

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 resident in the UK, another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities. If you have sold or transferred all your Ordinary Shares you should send this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares in the Company, you should retain these documents, and consult the person through whom the sale or transfer was effected.

This Document comprises an Admission Document drawn up in compliance with the requirements of the AQSE Growth Market Rules and is being issued in connection with the proposed re-admission of AfriAg Global plc to the AQSE 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 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 Financial Conduct Authority or any other government or regulatory authority in the UK or elsewhere.

The Existing Directors and the Proposed Directors, whose names are set out on page 11 of this Document, accept full responsibility, collectively and individually (including any expressions of opinion), for the information contained in this Document, save for the information in relation to the Concert Party contained in this Document, for which the Concert Party collectively takes sole responsibility for. The Proposed Directors take sole responsibility for the content which relates to Apollon Formularies Ltd and the Proposed Directors in Part I, Part II, Part III, Part IV(A), Part IV(B) and Part VII. The Existing Directors take sole responsibility for the Notice of General Meeting in this Document. To the best of the knowledge and belief of the Existing Directors and the Proposed 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.

To the best of the knowledge and belief of each member of the Concert Party (who has taken reasonable care to ensure that such is the case), accept responsibility for the information contained in paragraph 10 of Part I of this Document (including any expressions of opinion) as pertains to that Concert Party members is in accordance with the facts and does not omit anything likely to materially adversely affect the import of such information.

AFRIAG GLOBAL PLC

*(a company incorporated and registered in the Isle of Man under the
Isle of Man Companies Act 2006 with registered number 002845V)*

PROPOSED OFFER TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF APOLLON FORMULARIES LTD NOT ALREADY OWNED

APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS

CHANGE OF NAME TO APOLLON FORMULARIES PLC

PLACING AND SUBSCRIPTION OF 50,000,000 NEW ORDINARY SHARES AT 5 PENCE PER SHARE

NOTICE OF GENERAL MEETING

AQSE GROWTH MARKET CORPORATE ADVISER AND BROKER

PETERHOUSE CAPITAL LIMITED



**PETERHOUSE
CAPITAL**

Please note that arrangements for the General Meeting are different from previous meetings. Restrictions on personal movement and social distancing measures implemented by the UK Government in response to the COVID-19 pandemic means that special measures will be adopted for the General Meeting to protect the health and safety of Shareholders. The Existing Directors request that no Shareholders attend the meeting in person. Any Shareholders that do attend will be refused entry. Only those who are required to form the quorum will attend in person and those Shareholders will constitute the minimum quorum for the meeting to take place. Shareholders are encouraged to vote their shares by appointing the Chairman of the Company as proxy. You can vote by returning the proxy instructions that you received with this document.

Notice of a General Meeting of the Company to be held at 10 a.m. (London Time) on 12 April 2021 at 7-9 Swallow Street, London, United Kingdom, W1B 4DE, is set out at the end of this Document.

A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, must be completed and returned by post or by hand to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, marked for attention of Richard Macbeth, as soon as possible but in any event to be received not later than 10 a.m. (London Time) on 8 April 2021 or 48 hours (excluding non-business days) before any adjourned meeting.

Alternatively, Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message must be properly authenticated and contain the information required for such instructions as described in the CREST manual. The message must be transmitted so as to be received by the Company registrars, by no later than 10 a.m. (London Time) on 8 April 2021.

ONLY THE CHAIRMAN CAN BE APPOINTED AS YOUR PROXY FOR THIS PARTICULAR MEETING AND IN ADDITION, SHAREHOLDERS CANNOT ATTEND THIS MEETING IN PERSON.

The AQSE Growth Market, which is operated by Aquis Exchange PLC, a Recognised Investment Exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a Regulated Market under EU financial services law and AQSE Growth Market securities are not admitted to the Official List of the Financial Conduct Authority of the United Kingdom ("FCA"). Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in AQSE 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 the FSMA who specialises in advising on the acquisition of shares and other securities.

The Company is required by Aquis Stock Exchange to appoint an AQSE Growth Market Corporate Adviser to apply on its behalf for admission to the AQSE Growth Market and must retain an AQSE Growth Market Corporate Adviser at all times. The requirements for an AQSE Growth Market Corporate Adviser are set out in the Corporate Adviser Handbook and the AQSE Growth Market Corporate Adviser is required to make a declaration to Aquis Stock Exchange in the form prescribed by Appendix B. This Document has not been examined or approved by Aquis Stock Exchange or the Financial Conduct Authority.

Peterhouse Capital Limited ("Peterhouse"), which is authorised and regulated by the FCA, is the Company's AQSE Growth Market Corporate Adviser for the purposes of Admission. Peterhouse 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 Existing Directors, Proposed Directors or Concert Parties are solely responsible. Peterhouse 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 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 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 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 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.

Copies of this Document will be made available to the public during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) free of charge from the offices of Peterhouse at 3rd Floor, 80 Cheapside, London, EC2V 6EE and a copy is available on the website of the Company at <https://www.apollon.org.uk> (please note that information on this website, and information found on other websites linked to this website, does not form part of this Document unless that information is incorporated by reference into this Document).

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 Existing Directors, Proposed Directors, the Company or any other person or entity involved with this Document undertakes any obligation to update forward-looking statements or Risk Factors other than as required by law or the AQSE Growth Market Rules whether as a result of new information, future events or otherwise.

This document is dated 17 March 2021.

