsa Perperidis	5,666,667	5.13%
TY & Sons Investments Inc	5,666,667	5.13%
The MacIachlan Investments Corporation	3,400,000	3.08%

14. Lock-In Agreements and Orderly Market Arrangements

- 14.1 On Admission, the Persons Discharging Managerial Responsibility being the Directors of the Company will, in aggregate, hold 17,464,332 Ordinary Shares, representing 15.8% of the Issued Share Capital. The Directors have agreed with the Company and Peterhouse, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission ("Lock-In Period") and then for the following 12 months not to dispose of their Ordinary Shares without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares.
- 14.2 On Admission, the Initial Subscribers shall hold 97,415,354 Ordinary Shares (which includes those shares subscribed for by the Persons Discharging Managerial Responsibility within the First Issue Subscription and Second Issue Subscription and discussed in paragraph 14.1 above) representing 88.2% of the Issued Share Capital. The Initial Subscribers have agreed with Peterhouse and the Company, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission ("Lock-In Period") and then for the following 12 months not to dispose of their Ordinary Shares without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares.
- 14.3 On Admission, the Consultants, shall hold 1,990,000 Ordinary Shares, representing 1.8% of the Issued Share Capital. The Consultants have agreed with the Company, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 6 months following Admission in order to maintain an orderly market for the Shares.

15. Dividend Policy

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

16. Corporate Governance

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the QCA Code. The Company has established an Audit Committee and a NEX Rules Compliance Committee with formally delegated duties and responsibilities. The Audit Committee will, on Admission, comprise Kevin Ernst, Robert Payment and Charlie Lamb, with Kevin Ernst as chairman and the NEX Rules Compliance Committee will, on Admission, comprise Charlie Lamb and Kevin Ernst with Charlie Lamb as chairman.

The composition of these committees may change over time as the composition of the board changes.

The Audit Committee will determine the terms of engagement of the Company's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review reports from management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee will have unrestricted access to the Company's auditors.

The NEX Rules Compliance Committee will ensure that procedures, resources and controls are in place to ensure that NEX Rules compliance by the Company is operating effectively at all times and that the executive directors are communicating effectively with the Company's nominated adviser regarding the Company's ongoing compliance with the NEX Rules and in relation to all announcements and notifications and potential transactions. Due to the size and nature of the Company the Board do not believe a remuneration committee is suitable, however, the Board will continue to assess the need for such a committee taking into account the principles of good governance.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the NEX Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 67 of the NEX Exchange Rules. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

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

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

17. The City Code

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

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

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

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

18. Share Options, Incentives and Warrants

The Directors believe that it is important for the success and growth of the Company to employ and engage highly motivated personnel and that equity incentives are available to attract, retain and reward employees, directors and consultants. In order to achieve that objective the Company intends to adopt an incentive plan under which it may award new Ordinary Shares to directors, employees and consultants pursuant to share option and incentive schemes approved by the Board. It is intended that any individual awards under any such scheme will be subject to vesting and/or performance conditions. Ordinary Shares under such plans will not exceed 20 percent of the Company's issued Ordinary Shares from time to time without the prior approval of the Shareholders.

On Admission the following Directors have the following warrants:

Warrant holders	Number of warrants	Exercise price per Ordinary Share	Exercise period
David Stadnyk	312,500	£0.12	2 years from 28 June 2019
David Stadnyk	187,500	£0.20	2 years from 19 July 2019
Robert Payment	25,000	£0.12	2 years from 28 June 2019
Robert Payment	15,000	£0.20	2 years from 19 July 2019
Charlie Lamb	47,619	£0.12	2 years from 28 June 2019
Charlie Lamb	28,572	£0.20	2 years from 19 July 2019
Kevin Ernst	52,083	£0.12	2 years from 28 June 2019
Kevin Ernst	31,250	£0.20	2 years from 19 July 2019

The terms of the Second Issue Subscription and the Third Issue Subscription also provide for all participants to be issued with Investor Warrants on the basis of half an Investor Warrant for each new Ordinary Share subscribed for. The Second Issue Subscription Investor Warrants allow the holder to subscribe for one new Ordinary Share for each Warrant held at a price of £0.12 per new Ordinary Share. The Third Issue Subscription Investor Warrants allow the holder to subscribe for one new Ordinary Share for each Warrant held at a price of £0.20 per new Ordinary Share. The Company has issued 7,245,698 Investor Warrants. The Investor Warrants are exercisable immediately upon issue and at any time up to two years from the date of issue, however, the Company can accelerate the date by which the warrants must be exercised in certain circumstances. Further details of the Investor Warrants are set out in Part IV of this Document.

In accordance with the terms of their appointment as NEX Exchange Corporate Adviser to the Company for the purposes of the NEX Rules Peterhouse have been granted the right to subscribe for 551,990 new Ordinary Shares at a subscription price of £0.10 exercisable at any time between the date of Admission and the third anniversary of the date of Admission. Exercise of such right is not subject to the satisfaction of any performance or other conditions. Further details of the warrants issued to Peterhouse are set out in Part IV of this Document.

19. Application to the NEX Exchange Growth Market

Application has been made for the Issued Share Capital to be admitted to trading on the NEX Exchange Growth Market. Dealings in the Ordinary Shares are expected to commence on 12 September 2019.

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

20. CREST

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

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

21. Taxation

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

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 11 of Part IV of this Document. These details are, however intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future.

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

22. Further Information and Risk Factors

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

PART II

RISK FACTORS

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

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

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

RISKS RELATING TO THE COMPANY

No Operating History

The Company has recently been incorporated and has no operating history upon which prospective investors may assess the likely performance of the Company. The Company's success will depend upon the Directors' ability to identify and manage future opportunities that may arise. The Company will have no operations or investments producing revenues or positive cash flow at the outset.

Project Development Risks

There can be no guarantee that the Company will be able to manage effectively the expansion of its operations or that the Company's current personnel, systems, procedures and controls will be adequate to support the Company's operations. Any failure of the Board to effectively manage the Company's growth and development may have material adverse effects on the Company's business, financial condition, results and/or future operations. There is no certainty that all, or indeed any, of the elements of the Company's current strategy will develop as anticipated and that the Company will be profitable.

RISKS RELATING TO THE COMPANY'S STRATEGY

The Company's Strategy

The implementation of the Company's strategy will have a significant effect on the success of the Company. While the Directors believe from their collective experience (along with input from the Technical Advisory Board) that they will be in a position to grow the Company and be in a position to identify and attract opportunities and investment in line with the Company strategy, there is no guarantee that such opportunities will present themselves or present themselves within adequate timeframes.