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DEFINITIONS

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

Act	the Isle of Man Companies Act, 2006.
Admission	the Admission of the Enlarged Share Capital to trading on the Aquis Stock Exchange.
AFI	Apollon Formularies, Inc. with its principal office address being 2 Springfield Place, Savannah, GA, 31411.
AFJ	Apollon Formularies Jamaica Limited, a private company registered in Jamaica with company number 92237 whose registered office is in Jamaica.
AFTL	Apollon Formularies Trading Limited, a former subsidiary of Apollon, which was registered in the British Virgin Islands and struck off the register on or around 12 July 2019.
Apollon or AFL	Apollon Formularies Ltd, a private company registered in England and Wales with company number 11489007 and registered address at 7-9 Swallow Street, London, United Kingdom, W1B 4DE.
Apollon Group	Apollon and its subsidiary undertakings.
Aquis Stock Exchange	Aquis Exchange PLC, a recognised investment exchange under section 290 of FSMA.
AQSE Growth Market	the primary market for unlisted securities operated by the Aquis Stock Exchange.
AQSE Growth Market Rules	the AQSE 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 AQSE Growth Market.
Articles or Articles of Association	the articles of association of the Company from time to time.
Associated Company	an associated employer under section 231 Employment Rights Act 1996, or any company in which the Company is directly or indirectly beneficially interested in 10% (ten per cent) or more of that company's issued ordinary share capital and for the purposes of this definition (including interpretation of s231 Employment Rights Act 1996) "company" includes any body corporate.
Biomass	organic matter produced by the metabolic processes of living organisms plant material used for energy production, heat production, or in industrial processes as raw material for a range of products.
cannabidiol or CBD	a non-psychoactive phytocannabinoid with broad therapeutic applications.
cannabis or cannabis sativa	a genus of aromatic herb plants belonging to the family Cannabaceae originating from Central Asia and now cultivated worldwide for medicinal, recreational and fibre uses, with the female plants being an abundant source of the psychoactive substance THC, and also known as marijuana.
Board or Directors	the board of directors of the Company at a particular point in time, whether comprised of the Existing Directors or the Proposed Directors.

Broker	Peterhouse Capital Limited, the corporate broker to the Company.
CBev	CBev Ventures, Inc., a company incorporated and registered in the State of Georgia, USA.
CLA	the Cannabis Licensing Authority of Jamaica.
Code	the City Code on Takeovers and Mergers.
Company	AfriAg Global PLC, a public limited liability company incorporated and registered in the Isle of Man with company number 002845V and registered office address at 34 North Quay, Douglas, Isle of Man, IM1 4LB.
Commitment Agreement	pursuant to a stock purchase agreement, the assignment of the 95% net profit interest and the commitment for the assignment of a 49% equity interest of AFJ to Apollon, which commitment is conditional on Admission of the Company to the AQSE Growth Market and approval of the assignment by the CLA.
Concert Party	the members of the concert party set out in para, 10 of Part I of this Document.
Consideration Shares	the new Ordinary Shares to be issued to the Vendors pursuant to the Offer Document.
CREST	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the holding and transfer of title to shares in uncertificated form.
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended.
Disposal	the disposal of the Company's African business.
Doc's Place	Doc's Place International, Inc., a company incorporated and registered in the State of Georgia, USA that is a party to a certain RPU with Apollon whereby 90% of its shares can be acquired by Apollon.
Enlarged Group	the Company and its investments and subsidiaries immediately following Admission.
Enlarged Share Capital	the Existing Ordinary Shares together with the New Shares
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST.
Existing Directors	David Lenigas, Hamish Harris and Donald Strang, who are the directors of the Company as at the date of this Document but will be resigning with effect from Admission.
Existing Ordinary Shares	the 31,710,011 Ordinary Shares in issue as at the date of this Document.
FCA	the Financial Conduct Authority of the United Kingdom.
FSMA	the Financial Services and Markets Act 2000, as amended.
Form of Proxy	the form of proxy for use at the General Meeting.

General Meeting	the general meeting of the Company convened pursuant to the Notice and to be held at 7-9 Swallow Street, London, United Kingdom, W1B 4DE at 10 a.m. (London Time) on 12 April 2021.
Independent Shareholders	shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with him or her, who are capable of voting on the Whitewash Resolution pursuant to the Takeover Code, being all of the shareholders of the Company other than any existing shareholder of the Company who is participating in either the Placing or the Subscription;
Licences	the medical cannabis licences granted to AFJ by the CLA, further details of which are set out in the Business Overview section of Part III of this Document.
Lock-in Agreement	the lock-in agreement amongst each Lock-in Party, the Company and Peterhouse as further described in para. 11 of Part I and para. 9.4 of Part VII of this Document.
Lock-in Party	Being each of the Proposed Directors, AFI and Roderick McIlfree.
London Stock Exchange	London Stock Exchange PLC.
Material Contracts	material contracts entered into either by the Company or Apollon, summaries of which are set out in para. 9 of Part VII of this Document.
medical cannabis	cannabis or cannabinoids that are prescribed by physicians for their patients in the treatment of a medical condition (such as pain, muscle spasticity, nausea and other indications); may contain THC concentrates or a combination of THC and CBD.
New Shares	together the Consideration Shares, the Placing Shares and the Subscription Shares.
Notice	the notice of General Meeting set out at the end of this Document.
Offer	the offer by the Company to acquire the entire issued share capital of Apollon not already owned by the Company from the Vendors in consideration for the issue and allotment of the Consideration Shares to the Vendors pursuant to the Offer Document.
Offer Document	the offer document sent to each of the Vendors on or about the date of this Document pursuant to which the Company offers to acquire the entire issued share capital of Apollon in consideration for the issue and allotment of the Consideration Shares.
Official List	the Official List of the FCA.
Ordinary Shares	the ordinary shares in the capital of the Company of no par value each.
Panel	the Panel on Takeovers and Mergers.
Peterhouse	Peterhouse Capital Limited of 80 Cheapside, London EC2V 6DZ.
Placee	persons who have agreed to subscribe for the Placing Shares pursuant to the terms of the Placing.
Placing	the proposed placing for the Placing Shares at the Placing Price as further set forth in para. 5 of Part I of this Document, which is conditional on

	completion of the Offer and Admission and subject to the Placee executing such a placing letter in the agreed form and any other documentation as is required, and paying the Company the amount due from multiplying the Placing Price by the number of Placing Shares applicable to the terms of the placing letter executed by or on behalf of the Placee.
Placing Price	5 pence per Placing Share.
Placing Shares	the 40,966,500 Ordinary Shares to be issued pursuant to the Placing.
POCA	the Proceeds of Crime Act 2002.
Proposals	together, they are the issue of the New Shares, the Offer and the Waiver Resolution, with each being a 'Proposal' .
Proposed Directors	together Stephen D. Barnhill, M.D., Nicholas Barnhill, Nicholas Andrew Ingrassia and Kevin Sheil, who will be the directors of the Company with effect from Admission.
QCA Code	the Corporate Governance Code for Small and Mid-sized Quoted Companies 2013, published in 2018 by the Quoted Companies Alliance.
RA Shareholders	together, the shareholders who have entered into the Relationship Agreement with the Company and Peterhouse, being Roderick McIlfree and AFI.
Relationship Agreement	the agreement dated 17 March 2021 between the Company, Roderick McIlfree, AFI and Peterhouse, details which are set out in paragraph 9.6 of Part VII of this Document.
Resolutions	the resolutions to be proposed at the General Meeting which are set out in the Notice.
RPU	Right to Purchase Understanding.
Rule 9 Offer	a general offer under Rule 9 of the Code.
Significant Shareholders	those Shareholders whose holdings represent more than 3 per cent. of the Enlarged Share Capital or voting rights of the Company.
Subscribers	persons who have agreed to subscribe for the Subscription Shares pursuant to the terms of the Subscription and each individually a Subscriber .
Subscription	the proposed subscription of the Subscription Shares at the Placing Price pursuant to the Subscription Letters which is conditional on completion of the Offer and Admission and subject to the Subscriber executing the relevant Subscription Letter in the agreed form and any other documentation as is required, and paying the Company the amount due from multiplying the Placing Price by the number of Subscription Shares applicable to the terms of the Subscription Letter executed by or on behalf of the Subscriber.
Subscription Letters	the subscription letters between the Company and the Subscribers pursuant to the Subscription.
Subscription Shares	9,033,500 Ordinary Shares to be issued pursuant to the Subscription.
Tetrahydrocannabinol (THC)	the principal phytocannabinoid of the cannabis sativa plant, responsible for much of the psychoactivity, also known as delta-9-THC. Other forms of THC include Delta-8-THC and 11-OH-THC, which vary in levels of

	psychoactivity.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
uncertificated or in certificated for	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations may be transferred by means of CREST.
Vendors	the existing shareholders of Apollon (save for the Company).
Waiver	the waiver (further details of which are set out in para. 9 of Part I of this Document) of the obligations on the Concert Party to make a general offer under Rule 9 of the Takeover Code which may arise as a consequence of the issue of the Consideration Shares to the Concert Party, granted by the Panel conditional upon the approval of the Shareholders by the passing of the Waiver Resolution.
Waiver Resolution	the Resolution numbered 2 set out in the notice of General Meeting at the end of this Document which, if passed, will approve the Waiver.
Whitewash Resolution	an ordinary resolution passed by the Independent Shareholders on a poll at a general meeting approving the proposals giving rise to the obligation to make a Rule 9 Offer and the waiver of it by the Panel.

KEY STATISTICS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of this Document and the Form of Proxy	on 18 March 2021
Latest time and date for receipt of Forms of Proxy for the General Meeting	10 a.m. (London Time) on 31 March 2021
General Meeting	10 a.m. on 12 April 2021
Announcement of the result of the General Meeting	on 12 April 2021
Admission of the Enlarged Share Capital	on 13 April 2021
CREST accounts expected to be credited	on 13 April 2021

SHARE CAPITAL INFORMATION

Number of Existing Ordinary Shares	31,710,011
Total Consideration Shares to be issued at a deemed 6 pence each pursuant to the Offer	666,666,666
Enlarged Share Capital prior to Placing and Subscription	698,376,677
Consideration Shares as a % of the Enlarged Share Capital prior to Placing and Subscription	95.46%
Placing Price	5 p
Total Placing Shares to be issued at the Placing Price pursuant to the Placing	40,966,500
Total Subscription Shares to be issued at the Placing Price pursuant to the Subscription	9,033,500
Enlarged Share Capital on Admission	748,376,677
Consideration Shares as a percentage of the Enlarged Share Capital	89.08%
Placing Shares and Subscription Shares as a percentage of the Enlarged Share Capital	6.68%
Market Capitalisation on Admission at the Placing Price	£37,418,834

TRADING DATA

ISIN	IM00BJ0LRD77
SEDOL	BJ0LRD7
CURRENT TIDM	AFRI
PROPOSED TIDM	APOL
LEI	213800ZW9OCVM8OIEO02

*Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.

References to time in this document are to London time. The timetable above assumes that the resolutions are passed at the General Meeting.

DIRECTORS AND ADVISERS

Existing Directors	David Lenigas (<i>Executive Chairman</i>) Hamish Harris (<i>Non-Executive Director</i>) Donald Strang (<i>Non-Executive Director</i>)
Proposed Directors	Stephen D. Barnhill, M.D. (<i>Chief Executive Officer</i>) Nicholas Barnhill (<i>Non-Executive Officer</i>) Nicholas Andrew Ingrassia (<i>Non-Executive Director</i>) Kevin Sheil (<i>Non-Executive Director</i>)
Company Secretary	Heytesbury Corporate LLP 7-9 Swallow Street London W1B 4DE
Registered office	34 North Quay Douglas Isle of Man IM1 4LB
Enlarged Group Website on Admission	www.apollon.org.uk
AQSE Growth Market Corporate Adviser, Rule 3 Adviser and Broker	Peterhouse Capital Limited 3rd Floor 80 Cheapside London EC2V 6EE
Legal advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal advisers to AFJ	Taylor English Duma LLP 1600 Parkwood Circle Suite 200 Atlanta Georgia 30339
Reporting accountants to the Company	Chapman Davis LLP Chartered Accountants 2 Chapel Court London SE1 1HH
Auditors to the Company	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf E14 4HD
Registered Agent and Administrator	Quayside Services Limited Quayside House 6 Hope Street Castletown Isle of Man IM9 1AS
Registrar	Share Registrars Limited The Courtyard

17 West Street
Farnham
Surrey
GU9 7DR

PART I
LETTER FROM THE CHAIRMAN OF AFRIAG GLOBAL PLC

Directors:

David Lenigas
Hamish Harris
Donald Strang

Registered Office:

34 North Quay
Douglas, Isle of Man, IM1 4LB

17 March 2021

Dear Shareholder

**PROPOSED OFFER TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF APOLLON
FORMULARIES LTD**

**APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS AND
MERGERS**

CHANGE OF NAME TO APOLLON FORMULARIES PLC

PLACING AND SUBSCRIPTION OF 50,000,000 NEW ORDINARY SHARES AT 5 PENCE PER SHARE

NOTICE OF GENERAL MEETING

1 INTRODUCTION

I am writing to you with details of the General Meeting of the Company which will be held on 12 April 2021 at 10 a.m. The notice of General Meeting is set out at the end of this Document.