The Company's ability to implement their strategy within envisaged timeframes may be impacted as a result of the following:

- the Company may need to raise further capital to make investments and/or fund the assets or business invested in;
- the Company may be required to conduct extensive negotiations in order to secure and facilitate an investment;
- the necessitation of certain structures in order to facilitate an investment;
- the Company's intention to conduct rigorous due diligence prior to investment;
- market conditions, competition from other investors, or other factors may limit the Company in respect of identify suitable investments or such investments may not be available at the rate the Company currently envisages.

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

Global Expansion

There can be no guarantee that any market for the Company's future products (if any) will develop where the Company targets for investment. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including, changes in laws, economic instability, changes to regulations and the effects of competition. These factors may hamper the Company's capability to successfully expand its operations. This may have material adverse effects on the Company's business, financial condition, results and/or future operations.

Dependence on Directors and Technical Advisory Board

The Company is reliant on the performance of the Directors to achieve its strategic objectives as well as the performance of the Technical Advisory Board in their role in providing technical advice to the Directors. The failure of either in their roles as they relate to identifying, acquiring, managing, growing and disposals as they relate to the Company's strategy could have material adverse effects on the Company's short term and future success as it relates to the business, financial condition, and results.

Attraction and retention of key employees and personnel

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

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

Competition

Assuming the Company has made investments there will be competition within the respective industry generally and the Company will face competition from both existing competitors, who may make significant improvements to their products and additional competitor may enter the market.

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

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

The Company may have less market experience than its competitors. If competitors establish a more prominent market position than the Company, the Company may be unable to increase its sales or market share.

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

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

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

Article 50 Withdrawal

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

Success of the strategy not guaranteed

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

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

Dependence on Management and Investment Committee

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

Scarcity of suitably qualified individuals

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

Potential loss on investments

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

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

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

Investment in private companies

The Company may invest in or acquire companies held privately. These may be highly leveraged and have significant debt obligations, stringent operational and financial covenants and be at risk of defaulting under financing and contractual arrangements. Private companies may have little or no operating history upon which the Company may assess their likely performance. They may have smaller market shares than larger businesses, making them more vulnerable to changes in market conditions or the activities of competitors. Private Companies may also be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Joint Ventures

The Company or a business that in which it invests may enter into joint ventures. There is no guarantee that their joint venture partners will meet their obligations under the applicable joint venture agreement. This may lead to the Company suffering costs and/or other related losses. There is potential for a difference in the objectives of the Company and the respective joint venture partner. This may result in additional costs and/or other related losses and delays to the project. The Company may only have minority interests in the joint venture partnership or vehicle or project and therefore unable to exercise control over the operations. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

RISKS RELATING TO TARGET INVESTMENT COMPANIES AND OPPORTUNITIES

Target companies may be dependent on licences

The Company will look to target companies or projects which specialise in either the research and development of cannabinoid products or the production of such.

Investments involved in research and development or the production phase may be dependent on the grant of certain licences (subject to the jurisdiction in which the investments are undertaken) to enable them to operate.

Such licenses will be subject to on-going compliance and reporting obligations. In addition such investment are dependent on the relevant regulatory bodies as there is no guarantee that they will renew or extend a license, or renew or extend on the same terms as the previous one. Failure to comply, renew or maintain any license would have a material adverse effect on the target company's business, financial condition and operating results which in turn will materially adversely affect the Company's return on its investment.

Location specific licences

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

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

Target companies reliance on management and key personnel

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

Client acquisition and retention

A target company's success may depend on its ability to attract and retain patients or consumers. There are many factors which could impact this, including but not limited to the target company's ability to continually produce desirable and effective product, the successful implementation of a patient-acquisition plan and the continued growth in the aggregate number of patients selecting Medicinal Cannabis as a treatment option, and other companies producing or supplying similar products. A target company's failure to acquire and retain patients would have a material adverse effect on the business, financial condition and operating results of a target company and therefore a material adverse effect on the Company's return on investment.

Research and development and product obsolescence

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

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

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

Product liability

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

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

include inadequate warnings concerning possible side effects or interactions with other substances.

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

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

Product recalls

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

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

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

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

Shelf life of inventory

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

Reliance on key inputs

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

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

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

Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case-by-case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the investee company and assets. Any due diligence process involves subjective analysis and there can be

no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Aborted investments

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

Difficulties integrating investments

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

Joint ventures

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

RISKS RELATING TO THE CANNABIS INDUSTRY

The Cannabis Market

The Cannabis market is developing and there are no guarantees that it will continue to exist or grow as currently estimated or anticipated. The Cannabis market may not function and evolve in a manner consistent with the Board's expectations and assumptions. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Laws, Regulations and Guidelines relating to the Cannabis Industry

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

The Directors will take all precautions to ensure that the activities of the Company are in compliance with UK Legislation and the laws, regulations and guidelines of the jurisdictions in which they choose to operate in and that the Company does not contravene POCA 2002. The Directors will also ensure that the activities of any companies invested in by the Company in the future are in compliance with the laws, regulations and guidelines of the jurisdictions in which they operate in. If however any such laws, regulations or guidelines are subject to change, the Company may incur significant costs in complying with such changes or they may be unable to comply with such changes. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

On 8 August 2019, NICE released their draft paper on Medicinal Cannabis for consideration. Whilst such findings are not legally binding on the NHS, they will form the basis of all or part of public policy adopted by the NHS with respect to Medicinal Cannabis. NICE determined that there was insufficient empirical evidence currently and the associated costs of Medicinal Cannabis were disproportionately high, to justify Medicinal Cannabis being prescribed under the NHS. This could result in a limitation of the available market in the UK for Medicinal Cannabis despite prescriptions being capable of being issued by specialist registered practitioners outside of the NHS system.

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

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

In January 2019, the European Union's Novel Foods Catalogue was updated regarding CBD, other cannabinoids and hemp-derived products in food. While the Novel Food Catalogue (as maintained centrally by the EU) is non-exhaustive and carries no direct legal

power, it is frequently updated and amended with input from Member States, and is used as reference by authorities in EU countries (i.e. the Member States) to aid enforcement of Novel Food Regulations.

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

The UK Food Standards Agency (FSA) consulted with industry representatives, local authorities and other stakeholders following this change to the EU Novel Foods Catalogue. The consultation ended on 31 March 2019 and the FSA subsequently reported that food businesses had not been able to show that there had been a significant history of consumption of these products in food or food supplements in the EU prior to 15 May 1997. Accordingly, as at the date of this Document, the FSA has stated that it accepts the clarification from the EU that CBD extracts are considered Novel Foods. Press releases in issue as at the date of this Document confirm that the Food Standards Agency in the UK is working with stakeholders in the industry to determine a proportionate approach to Novel Food status and enforcement of such and indeed it is anticipated that guidance from the FSA on CBD products should be published in the autumn of 2019.

As at the date of this Document, whilst some Member States (such as Ireland) have determined the scope of the Novel Food status with respect to CBD, some other Member States have not, and this may leave consumers in some EU countries unable to access CBD, and producers unable to sell all CBD related products until matters are finally determined. Furthermore, the authorities in Austria have apparently banned the sale of CBD products for the time being as a result of the Novel Food classification.

The lack of clarity concerning the application of the novel foods regime to CBD products in certain jurisdictions could conceivably limit the products that it is possible to sell and market to customers. The Directors cannot provide any assurances that there will be any change to the novel food regime in the near future or at all.

Research on the Medical Benefits of Cannabis

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

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

Consumer Perception

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

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

Agricultural Risks

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

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

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

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

Competition

There is competition in the Cannabis market generally. The Company will face competition from both existing competitors, who may make significant improvements to their products, and additional competitors entering the market.

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

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

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

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

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

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

Damage to Reputation

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

The increased use of social media and the internet in general in recent years makes it easier for users to connect with each other and to share their opinions. This may lead to the spread of negative publicity and opinions on the Company and its activities.

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

RISKS ASSOCIATED WITH MAKING INVESTMENTS GEOGRAPHICALLY

Political Conditions

Although it is intended that investments will be made in countries where political conditions are generally stable, changes may occur in their political, fiscal and legal systems that might affect the ownership or operation of the Company's interests, including, inter alia, changes in exchange control regulations, expropriation of licences and rights, changes in government and in legislative and regulatory regimes.

The Company may choose to invest in countries that have less developed legal systems than the more established economies such as the UK and that may result in risks such as (a) effective legal redress in the courts of such jurisdiction, whether in respect of a breach of law or regulation or in an ownership dispute, being more difficult to obtain; (b) a higher degree of discretion on the part of governmental authorities; (c) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (e) relative inexperience of the judiciary and courts in such matters. In consequence the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurances that licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of an enforcement of such arrangements in the region in which the Company proposes to operate and/or invest in cannot be assured.

Restrictions on Foreign Investments

Some countries may prohibit or impose substantial restrictions on investments by foreign entities such as the Company. Certain countries may require governmental approval prior to investment by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of

securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have material adverse effects on the business, financial condition, results and future operations of the Company.

Currency Risks

The Company may operate and make investments in currencies other than the currency of the country that it is incorporated under the laws of. The Company does not currently intend to hedge against exchange rate fluctuations. Accordingly, the value of such operations and investments may be adversely affected by changes in currency exchange rates, which may have material adverse effects on the business, financial condition, results and future operations of the Company.

Environmental Factors

The Company's operations may be subject to environmental regulation (including regular environmental impact assessments and permitting) in all the jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

RISKS RELATING TO THE ORDINARY SHARES

Lack of Prior Market

There has been no prior public market in the Ordinary Shares. This means that the trading price of the Ordinary Shares is likely to be volatile.

There may be little or no trading in the Ordinary Shares, which may result in Shareholders being unable to dispose of their shareholdings at or above the Subscription Price or at all.

Fluctuations in the price of Ordinary Shares

The market price of Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets, additions or departures of the Company's management and/or key personnel and factors outside the Company's control, including, but not limited to, general economic conditions, the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares and changes in legislations or regulations.

Stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

Realisation of Investment

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. Potential investors should be aware that the value of Ordinary Shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times.

The Subscription Price may not be indicative of the market price of the Ordinary Shares following Admission. The market price of the Ordinary Shares following Admission may be significantly different from the Subscription Price. Shareholders may be unable to dispose of their shareholdings at or above the Subscription Price.

Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may be difficult to realise.

RISKS RELATING TO FINANCIAL MATTERS

Financing Risks and Requirements for Further Funds

It is likely that the Company will be required to seek further equity financing. The Company's ability to raise further funds will

depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms that are acceptable to it, or at all. If such funding is unavailable, the Company may be required to reduce the scope of its operations and investments or anticipated expansion, abandon its strategy, forfeit its interest in some or all of its assets, incur financial penalties or miss certain acquisition opportunities.

If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Ordinary Shares. The Company may issue Ordinary Shares as consideration for acquisitions or investments, which would result in a dilution of Shareholders' respective shareholdings. Equity issues may result in a change of control of the Company.

Tax Risks

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

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

RISKS RELATING TO TRADING ON THE NEX EXCHANGE GROWTH MARKET

Investment in Unlisted Securities

Investments in shares traded on the NEX Exchange Growth Market are perceived as involving a higher degree of risk and of being less liquid than investments in those companies admitted to trading on the Main Market or Alternative Investment Market, both of the London Stock Exchange.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

Market risks

Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may be difficult to realise.

Continued admission to the NEX Exchange Growth Market is entirely at the discretion of NEX Exchange.

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

PART III

FINANCIAL INFORMATION ON WORLD HIGH LIFE PLC

SECTION A

ACCOUNTANTS' REPORT ON THE SPECIAL PURPOSE HISTORICAL FINANCIAL INFORMATION OF WORLD HIGH LIFE PLC

PKF Littlejohn LLP

The Directors
World High Life Plc
Hill Dickinson LLP 8th Floor
20 Primrose Street
London, EC2A 2EW

The Directors
Peterhouse Capital Limited
3rd Floor
80 Cheapside
London EC2V 6EE

PKF
Accountants &
business advisers

11 September 2019

Dear Sirs

WORLD HIGH LIFE PLC (the "Company")

Introduction

We report on the special purpose historic financial information set out in Section B of Part III (the "Financial Information") relating to World High Life Plc ("the Company"). This information has been prepared for inclusion in the NEX Exchange admission document dated 12 September 2019 (the "Admission Document") relating to the proposed admission to NEX Exchange of World High Life Plc and on the basis of the accounting policies set out in note 4. This report is given for the purpose of complying with section 7.3.1 of Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers published by NEX Exchange Limited and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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

Save for any responsibility arising under section 7.3.1 of Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with section 7.3.1 of Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Basis of opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 12 September 2019, a true and fair view of the state of affairs of World High Life Plc as at 30 June 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the NEX Growth Market – Rules for issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the NEX Exchange Rules.

Yours faithfully

A handwritten signature in black ink, appearing to read 'PKF Littlejohn LLP', is written over a faint, light blue circular stamp.