Please note that there are special arrangements for this meeting in light of the COVID-19 pandemic, which we encourage Shareholders to note carefully.

COVID-19 special arrangements

The Company is closely monitoring the evolving Coronavirus (COVID-19) situation and public health concerns in the United Kingdom, including the related social distancing requirements, public health guidance and legislation issued by the UK Government. At the time of publication of this notice, indoor public gatherings in England remain subject to a number of restrictions. The Existing Directors recognise that the General Meeting represents an opportunity to engage with Shareholders, and provides a forum that enables Shareholders to ask questions of, and speak directly with, the Existing Directors. However, in light of current restrictions, the Existing Directors hope that Shareholders will understand that the General Meeting will be run as a closed meeting and Shareholders will not be able to attend. The Company will make arrangements such that the legal requirements to hold the meeting can be satisfied through the attendance of a minimum number of members and the format of the meeting will be purely functional – the meeting will comprise only the formal votes without any business update.

Shareholders are therefore strongly encouraged to submit a proxy vote in advance of the meeting. A form of proxy for use at this meeting accompanies this notice. To be valid, the form of proxy must be completed and returned to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR marked for attention of Richard Macbeth in accordance with the instructions in the Notes appended to this notice. Given the restrictions on attendance, members are strongly encouraged to appoint the 'Chair of the Meeting' as their proxy rather than a named person who will not be permitted to attend the meeting.

Shareholders are also invited to submit questions in advance of the meeting via email to don.strang@cavaye.co.uk, which communications must be received by no later than 10.00 a.m. (London time) on 31 March 2021. Responses to the questions will be made available on the Company's website following the conclusion of the General Meeting.

This situation is constantly evolving, and the UK Government may change current restrictions or implement

further measures relating to the holding of general meetings during the affected period. Any changes to the arrangements for the General Meeting (including, without limitation, as to proxy appointments, attendance, venue, format, the business to be considered or timing, as the case may be) will be communicated to members before the meeting through our website and, where appropriate, via the Regulatory News Service.

Business of the General Meeting

The Company announced on 16 May 2019 that it had entered into conditional subscription agreements with Apollon to subscribe for ordinary shares in Apollon and that it would need to raise approximately £1m to subscribe for a total of 4 million shares in Apollon, representing circa 2.325% of Apollon's issued share capital. The Company is now proposing to offer to acquire the entire issued share capital of Apollon it does not already own. The consideration for the Offer amounts to approximately £40,000,000 and will be satisfied by the issue and allotment of the Consideration Shares to the Vendors. In view of the size of the Offer relative to the Company and voting control of the Company, the Offer constitutes a reverse takeover under the AQSE Growth Market Rules and is therefore conditional, amongst other things, on the approval of Shareholders.

Shareholders are also required to approve the waiver of certain obligations which would otherwise be imposed on the Vendors by Rule 9 of the Code as a result of the issue of the Consideration Shares.

It is also proposed that on Admission the Company change its name to Apollon Formularies Plc.

The purpose of this Document is to explain the background to and reasons for the Proposals and to explain why the Existing Directors consider it to be in the best interests of the Company and Shareholders as a whole and to seek Shareholders' approval for the Resolutions being proposed at the General Meeting.

2 BACKGROUND TO AND REASONS FOR THE PROPOSED OFFER

The Company has historically been investing in the African agri-logistics sector and has principally been operating in South Africa through its various subsidiaries. From September 2018, the Company's investment strategy changed to include investments in the legal medicinal cannabis sector. On or about 27 November 2019 the shareholders of the Company passed a resolution approving the disposal of the Company's historic African business. The disposal of the Company's African business completed on 29 November 2019. Following this date, the Company has been actively identifying potential acquisitions and further investments in the sectors identified in its investment strategy.

On or about the date of this Document the Company announced that pursuant to the Offer it had conditionally agreed to acquire the remaining shares in Apollon that the Company does not already own. The Company has identified Apollon as an advantageous and complimentary acquisition for the Company, being a legal medical cannabis company.

A detailed review of the medical cannabis sector has highlighted the significant competitive advantage Apollon has over other market participants thereby making Apollon a highly attractive investment option for the Company. Firstly, the scientific and medical team behind Apollon are a collection of highly regarded specialists with a strong desire to create a range of personalised medicines to treat a range of human afflictions. Secondly because significant investment has already been made Apollon has in place revenue streams from several sources including its fully licenced dispensary. Thirdly, the full suite of licences Apollon has obtained give the Company a legal framework to conduct work with THC as well as human experimentation drug discovery as well as seed to medicine licensed pathways.

3 PRINCIPAL TERMS OF THE OFFER DOCUMENT

On or about the date of this Document the Company posted the Offer Document to the Vendors offering to acquire the entire issued and to be issued shares of Apollon not already owned by the Company in consideration for the issue and allotment to the Vendors of the Consideration Shares.

The Offer is conditional, inter alia, on:

- i. a waiver by the Panel for the requirement of a Whitewash Resolution in respect of the Offer;
- ii. the Resolutions being passed;
- iii. valid acceptances being received (and not, where permitted, withdrawn) by no later than 5.00 p.m.

- (London time) on 1 April 2021 in respect of such number of ordinary shares in the capital of Apollon which will result in the Company carrying the entire issued share capital of Apollon;
- iv. completion of the Placing and Subscription; and
 - v. Admission to the AQSE Growth Market.

Subject to the conditions being satisfied on or before 30 April 2021, the Company will issue and allot to those Vendors, who have accepted the Offer on the completion date of the Offer, 3.95 Consideration Shares for every 1 ordinary shares held by them in the issued share capital of Apollon as at 17 March 2021 which values the transaction at £40,000,000 (assuming all Vendors have accepted the Offer). On completion of the Offer, application will be made for the New Shares to be admitted to the AQSE Growth Market.

The Consideration Shares will represent approximately 89.08% (assuming all Vendors have accepted the Offer and the Placing Shares and Subscription Shares are also issued) of the Enlarged Share Capital on Admission and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including all rights to all dividends and other distributions declared, made or paid following Admission.

4 INFORMATION ON APOLLON

Apollon is an international medicinal cannabis pharmaceutical company. It conducts business through its arrangements with AFJ. AFJ is a government licensed medicinal cannabis company incorporated in Jamaica. AFJ is licensed and approved to cultivate, process, manufacture, perform research and develop and sell medical cannabis for medical, scientific and therapeutic purposes in Jamaica and export it to other countries where medical cannabis import, possession, transport, distribution and use are legal.

AFJ holds the medical cannabis Licences as appear listed as a part of the Business Overview section in Part III of this Document. Together, these Licences and approvals allow for the provision of therapeutic or spa services utilising cannabis or cannabis-based products, processing, manufacture, research and development and cultivation for research and development of medical cannabis pharmaceuticals in Jamaica and export internationally pursuant to interim regulations by the CLA in Jamaica. It is expected that final regulations from the CLA will be issued in the near future. As per the interim regulations and the final regulations that are expected to follow, the export of medical cannabis by CLA licensed companies from Jamaica will be allowed to be made by persons or entities with whom the CLA licensed company (e.g. Apollon) has a purchase or sale agreement and only provided that the laws of that country allow the import of medical cannabis pharmaceutical products.

Apollon Formularies Jamaica, Limited

Apollon holds an indirect 49% interest in the issued share capital of AFJ, a limited corporation existing under the laws of Jamaica, through an arrangement with Stephen D. Barnhill, M.D. and is entitled to 95% of the net profit of the business of AFJ. Apollon has entered into an agreement with Dr. Barnhill pursuant to which Dr. Barnhill will assign his 49% interest (the maximum allowed under Jamaican law) of the stock in AFJ to Apollon immediately on approval of the assignment by the CLA. Further details can be found at para 4 of Part I, the Business Overview section of Part III, para. 14 of Part IV(B) and para. 9 of Part VII of this Document. In addition to such interests and rights as described above, AFJ currently has several strategic partnerships in place to fulfil the mission of creating an all-encompassing, worldwide medical cannabis corporation that can satisfy the growing global market for legal, medical cannabis treatment in Jamaica and for the formulations of, and access to, pharmaceuticals and nutraceuticals that include legal, medical cannabis for sale in Jamaica and eventually such other countries to which export/import of medical cannabis will be permitted or where medical cannabis can be lawfully cultivated, processed and/or sold locally.

Doc's Place International, Inc.

Apollon has an option to acquire 90% of the stock of Doc's Place, a company incorporated and existing in the State of Georgia, USA, by 30 June 2021. Further details can be found at para. 9.9 of Part VII of this Document. Such 90% stock interest is owned by Stephen D. Barnhill, M.D., who serves as Doc's Place's sole director and Chief Executive Officer. Doc's Place has established and operates a Wellness Centre and Resort which is described as the Global Centre of Excellence for Medical Cannabis Therapy. In addition to such interest and right to purchase, there exists a financing arrangement whereby Apollon has paid and loaned money to Doc's Place for the leasing and development of property and facilities for the establishment of the Wellness Centre. AFJ leases space to and obtains services from Doc's Place in order to be the exclusive medical cannabis retail dispensary and treatment operation located on the premises and to have a destination

for patients and their families to have convenient access to accommodations, care and amenities while undergoing treatment in Jamaica. Apollon is also entitled to 95% of the net profits of the business of Doc's Place. Doc's Place, which currently has eight treatment rooms, is approved by the SRC and Ministry of Science, Energy and Technology for the treatment of medical cannabis patients. Further details can be found at para. 9.9 of Part VII of this Document.

CBev Ventures, Inc.

Apollon has an exclusive right to purchase assets and assume liabilities of CBev, a company incorporated and existing in the State of Georgia, USA, by 30 June 2021. Further details can be found at para. 9.9 of Part VII of this Document and is to be subject to a definitive agreement that is to be negotiated by the parties. CBev is a beverage company that develops, markets and distributes functional and craft beverages in the legal CBD and medical cannabis industries. Stephen D. Barnhill, Jr. is the sole director and Chief Executive Officer of CBev. The terms of the RPU will require Apollon to, among other things: (i) pay CBev \$800,000 USD, (ii) issue CBev (or its shareholders) \$4,000,000 USD worth of common ordinary stock of the buyer; and (iii) pay CBev a royalty fee of 5% of gross revenue received from the business or assets of CBev. Apollon has also provided CBev with £ 64,571 of funding per such arrangement (See para. 7 of Notes to Financial Statement for Apollon in Part IV).

5 INFORMATION ON THE PLACING AND SUBSCRIPTION

The Placing of 40,966,500 Placing Shares will raise £2,048,325 for the Company, before expenses and the Subscription of 9,033,500 Subscription Shares will raise £451,675. The net proceeds of approximately £2,169,000 million, together with the Group's existing resources, will be used as set out in paragraph 6 below.

The Placing Shares and Subscription Shares comprise 50,000,000 new Ordinary Shares being issued by the Company. The Placing Shares and Subscription Shares represent approximately 6.68 per cent. of the Enlarged Share Capital. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £37,418,834.

The Placing and Subscription is conditional, *inter alia*, on:

- completion of the Offer;
- the passing of the Resolutions; and
- Admission becoming effective not later than 8:00 a.m. on 30 April 2021 (or such later time and/or date as Peterhouse and the Company may agree in writing).

The Placing Shares and Subscription Shares will be issued fully paid and will, on issue, rank *pari passu* with all other issued Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of Admission.

6 USE OF PROCEEDS:

Operating Expenses, Administrative and Compliance expenses	£350,000
Staff costs	£359,000
Research and development	£1,100,000
	£800,000

Development of an Apollon product range of full spectrum oils including, inter alia, the estimated cost(s) of analytical testing as well as a Safety and Efficacy Study	
Undertaking development activities in respect of product sales as well as cannabis regulatory management issues	£300,000
General Research & Development Costs	£80,000
Market Research and Public Relations	£280,000
Total	£2,169,000

7 DILUTIVE IMPACT OF THE PLACING AND SUBSCRIPTION

The proposed issue of the Placing Shares and Subscription Shares pursuant to the Placing and Subscription respectively will dilute existing shareholdings of Shareholders. The maximum dilution which a Shareholder will suffer, as a result of completion of the Placing and Subscription, is 6.68 per cent.

8 EXISTING DIRECTORS AND PROPOSED DIRECTORS

On Admission, Hamish Harris, David Lenigas and Donald Strang will resign as Directors of the Company. On Admission, the Proposed Directors will be appointed as directors of the Company.