PKF Littlejohn LLP

Reporting Accountants

PART III

SECTION B

HISTORICAL FINANCIAL INFORMATION OF WORLD HIGH LIFE PLC

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Company is stated below:

	Note	Period ended 30 June 2019 £
Revenue		-
General and administrative expenses	5	145,067
Foreign exchange gain		(65,939)
Operating loss		<u>79,128</u>
		-
Finance charges		-
Result Before Taxation		<u>79,128</u>
Income tax		-
Total comprehensive loss for the period		<u>79,128</u>
Loss per share		(0.01)
Weighted average number of ordinary shares		14,154,687

The accompanying notes are an integral part of this financial information.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Company is stated below:

		As at 30 June 2019
	Note	£
ASSETS		
Current assets		
Cash		1,307,456
Receivables		286
Total assets		1,307,742
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	6	33,731
Total liabilities		33,731
Equity attributable to owners		
Share capital	7	886,413
Share premium	7	291,233
Shares to be issued	7	175,493
Retained earnings deficit	7	(79,128)
Total equity attributable to owners		1,274,011
Total equity and liabilities		1,307,742

The accompanying notes are an integral part of this financial information.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company is as follows:

	Period ended 30 June 2019
	£
Cash flows from operating activities	
Loss before income tax	(79,128)
Add back:	
Increase in receivables	(286)
Increase in trade and other payables	33,731
Net cash outflow used in operating activities	(45,683)
Cash flows from financing activities	
Cash received from issue of shares	1,177,646
Share subscriptions received in advance	175,493
Net cash inflow from financing activities	1,353,139
Net increase in cash	1,307,456
Cash at beginning of period	-
Cash at end of period	1,307,456

STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity of the Company as follows:

	Number of ordinary shares	Share capital £	Share premium £	Shares to be issued £	Retained earnings deficit £	Total equity £
At incorporation	1,000	10	-	-	-	10
Ordinary shares issued at £0.01 each	82,815,712	828,157	-	-	-	828,157
Ordinary shares issued at £0.06 each	5,824,642	58,246	291,233	-	-	349,479
Share subscriptions received in advance	-	-	-	175,493	-	175,493
Net loss for the period		-	-	-	(79,128)	(79,128)
As at 30 June 2019	88,641,354	886,413	291,233	175,493	(79,128)	1,274,011

The accompanying notes are an integral part of this financial information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information

World High Life Limited was incorporated by Certificate of Incorporation in England and Wales on 30 January 2019 with registration number 11797850 under the Companies Act 2006. The limited company reregistered as a public company on 6 August 2019, and thus became World High Life Plc (the “Company”) on the same date.

The address of its registered office is The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW.

The Company is an investment vehicle with a focus on developing business opportunities in the regulated cannabis industry in Europe. The Company’s focus is on building and facilitating the growth of a diversified portfolio of assets including medical cannabis and CBD wellness consumer products. No dividends have been declared or paid since the date of incorporation.

2 Basis of preparation

Statement of compliance

This Financial Information of the Company has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the NEX Exchange Growth Market – Rules for Issuers and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union (“IFRS”) and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. This financial information was authorised for issuance by the Board of Directors on XX August 2019.

This financial information has been prepared under the historical cost convention, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, this financial information has been prepared using the accrual basis of accounting.

The financial information of the Company is presented in Pounds Sterling, the functional currency of the Company.

Going Concern

This financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realise its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial information does not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company’s ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company’s ability to continue as a going concern.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial information.

New standards, amendments and interpretations adopted by the Company

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 30 January 2019:

- IFRS 9 Financial Instruments;

Note 4 explains the impact of adoption of IFRS 9 on the company’s financial information.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- Amendments to IFRS 3, Business Combinations (“IFRS 3”)

In October 2018, the IASB issued “Definition of a Business (Amendments to IFRS 3)”. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of

integrated activities is not a business. The amendments are effective for business combinations and asset acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3 Use of estimates, assumptions and judgements

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial information, and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4 Significant accounting policies

Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates" ("IAS 21"). The functional currency of the Company is Pounds Sterling.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Cash

In the Statement of Cash Flows, cash comprises cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Taxation

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets

On initial recognition, financial assets are recognised at fair value and are subsequently classified and measured at: (i) amortised cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortised cost or FVOCI, are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognised based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognised for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognised in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortised cost decreases, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortised cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities is classified as other financial liabilities and carried on the statement of financial position at amortised cost.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and other equity instruments are recognised as a deduction from equity. Ordinary shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of ordinary shares issued in the private placements to be the more easily measurable component and the ordinary shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

5 Nature of expenses

	Period ended 30 June 2019
General and administrative expense	£
Office related costs	7,737
Travel and subsistence	45,496
Professional fees	91,834
As at 30 June 2019	145,067

6 Liabilities

	As at 30 June 2019
	£
Accounts payable	33,731
As at 30 June 2019	33,731

7 Share capital and reserves

Unlimited ordinary shares with £0.01 par value. As of 30 June 2019 there were 88,641,354 ordinary shares outstanding.

Issued and Outstanding – Ordinary Shares

1. In January 2019 the Company was incorporated with an issued share capital of £10 divided into 10 ordinary shares with a nominal value of £1.00. A sub-division of share capital was undertaken in March 2019 whereby the issued capital of the Company of 10 ordinary shares of £1.00 each was split into 1,000 ordinary shares of £0.01 each.
2. In June 2019 the Company issued 82,815,712 ordinary shares at a price of £0.01 per share for gross proceeds of £828,157.
3. In June 2019 the Company issued 5,824,642 units at a price of £0.06 per unit for gross proceeds of £349,479 with each unit consisting of one ordinary share and one half of a share purchase warrant. The nominal value of £0.01 per share totalling £58,246 was recorded to share capital and £291,233 was recorded to share premium. Each full warrant entitles the holder to acquire an additional ordinary share at a price of £0.12 per ordinary share for a period of 2 years from the date of issuance. If the price of the ordinary shares of the Company trade above £0.30 per share on a stock exchange for 10 consecutive days, the Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given.
4. In accordance with a £0.10 unit offering a total £175,493 had been collected by the Company prior to closing.

Warrants

A summary of warrant activity is as follows:

	Number of warrants	Weighted average exercise price
		£
At incorporation	-	-
Granted during the period	2,912,328	0.12

As at 30 June 2019

2,912,328

0.12

The following table summarises warrants outstanding at 30 June 2019:

Expiry date	Number of warrants	Weighted average exercise price £	Weighted average years remaining
28 June 2021	2,912,328	0.12	2.00

8 Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the period ended 30 June 2019 the Company did not enter any key management transactions.

9 Financial instruments

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of receivables, accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

10 Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarised below.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable UK and Canadian financial institutions, from which management believes the risk of loss is remote. Receivables consists of amounts due from the Government of the UK in which management believes the credit risk to be minimal. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at 30 June 2019, the Company's financial liabilities consist of due to related party, accounts payable and accrued liabilities, which have contractual maturities within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at 30 June 2019 the Company had cash, accounts payable and accrued liabilities, denominated in Canadian dollars ("CAD"). A 10% fluctuation in the foreign exchange rate between the Pound Sterling and Canadian dollar would

have a £130,000 impact on profit or loss for the period. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

11 Capital management

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in the United Kingdom and Europe with respect to cannabis legislation, and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirement.

12 Subsequent events

In July 2019 the Company issued 3,079,928 units at a price of £0.10 per unit for gross proceeds of £307,993 (of which £175,493 was received as at 30 June 2019) with each unit consisting of one ordinary share and one half of a share purchase warrant. Each full warrant entitles the holder to acquire an additional ordinary share at a price of £0.20 per ordinary share for a period of 2 years from the date of issuance. If the price of the ordinary shares of the Company trade above £0.50 per share on a stock exchange for 10 consecutive days, the Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given.