An introductory summary of each Proposed Director is set out below.

Stephen D. Barnhill, M.D. – Chief Executive Officer (date of birth: 6 January 1959, age: 62)

Stephen D. Barnhill, M.D. is a physician, Fellowship trained in Laboratory Medicine and Board Certified by the American Board of Bioanalysis. Dr. Barnhill is currently Chairman and CEO of Doc's Place International, Inc., the first Global Centre of Excellence for Medical Cannabis Therapy in Negril, Jamaica, as well as, Chairman and CEO Apollon Formularies, Inc., a U.S. affiliate of AFJ to which he also serves as President and director.

Dr. Barnhill has been a founder, Chairman and CEO of both private and public companies. He was most recently founder, Chairman and CEO of a U.S. publicly traded international biotech company, which he took from inception to profitability. In addition, he was founder, Chairman and CEO of BCL Laboratories, LLC with operations in south-eastern U.S. which was acquired by Corning–MetPath, now Quest Diagnostics, the largest clinical laboratory in the world. Dr. Barnhill served as a Medical Director for Quest Diagnostics for approximately 5 years after the acquisition. Dr. Barnhill was also founder, Chairman and CEO of National Medical Specialty Labs, which was acquired by Horus Therapeutics Inc., a New York based pharmaceutical company. Dr. Barnhill served as President of Horus Therapeutics for several years after the acquisition. Dr. Barnhill is a pioneer in artificial intelligence machine learning (pattern recognition algorithms) and an inventor on more than 40 patents including neural networks and support vector machines ("SVM") including the Hallmark SVM-RFE technique now cited by more than 10,000 publications. His patents were part of the intellectual property portfolio that won 1st place out of 1600 publicly traded companies and was awarded the

MICO award from MDB Capital for the most disruptive intellectual property portfolio. Dr. Barnhill's neural network patents were acquired by Johnson & Johnson. He is also an inventor on patents related to laboratory developed tests and tumour markers. His work includes expertise in the clinical laboratory involving clinical chemistry, haematology, microbiology, blood banking, toxicology and immunology, as well as diagnostic test development relating to cancers of the prostate, pancreas, breast and ovary, cytogenetics, flow cytometry, FISH and imaging in digital mammography, and fundoscopic analysis of macular degeneration (AMD). He was part of the team that launched the first iPhone app using SVM for melanoma detection. Dr. Barnhill has negotiated and executed deals with many companies, including Pfizer, Corning-Metpath, Quest Diagnostics, Clariant (now GE Healthcare), LabCorp, NeoGenomics, Abbot, Bruker and others. He has published many peer reviewed papers with academics including those from MD Anderson Cancer Centre, Johns Hopkins University Medical Centre, Stanford University Medical Centre and others. He is a frequently invited speaker to medical conferences in the US and internationally. He has raised millions of dollars in start-up and ongoing financing for both private and public companies.

Dr. Barnhill is or has been a Member or Fellow of the American College of Physician Inventors, the American College of International Physicians, the American Medical Association, the American College of Physician Executives, the American Association of Artificial Intelligence, the American College of Managed Care Medicine, the Association of Clinical Scientists, the American Society of Contemporary Medicine and Surgery, the American Society of Law, Medicine and Ethics, the Southern Medical Society, the American Federation for Clinical Research, the National Federation of Catholic Physicians and the Society of Cannabis Clinicians.

Nicholas Barnhill – Non-Executive Director (date of birth: 27 January 1994, age: 27)

Mr. N. Barnhill is a director of Apollon, AFJ and AFI and a Vice-President of Doc's Place International, Inc (Doc's Place).

As the Director of Operations and Cultivation Knowledge of AFI, he is responsible for providing general business direction and management oversight of the company's medical cannabis industry initiatives including: the procurement of licenses, and the establishment of lawful, quality production capabilities. He is involved in the supervision and accomplishment of certain cultivation and operational objectives involving the growth and procurement of raw materials and the establishment of facilities for medical cannabis production in Jamaica. As the Director of Cultivation of AFJ Mr. N. Barnhill has been supervising all phases of the company's cultivation operations including: regulatory compliance to CLA standards and law regarding production, quality control, maintenance, receiving, storage and shipping. In his role as the Vice-President Operations of Doc's Place, Mr. N. Barnhill is responsible for supervising operational business planning, reporting, procedures and performance of operational programs and practices, which includes ensuring that company policies are established and upheld and that company-provided standard operating procedures are implemented and adhered to. The Site Planning function of the office involves the selection of locations, and supervisions and facilitation of the buildout of selected locations, where wellness services can be provided. He was involved in the establishment of a Global Center for Wellness resort in Negril, Jamaica.

Kevin Sheil – Non-Executive Director (date of birth: 11 March 1965, age: 55)

Mr. Sheil is a capital markets veteran with over thirty years' experience across a number of sectors.

Mr. Sheil contributes a broad depth of experience and knowledge of capital markets to the board of Apollon. He also brings key expertise to Apollon from working as a consultant to an Artificial Intelligence ("AI") technology firm, providing valuable input as Apollon continues to grow its line of AI-determined patient specific cannabis medicines and commercialise its 3D Pharmaceutical Printer.

Mr Sheil is currently responsible for Corporate Development and Strategy at AIM-listed Bluejay Mining Plc.

Mr. Sheil began his career at the London Stock Exchange in 1985, before moving into corporate broking with HSBC, Credit Lyonnais and Barclays. Mr. Sheil was a telecom sector specialist with Barclays, Credit Suisse and then Citibank where he worked for over 10 years and was consistently in the top rankings in Extel & Institutional Investor surveys. During his time at Citibank, Mr Sheil worked as Head of Multi-Product Sales and was responsible for broking equity-based products and fixed Income to institutional accounts. After leaving Citibank, Mr Sheil spent over nine years as a general equity fund manager at Trium Capital Managers.

Nicholas Ingrassia – Non-Executive Director (date of birth: 13 August 1979, Age: 41)

Nicholas is an oil & gas executive with over 19 years' experience across a wide range of corporate roles in-and-around the oil & gas industry covering a wide range of M&A, business development, financing, commercial, investor relations and operational functions.