In July 2019 the Company issued 1,990,000 ordinary shares for services totalling £199,000.

In August 2019, the Company issued and allotted a further 7,285,000 Ordinary Shares to raise £728,500 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.

In August 2019, the Company issued and allotted a further 8,100,000 Ordinary Shares to raise £81,000 at a subscription price of £0.01.

In August 2019, the Company issued and allotted a further 675,000 Ordinary Shares to raise £40,500 at a subscription price of £0.06 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.12 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.30 or more for a period of 10 days.

In August 2019, the Company issued and allotted a further 626,809 Ordinary Shares to raise £62,681 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.

PART IV

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated in England and Wales as a private limited company on 30 January 2019 with the registered office at 71-75 Shelton Street, London, Greater London, United Kingdom, WC2H 9JQ.
- 1.2 The Company was re-registered as a public limited company on 6 August 2019 under the Companies Act 2006 under the name World High Life PLC with registered number 11797850 and registered office at The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW.
- 1.3 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.4 The registered office of the Company is The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW. The Company's telephone number is +44 (0) 203 983 3098.
- 1.5 The accounting reference date of the Company is currently 30 June.

2. Share Capital of the Company

- 2.1 Since incorporation, there have been the following changes to the issued share capital of the Company:
- 2.1.1 The Company was incorporated with an issued share capital of £10.00 divided into 10 Ordinary Shares with a nominal value of £1.00.
- 2.1.2 A sub-division of share capital was undertaken on 20 March 2019 whereby the issued capital of the Company of 10 ordinary shares of £1.00 each was split into 1,000 Ordinary Shares of £0.01 each.
- 2.1.3 By resolutions passed on 26 June 2019 it was resolved that:
- (a) the Directors be generally and unconditionally authorised, in accordance with section 551 of the Act, to allot equity securities (as defined in section 560 of the Act),
- (i) in the case of Ordinary Shares, having a nominal amount; and
- (ii) in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares in the Company having a nominal amount,
- not exceeding, in aggregate, £20,000,000. provided that the power granted by this authority shall expire on 31 December 2020, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
- (b) the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by the resolution set out at paragraph 2.1.3 (a) above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities having:
- (i) in the case of Ordinary Shares, having a nominal amount; and
- (ii) in the case of other equity securities, giving the right to subscribe for or convert into Ordinary Shares having a nominal amount,
- not exceeding, in aggregate, £20,000,000 provided that the power granted by this resolution shall expire on 31 December 2020 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
- 2.1.4 On 26 June 2019, the Company allotted and issued 82,815,712 Ordinary Shares to raise £828,157.12 at a

subscription price of £0.01.

- 2.1.5 On 28 June 2019, the Company issued and allotted 5,824,642 Ordinary Shares to raise £349,478.52 at a subscription price of £0.06 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.12 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.30 or more for a period of 10 days.
- 2.1.6 On 15 July 2019, the Company issued and allotted 250,000 Ordinary Shares at a subscription price of £0.10 to Evander Kane in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.6.
- 2.1.7 On 19 July 2019, the Company issued and allotted 3,079,928 Ordinary Shares to raise £307,992.80 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.
- 2.1.8 On 22 July 2019, the Company issued and allotted 240,000 Ordinary Shares at a subscription price of £0.10 to Proactive Investors in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.10.
- 2.1.9 On 24 July 2019, the Company issued and allotted 100,000 Ordinary Shares at a subscription price of £0.10 to Yini Lu in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.7.
- 2.1.10 On 24 July 2019, the Company issued and allotted 300,000 Ordinary Shares at a subscription price of £0.10 to Mike Evariste in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.8.
- 2.1.11 On 24 July 2019, the Company issued and allotted 500,000 Ordinary Shares at a subscription price of £0.10 to K. Charlie Perperidis in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.9.
- 2.1.12 On 30 July 2019, the Company issued and allotted 300,000 Ordinary Shares at a subscription price of £0.10 to Rodimus II Securities Ltd in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.11.
- 2.1.13 On 31 July 2019, the Company issued and allotted 300,000 Ordinary Shares at a subscription price of £0.10 to Westridge Management International Limited in return for services provided and to be provided to the Company, further details of which are set out within this Part IV at paragraph 8.12.
- 2.1.14 On 16 August 2019, the Company issued and allotted a further 7,285,000 Ordinary Shares to raise £728,500 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.
- 2.1.15 On 27 August 2019, the Company issued and allotted a further 8,100,000 Ordinary Shares to raise £81,000 at a subscription price of £0.01.
- 2.1.16 On 27 August 2019, the Company issued and allotted a further 675,000 Ordinary Shares to raise £40,500 at a subscription price of £0.06 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.12 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.30 or more for a period of 10 days.
- 2.1.17 On 27 August 2019, the Company issued and allotted a further 626,809 Ordinary Shares to raise £62,681 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.
- 2.2 Pursuant to the Act, with effect from 1 October 2009, the concept of authorised share capital was abolished and accordingly there is no limit on the maximum number of shares that may be allotted by the Company save for those

restrictions set out in the Articles.

- 2.3 As at 11 September 2019 (being the latest practicable date prior to the issue of this Document), the issued and fully paid up share capital of the Company was as follows:

Issued and fully paid		
Number and Class	Nominal Amount (£)	Total Aggregate Amount (£)
110,398,091 Ordinary Shares	0.01	1,103,980.91

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

Issued and fully paid on Admission		
Class	Nominal Amount (£)	Total Aggregate Amount (£)
110,398,091 Ordinary Shares	0.01	1,103,980.91

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

3. Summary of the Articles of Association of the Company

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law. The Articles, which were adopted by special resolution passed on 31 July 2019, contain, inter alia, provisions to the following effect:

3.1 Voting rights

At general meetings of the Company, on a show of hands every member holding Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share held by him.

3.2 Variation of rights

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

3.3 Transfer of shares

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

3.4 Return of capital on a winding up

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

3.5 Restrictions on shares

If the Board is satisfied that a member or any person appearing to be interested in shares in the Company has been

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

3.6 *Pre-emption*

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

3.7 *Share capital*

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

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

3.8 *Purchases and redemption*

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

3.9 *Borrowing powers*

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

3.10 *Dividends and other distributions*

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

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

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

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

3.11 *Directors*

At every annual general meeting any Directors:

- (a) who have been appointed by the Directors since the last annual general meeting; or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings must retire from office and may offer themselves for reappointment by the members.

The Directors may resolve to authorise a matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that

conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

The Directors who do not hold executive office shall be paid by way of fees for their services as directors such sums as the Board may from time to time determine.

Each Director shall be entitled to any reasonable expenses as he may properly incur, including in attending meetings of the Board, committees of the Board, general meetings or separate meetings of any class of shares or of debentures of the Company.

Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two but is not subject to any maximum (unless determined by ordinary resolution). A Director shall not be required to hold any shares in the Company by way of qualification.

The Directors may purchase and maintain insurance at the expense of the Company for a person who is, or was at any time, a Director, officer or employee of the Company or any other body in which the Company is or has been interested, against any liability incurred by such persons in respect of any act or omission in the actual or proposed exercise of their powers and/or otherwise is relative to their duties, powers or offices in relation to the Company or any such other company, body or pension fund.

3.12 *Authorisation and Notification of interests*

The Board may authorise a matter in respect of any situation in which a Director has, or can have, a direct or indirect interest that conflicts with the interests of the Company, provided that:

- (a) the Director has declared the full nature and extent of the situation to the board; and
- (b) the Directors (other than the conflicted Director who shall not be counted in the quorum at any meeting of the Directors and shall not vote on any resolution of the Directors in relation to such authorisation) may resolve to authorise the conflict and determine the continuing performance by the Director of his duties in relation to such matter.

3.13 *Overseas members*

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

3.14 *Meetings of Shareholders*

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

3.15 *CREST*

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

4. Directors' Interests

- 4.1 On Admission the interests of the Directors and their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) (within the meaning of sections

252 to 254 of the UK Companies Act 2006) in the Issued Share Capital are and will be as follows:

Name	Number of Ordinary Shares on Admission	% of Issued Share Capital
David Stadnyk	13,501,000	12.23%
Robert Payment	680,000	0.62%
Kevin Ernst	1,416,666	1.28%
Charlie Lamb	1,866,666	1.69%

- 4.2 The Company and the Directors are neither aware of any arrangements or operations which may, at a subsequent date, result in a change in control of the Company, nor, that the Company is owned or controlled directly or indirectly by any entity.
- 4.3 Save as disclosed in paragraphs 4.1 above and 5.1 below, as at the date of this Document, the Directors are not aware of any interest which will immediately following Admission represent 3 per cent. or more of the Issued Share Capital or voting rights of the Company or of any person who, directly or indirectly, jointly or severally, exercises or could exercise control of the Company.
- 4.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.5 Charlie Lamb is independent of any Significant Shareholders and investments of the Company.
- 4.6 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

5. Significant Shareholders

- 5.1 As at 11 September 2019 (being the latest practicable date prior to the publication of this Document) the Company has been notified or is aware of the following holdings which will, following Admission, represent more than 3 per cent. of the Issued Share Capital or voting rights of the Company:

Name	Number of Ordinary Shares on Admission	% of Issued Share Capital
Christine McIntosh	16,333,333	17.51%
David Stadnyk	13,501,000	12.23%
Paul Saunders	10,666,667	9.66%
Andrew MacDonald	9,180,000	8.32%
Fortius Research & Trading Corp	5,700,000	5.16%
Fab Carella	5,670,000	5.14%
Litsa Perperidis	5,666,667	5.13%
TY & Sons Investments Inc	5,666,667	5.13%

The MacLachlan Investments Corporation	3,400,000	3.08%
--	-----------	-------

6. Directors' Terms of Appointment

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

- (a) On 11 September 2019, David Stadnyk entered into a service agreement with the Company, under the terms of which Mr Stadnyk has agreed to act as an Executive Director of the Company. The service agreement is effective from Admission and may be terminated by either party giving to the other not less than one months' notice in writing. The fee payable is £8,000 per month which shall accrue day-to-day and be payable in monthly arrears. The Director's fees will be reviewed on the first anniversary of Admission.
- (b) On 11 September 2019, Robert Payment entered into a service agreement with the Company, under the terms of which Mr Payment has agreed to act as an Executive Director of the Company. The service agreement is effective from Admission and may be terminated by either party giving to the other not less than one months' notice in writing. The fee payable is £2,500 per month which shall accrue day-to-day and be payable in monthly arrears. The Director's fees will be reviewed on the first anniversary of Admission.
- (c) A letter of appointment with Mr Charlie Lamb was entered into on 11 September 2019 under the terms of which Mr Lamb has agreed to act as an Independent Non-Executive Director of the Company. The letter of appointment may be terminated by either party giving to the other not less than one months' notice in writing. The fee payable to Mr Lamb is £1,500 per month. The Director's fees will be reviewed on the first anniversary of Admission.
- (d) A letter of appointment with Mr Kevin Ernst was entered into on 11 September 2019 under the terms of which Mr Ernst has agreed to act as an Non-Executive Director of the Company. The letter of appointment may be terminated by either party giving to the other not less than one months' notice in writing. The fee payable to Mr Ernst is £1,500 per month. The Director's fees will be reviewed on the first anniversary of Admission.

Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company.

The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 30 June 2019 was £nil.

7. Additional Information on the Directors

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

Director	Current Directorships	Past Directorships
David Stadnyk	Not applicable.	The Supreme Cannabis Company (formerly Supreme Pharmaceutical Inc.) Codebase Ventures Inc. M Pharmaceutical Inc. 1933 Industries Inc. (formerly Friday Night Inc. and 9800760 Canada Inc.) Stadnyk & Partners (as Partner)
Robert Payment	Not applicable	Not applicable
Kevin Ernst	Nerds On Site Inc. (Audit Committee) Weekend Unlimited Inc.	Not applicable
Charlie Lamb	Not applicable	Not applicable

- 7.2 Save as disclosed in paragraph 7.1 above none of the Directors has:

- 7.2.1 had any previous names;
- 7.2.2 any convictions in relation to fraudulent offences;
- 7.2.3 had any bankruptcy order made against him or entered into any voluntary arrangements;