Nicholas started his career in banking with roles at Morgan Stanley (energy investment banking) and RBS (structured energy lending & debt advisory) before joining the oil & gas industry working for AIM-listed Valiant Petroleum plc (sold to Ithaca Energy Inc in 2013), LSE-listed Salamander Energy plc (sold to Ophir Energy plc in 2015) and AIM-listed Faroe Petroleum plc (sold to DNO ASA in 2019).

Nicholas is currently Business Development Director and member of the executive team at AIM-listed Longboat Energy plc. He has MA Hons degree from the University of St Andrews in Ancient History.

9 THE CODE AND DISPENSATION FROM GENERAL OFFER

The proposed Offer gives rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford are described below.

The Code is issued and administered by the Panel. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a listed public company and its Shareholders are entitled to the protections afforded by the Code.

Under Rule 9 of the Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30% or more of the voting rights of a company which is subject to the Code, that person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Rule 9 of the Code also provides that, among other things, where any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30% but does not hold shares carrying more than 50% of the voting rights of a company which is subject to the Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months to acquire any interest in shares in the Company by the person required to make the offer or any person acting in concert with him or her.

Rule 9 of the Code further provides, among other things, that where any person who, together with persons acting in concert with him or her holds over 50% of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares although individual members of the Concert Party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold, without Panel consent.

Following allotment and issue of the Consideration Shares to the Vendors, the Concert Party will hold a maximum of 484,573,459 Ordinary Shares, representing approximately 64.75% of the then Enlarged Share Capital.

The members of the Concert Party do not currently hold any Ordinary Shares. The issue of the Consideration Shares would therefore trigger an obligation of the Concert Party to make an offer for the Company in accordance with Rule 9 of the Code.

The Panel has agreed, however, to waive the obligation for the Concert Party to make a general offer that would otherwise arise as a result of the issue of the Consideration Shares, subject to the approval of the Independent Shareholders, all of whom are independent of the Concert Party. Accordingly, Resolution 2 is being proposed at the General Meeting and will be taken on a poll.

Following the issue of the Consideration Shares, representing a maximum of approximately 64.75%, for so long as the Concert Party hold more than 50% of the Company's voting share capital and its members are presumed to be acting in concert by the Panel, they may increase their aggregate interests in the Ordinary Shares in the Company without incurring any obligation under Rule 9 to make a general offer for the remaining shares, although individual members of the Concert Party would not be able to increase their percentage interest in the Ordinary Shares of the Company through, or between, a Rule 9 threshold without the consent of the Panel.

10 INFORMATION ON THE CONCERT PARTY

The Concert Party comprises the following Vendors of Apollon who are presumed to be acting in concert under the Takeover Code:

Vendors	Maximum Ordinary Shares held immediately following Admission	Ordinary Shares interested in following Admission as a percentage of the Enlarged Share Capital*
Apollon Formularies, Inc.	171,800,948	22.96%
Christopher J. Barnhill	18,957,346	2.53%
Doc's Descendants Education Trust	3,949,447	0.53%
Doc's Descendants Medical Trust	3,949,447	0.53%
Kevin Sheil	6,319,115	0.84%
Mary Alyssa Jackson	18,957,346	2.53%
Nicholas F. Barnhill	18,957,346	2.53%
Roderick Claude McIlree	211,666,666	28.28%
Stephen D. Barnhill, M.D.	11,058,452	1.48%
Stephen D. Barnhill, Jr.	18,957,346	2.53%
TOTAL	484,573,459	64.75%

* The Concert Party will not be party to any incentives referred to in paragraph 15 of this Part I

- Apollon Formularies, Inc. (US entity with sole director and chief executive officer being Stephen D. Barnhill, M.D.); AFI's sole shareholder is an entity that is owned by Dr. Barnhill and the four adult children of Dr. Barnhill (Stephen D. Barnhill, Jr., Nicholas F. Barnhill, Christopher J. Barnhill and Mary Alyssa Jackson), with each of them being 1/5th owners of such sole shareholder.
- Christopher J. Barnhill (born 1997), 1/5th owner of the sole shareholder of AFI and not a director, officer, employee and/or representative of AFJ or Apollon.
- Doc's Descendants Education Trust, an independently managed trust established by Stephen D. Barnhill, M.D. for which he is not the trustee and has no control; beneficiaries are current and future grandchildren of Dr. Barnhill and subsequent generations.
- Doc's Descendants Medical Trust, an independently managed trust established by Stephen D. Barnhill, M.D. for which he is not the trustee and has no control; beneficiaries are current and future grandchildren of Dr. Barnhill and subsequent generations.
- Kevin Sheil (born 1965); Mr. Sheil has over thirty years' experience in capital markets, across a number of sectors. Mr. Sheil began his career at the London Stock Exchange in 1985, before moving into

corporate broking with HSBC, Credit Lyonnais and Barclays. Mr. Sheil was a telecom sector specialist with Barclays, Credit Suisse and then Citibank. Please also refer to para. 8 of this Part I of this Document.

- Mary Alyssa Jackson (born 1992), 1/5th owner of the sole shareholder of AFI and not a director, officer, employee and/or representative of AFJ or Apollon.
- Nicholas F. Barnhill (born 1994); is a 1/5th owner of the sole shareholder of AFI. He was a key part of the team involved in international expansion of AFI into Jamaica. He resided in Jamaica where he oversaw the roll out of AFJ and has served as Vice-President and Director of Cultivation of AFJ. He was a Vice-President of Doc's Place. Additional biographical information regarding Mr. Barnhill can be found in para. 8 of Part I of this Document.
- Roderick Claude McIlree (born 27 September 1973); Mr McIlree has more than 20 years of experience operating in both the resources and financial sectors. Having worked initially as an exploration geologist for global mining houses, he migrated to the financial / advisory side of the industry where he worked extensively as a mining analyst, then later as a corporate adviser to listed exploration and mining companies. Mr McIlree was a key member of the teams responsible for several successful mining companies with assets in frontier jurisdictions, including but not limited to: Medusa Mining, Anvil Mining, and Kingsrose Mining. He was the founder and Managing Director of ASX listed Greenland Minerals and Energy Ltd and Non-Executive Director of AIM listed Empire Metals Ltd (formerly known as Noricum Gold Limited).
- Stephen D. Barnhill, M.D. (born 1959) is a physician, Fellowship trained in Laboratory Medicine and Board Certified by the American Board of Bioanalysis. Dr. Barnhill is currently Chairman and CEO of Doc's Place International, Inc., the first Global Centre of Excellence for Medical Cannabis Therapy in Negril, Jamaica, as well as the holder of 49% of the ordinary shares and a Director and President of AFJ and Chairman and CEO of Apollon Formularies, Inc., a U.S. contracting party with AFJ. Additional biographical information regarding Dr. Barnhill can be found in para. 8 of Part I of this Document.
- Stephen D. Barnhill, Jr. (born 1988); is a 1/5th owner of the sole shareholder of AFI. S. Barnhill Jr. is the Founder and CEO of CBev Ventures, Inc. a Corporate Secretary of Doc's Place Negril, Ltd. He attended the University of Mississippi and is a Certified Mixologist.