- 7.2.4 been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - 7.2.5 been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 7.2.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 7.2.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - 7.2.8 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.
- 7.3 None of the Directors has, or has had, any conflict of interest between any duties to the Company and their private interests or any duties they owe. The Company does not intend to make investments which involve related parties, but if any such investment is to be proposed, the Company will comply with the requirements related to such transactions under the NEX Exchange Rules.
- 8. Material Contracts**
- 8.1 Cairn Financial Advisers LLP Engagement Letter
- An engagement letter dated 10 April 2019 was signed by the Company with Cairn under which Cairn agreed to provide certain corporate finance services to the Company. The agreement was terminated by mutual consent on 28 August 2019.
- 8.2 Peterhouse Engagement Letter
- An engagement letter dated 27 August 2019 was signed by the Company with Peterhouse under which Peterhouse agreed to act as the Company's corporate adviser in connection with the Admission and the Company's corporate adviser for the purposes of the NEX Rules. In consideration for providing the services specified in the engagement letter, the Company agreed to pay Peterhouse a fee of £25,000, to be paid upon Admission (plus any applicable VAT, disbursements or charges incurred by reason of the timetable for Admission being extended).
- Pursuant to the agreement Peterhouse will also be granted a transferable warrant to subscribe for such number of shares which are equal to 0.5% of the ordinary share capital as at the date of Admission, at a subscription price of £0.10 and exercisable within 3 years of Admission.
- 8.3 Peterhouse Corporate Adviser Agreement
- On 11 September 2019, the Company entered into a corporate adviser agreement with Peterhouse pursuant to which, conditional upon Admission, the Company appointed Peterhouse to act as its corporate adviser for the purposes of the NEX Rules. The Company agreed to pay Peterhouse an annual retainer of £25,000 per annum (exclusive of VAT and disbursements) commencing on Admission (such fee being payable in quarterly instalments paid quarterly in advance) together with reasonable out-of-pocket expenses which are incurred in respect of such services. The amount of the annual retainer is subject to review each year on the anniversary of the date of the agreement. The agreement sets out the ongoing responsibilities of both parties and contains various undertakings, indemnities and warranties given by the Company to Peterhouse. The Company or Peterhouse may terminate the agreement at any time after the first anniversary of the date of the agreement by Peterhouse or the Company giving to the other not less than 3 months' prior written notice.
- 8.4 Lock-In Agreements
- 8.4.1 Lock-in agreements dated 11 September 2019 between (1) the Persons Discharging Managerial Responsibility, being the Directors (2) the Company and (3) Peterhouse, (the "PRDMR Lock-In Agreements") pursuant to which the Persons Discharging Managerial Responsibility have agreed with Peterhouse and the Company not to dispose of any Ordinary Shares held by them for a period of 12 months from Admission (the "Lock-In Period"). In addition, each of the Persons Discharging Managerial Responsibility referred to above have undertaken to the Company and Peterhouse not to dispose of their Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Shares. Certain disposals are excluded from the PDMR Lock-In Agreements including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of the death of a

Person Discharging Managerial Responsibility or as otherwise agreed to by the NEX Exchange Growth Market and Peterhouse. The PDMR Lock-In Agreements also contain covenants given by the Persons Discharging Managerial Responsibility to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the PDMR Lock-In Agreements.

- 8.4.2 Lock-in agreements dated 11 September 2019 between (1) the Initial Subscribers and (2) the Company, (the “Initial Subscribers Lock-In Agreements”) pursuant to which the Initial Subscribers have agreed with the Company not to dispose of any Ordinary Shares held by them for a period of 12 months from Admission (the “Lock-In Period”). In addition, each of the Initial Subscribers referred to above have undertaken to the Company not to dispose of their Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company in order to maintain an orderly market for the Shares. Certain disposals are excluded from the Initial Subscribers Lock-In Agreements including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of the death of an Initial Subscriber or as otherwise agreed to by the NEX Exchange Growth Market. The Initial Subscribers Lock-In Agreements also contain covenants given by the Initial Subscribers to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Initial Subscribers Lock-In Agreements.
- 8.4.3 Lock-in agreements dated 11 September 2019 between (1) the Consultants and (2) the Company, (the “Consultants Lock-In Agreements”) pursuant to which the Consultants have agreed with the Company not to dispose of any Ordinary Shares held by them for a period of 6 months from Admission (the “Lock-In Period”). Certain disposals are excluded from the Consultants Lock-In Agreements including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of the death of a Consultant or as otherwise agreed to by the NEX Exchange Growth Market. The Consultants Lock-In Agreements also contain covenants given by the Consultants to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Consultants Lock-In Agreements.

8.5 Investor Warrants

The Investor Warrants are constituted by, and issued subject to and with the benefit of an investor warrant instrument issued to each holders of Investor Warrants are and will be bound by all the terms and conditions set out in that investor warrant instrument as follows:

- 8.5.1 the Second Issue Subscription Warrant holders are entitled in respect of every one Investor Warrant held to subscribe for one Ordinary Share in the Company at a price per share of £0.12.
- 8.5.2 the Third Issue Subscription Warrant holders are entitled in respect of every one Investor Warrant held to subscribe for one Ordinary Share in the Company at a price per share of £0.20.
- 8.5.3 the Investor Warrants registered in a holder’s name will be evidenced by a certificate issued by the Company.
- 8.5.4 each Second Issue Subscription Warrant may be exercised by the holder at any time after the date on which the Investor Warrants are issued and before the second anniversary of the date of their issue (being 28 June 2019 or 27 August 2019) provided always that in the event that the Company’s share price equals or exceeds £0.30 over a period of ten consecutive trading days then the Company may service notice on the holders requiring exercise of the Investor Warrants within thirty days of service of notice failing which the Investor Warrants shall expire.
- 8.5.5 each Third Issue Subscription Warrant may be exercised by the holder at any time after the date on which the Investor Warrants are issued and before the second anniversary of the date of their issue (being 19 July 2019, 16 August 2019 or 27 August 2019) provided always that in the event that the Company’s share price equals or exceeds £0.50 over a period of ten consecutive trading days then the Company may service notice on the holders requiring exercise of the Investor Warrants within thirty days of service of notice failing which the Investor Warrants shall expire.
- 8.5.6 in order to exercise the whole or any part of its holding of Investor Warrants a holder must deliver to the Company (whilst the Investor Warrants are still valid) a notice of exercise together with the relevant certificate and the payment for the Investor Warrants being exercised;
- 8.5.7 once delivered to the Company a notice of exercise of Investor Warrants issued by a holder shall (save with the consent of the Company) be irrevocable;
- 8.5.8 subject to the any restrictions under the laws of England and Wales a holder may transfer all or any of their warrants as if they were Ordinary Shares in accordance with the Articles;
- 8.5.9 Ordinary Shares allotted pursuant to the exercise of Investor Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the Articles, shall be entitled in full to all dividends and

distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant notice of exercise was delivered to the Company and shall otherwise rank pari passu in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.

8.6 Letter of Intent

On 15 July 2019, the Company entered into a non-binding letter of intent with Evander Kane pursuant to which Evander Kane and the Company have summarised the basis of which the parties will negotiate with a view to entering into a binding agreement in which Evander Kane shall act as a brand ambassador for the Company. In consideration of Evander Kane entering into the letter of intent the Company has paid a fee of £25,000 which has been satisfied in full by the issue to Evander Kane of 250,000 new Ordinary Shares.

8.7 Consulting Agreement – Yini Lu

On 24 July 2019, the Company entered into a consulting agreement with Yini Lu pursuant to which Yini Lu provides expertise relating to operational and promotional activities. In consideration for the provision of the services the Company has paid a consultancy fee of £10,000 which has been satisfied in full by the issue of Yini Lu of 100,000 new Ordinary Shares. The consulting agreement also includes conflict of interest and ownership of data provisions.

8.8 Consulting Agreement – Mike Evariste

On 24 July 2019, the Company entered into a consulting agreement with Mike Evariste pursuant to which Mike Evariste provides expertise relating to capital markets and such other consulting services as to the Company and Mike Evariste may from time to time agree upon for a period of one year. In consideration for the provision of the services the Company has paid a consultancy fee of £30,000 which has been satisfied in full by the issue of Mike Evariste of 300,000 new Ordinary Shares. The consulting agreement also includes confidential information provisions

8.9 Consulting Agreement – K. Charlie Perperidis

On 24 July 2019, the Company entered into a consulting agreement with K. Charlie Perperidis pursuant to which K. Charlie Perperidis provides expertise relating to capital markets and such other consulting services as to the Company and K. Charlie Perperidis may from time to time agree upon for a period of one year. In consideration for the provision of the services the Company has paid a consultancy fee of £50,000 which has been satisfied in full by the issue of K. Charlie Perperidis of 500,000 new Ordinary Shares. The consulting agreement also includes confidential information provisions.

8.10 Letter of Engagement - Proactive Investors

On 22 July 2019, the Company agreed to the letter of engagement provided by Proactive Investors in which Proactive Investors have agreed to provide services for a term of 12 months, such services shall include but not be limited to editorial coverage of the Company's press releases, analyst commentary and conference calls for an annual fee of £35,000 (excl VAT) which shall be satisfied in part through the issue of 240,000 new Ordinary Shares at a price of £0.10 with the balance to be provided in cash.

8.11 Consulting Agreement – Rodimus II Securities Ltd

On 30 July 2019, the Company entered into a consulting agreement with Rodimus II Securities Ltd pursuant to which Rodimus II Securities Ltd provides expertise relating to capital markets and such other consulting services as to the Company and Rodimus II Securities Ltd may from time to time agree upon for a period of one year. In consideration for the provision of the services the Company has paid a consultancy fee of £30,000 which has been satisfied in full by the issue of Rodimus II Securities Ltd of 300,000 new Ordinary Shares. The consulting agreement also includes confidential information provisions.

8.12 Consulting Agreement - Westridge Management International Limited

On 31 July 2019, the Company entered into a consulting agreement with Westridge Management International Limited pursuant to which Westridge Management International Limited provides expertise relating to capital markets and such other consulting services as to the Company and Westridge Management International Limited may from time to time agree upon for a period of one year. In consideration for the provision of the services the Company has paid a consultancy fee of £30,000 which has been satisfied in full by the issue of Westridge Management International Limited of 300,000 new Ordinary Shares. The consulting agreement also includes confidential information provisions.

9. Related Party Transactions

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

Document.

10. Litigation

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

11. United Kingdom Taxation

General

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

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 5 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are "employment related securities" as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares.

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

Taxation of dividends

United Kingdom resident shareholders

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 7.5 per cent up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 32.5% up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 38.1% being at the additional rate of income tax.

Dividends received by the trustees of discretionary or accumulation trusts and not exceeding the first band will be taxed at 7.5%. The first band is established by taking £1,000 and dividing this amount by the number of settlements formed by the settlor up to a maximum of 5. The minimum first band is £200. Any dividends received by such trusts in excess of the first band will be taxed at 38.1%. If the shareholder is in doubt as to the amount of the first band, then independent professional advice should be sought.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Companies

Subject to UK dividend exemption rules, a corporate Shareholder resident in the UK (for tax purposes) should generally not be subject to corporation tax or income tax on dividend payments received from the Company.

Non-residents

Non-UK resident shareholders may be liable to tax on the dividend income under the tax law of their jurisdiction of residence and should consult their own tax advisers in respect of their liabilities on dividend payments.

Taxation of chargeable gains

United Kingdom resident shareholders

A disposal of Ordinary Shares by a Shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on a disposal of Ordinary Shares.

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2020 is £12,000. Generally speaking, where the individual's taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year ended 5 April 2020 the allowance is £6,000. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

Non-residents

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation through such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

All non-resident or non-domiciled shareholders should seek professional advice before considering a transaction which be considered a chargeable gain.

Companies

For UK corporates, chargeable gains are currently chargeable at the rate of 19 per cent subject to indexation which may apply to reduce any such gain, although indexation cannot create or increase a capital loss. Other reliefs may be relevant.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

The NEX Growth Market is a designated a Recognised Growth Market by HMRC which means that trades executed in UK companies on this market are exempt from UK Stamp Duty and Stamp Duty Reserve Tax.

Inheritance tax

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

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

12. General

- 12.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £203,000 (excluding VAT).
- 12.2 Except as disclosed in this Document and for the advisers named on page 10 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered

into any contractual arrangements to receive, directly or indirectly, from the Company on or after the start of trading on the NEX Exchange Growth Market, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.

- 12.3 Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2019, the date to which the Financial Information in Part III of this Document was prepared.
- 12.4 PKF Littlejohn LLP have been appointed as the auditors of the Company for the financial year ending 30 June 2019 PKF Littlejohn LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. PKF Littlejohn LLP's business address is at 15 Westferry Circus, Canary Wharf, London, E14 4HD.
- 12.5 PKF Littlejohn LLP has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and the references thereto. PKF Littlejohn LLP also accepts responsibility for its report.
- 12.6 Peterhouse Capital Limited, which is authorised and regulated by the FCA, has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears. Peterhouse Capital Limited is acting exclusively for the Company in connection with Admission and not for any other persons. Peterhouse Capital Limited will not be responsible to any other persons other than the Company for providing the protections afforded to customers of Peterhouse Capital Limited or for advising any such person in connection with Admission. Peterhouse Capital Limited is registered in England and Wales under company number: 02075091 and with registered address at 3rd Floor, 80 Cheapside, London, United Kingdom, EC2V 6EE.
- 12.7 There are no investments in progress and there are no future investments in respect of which the Directors have already made firm commitments which are significant to the Company.
- 12.8 No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.
- 12.9 The Directors accept responsibility for the financial information contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.
- 12.10 On Admission, the Company will have cash resources of £1,951,299 after expenses. The current funds are sufficient to fund the proposed uses stated in Part I of this Document.
- 12.11 Save for the Company's website at www.worldhighlife.uk and as set out in this Document, there are no patents or intellectual property rights, licenses or particular contracts, which are of material importance to the Company's business or profitability.
- 12.12 Save as disclosed in this Document, as far as the Directors are aware there are no environmental issues that may affect Company's utilisation of any tangible fixed assets.
- 12.13 The Shares have not been sold, nor are they available, in whole or in part, to the public in connection with the application for Admission.

13. Working Capital

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

14. Availability of this Document

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and from the offices of Peterhouse Capital Limited and shall remain available for at least one month after the date of Admission. The Document is also available on the Company's website www.worldhighlife.uk (please note that information on the website does not form part of the Admission Document unless that information is incorporated by reference into the Admission Document).

Dated: 12 September 2019