11 LOCK-IN AGREEMENT

Immediately following Admission, the Proposed Directors, Apollon Formularies, Inc. and Roderick McIlree, will hold an interest in, in aggregate, 413,483,412 Ordinary Shares, representing approximately 55.25 per cent. of the Enlarged Share Capital. Each of the Proposed Directors, Apollon Formularies, Inc. and Roderick McIlree, has undertaken to the Company and Peterhouse, subject to certain exceptions as permitted by the AQSE Growth Market Rules, not to dispose of or transfer any of their respective interests in the Ordinary Shares, for a period of 12 months from Admission ("**Lock-In Period**"). In addition, each of the Proposed Directors, Apollon Formularies, Inc. and Roderick McIlree have undertaken to the Company and Peterhouse not to dispose of their Ordinary Shares for a period of 12 months after the end of the Lock-In Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Ordinary Shares.

Further details of such undertakings are contained in para. 9.4 and para. 9.5 of Part VII of this Document.

12 CORPORATE GOVERNANCE

The Existing Directors and Proposed Directors recognise the importance of sound corporate governance and, with effect from Admission, the Proposed Directors intend to observe the requirements of the QCA Code to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company has established an audit committee and a remuneration committee. With effect from Admission the members of the audit committee will be Nicholas Ingrassia as chairperson, with Kevin Sheil, Stephen D. Barnhill, M.D. and Nicholas Barnhill as members. The remuneration committee will be chaired by Nicholas Barnhill with Kevin Sheil and Stephen D. Barnhill, M.D. as members. The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Enlarged Group is properly measured and reported on. The remuneration committee will review the performance of the Board and make recommendations to the board of directors of the Company on matters

relating to their remuneration and terms of employment. The committee will also make recommendations to the board of directors of the Company on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time.

In light of the size of the board of directors of the Company, the Existing Directors and Proposed Directors do not consider it necessary to establish a nomination committee; however, the Proposed Directors will keep this under regular review.

The Company has adopted a share dealing code for dealings in shares by directors and senior employees that is appropriate for an AQSE Stock Exchange Growth Market company. The Proposed Directors will comply with Rule 67 of the AQSE Stock Exchange Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by the Enlarged Group's applicable employees.

13 INTENTIONS OF THE CONCERT PARTY

Save for the appointment of the Proposed Directors and the resignation of Existing Directors on Admission, no member of the Concert Party is currently proposing any changes to the board of directors of the Company. The members of the Concert Party have confirmed their intention that, following any increase in their holdings of Ordinary Shares as a result of the issue to them of the Consideration Shares, the business of the Enlarged Group would continue in substantially the same manner as the business of Apollon and the Company immediately prior to passing of the Resolutions. The members of the Concert Party have no intention of relocating the business or redeploying the fixed assets of the Company. The members of the Concert Party are not restricted from making an offer for the Company.

The Concert Party intends to maintain the Company's admission to trading on the AQSE Growth Market. Apart from the Existing Directors, the Company has no employees and therefore the Offer has no employment rights implications and there will be no immediate material changes whatsoever in respect of the balance of skills and functions of employment and management for the Company. The Company does not operate any pension schemes and has no research and development facilities. Following Admission, the Proposed Directors intend to implement Apollon's operations as outlined in Part III of this Document.

14 APPLICATION TO THE AQSE GROWTH MARKET

An application will be made for the New Shares to be admitted to trading on the AQSE Growth Market and for trading in the Ordinary Shares to be restored. Dealings in the Ordinary Shares are expected to commence on 13 April 2021.

15 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.

In accordance with the terms of its appointment as AQSE Growth Market Corporate Adviser to the Company for the purposes of the AQSE Rules, Peterhouse has been granted the right to subscribe for 4,000,000 new Ordinary Shares at 5.5p, exercisable at any time between the date of Admission and the fifth anniversary of the date of Admission. Exercise of such right is not subject to the satisfaction of any performance or other conditions. Further details of the warrants issued to Peterhouse are set out in para. 9.3 of Part VII of this Document.

On Admission, none of the Existing Directors will have any options any longer and none of Proposed Directors will be receiving any management related options at that time.

16 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 New Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the New 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.

17 GENERAL MEETING

Set out at the end of this Document is the Notice of General Meeting, convening the General Meeting to be held at 10 a.m. (London Time) on 12 April 2021 at 7-9 Swallow Street, London, United Kingdom, W1B 4DE, at which the following Resolutions will be proposed.

Resolution 1: Offer

Resolution 1 is an ordinary resolution seeking shareholder approval of the Offer to the Vendors of Apollon.

Resolution 2: Approval of the Waiver Resolution

Resolution 2 is an ordinary resolution to approve the Waiver Resolution.

Resolution 3: Disapplication of pre-emption rights

Resolution 3 is a special resolution seeking Shareholder authority to dis-apply statutory pre-emption rights in respect of the allotment of the New Shares.

Resolution 4: Change of Name

Resolution 4 is a special resolution seeking Shareholder approval for the name of the Company be changed to "Apollon Formularies Plc" and that the Company's memorandum and articles of association be amended to reflect such change of name.

18 ACTION TO BE TAKEN

Voting on all of the proposed resolutions set out in the Notice of General Meeting will be conducted on a poll which reflects shareholders' voting intentions in respect of shares held and votes tendered.

We encourage Shareholders to appoint the Chairman as their proxy with their voting instructions rather than attend the General Meeting in person.

Although the Notes to the Notice of the General Meeting refer to Shareholders being able to appoint a proxy or proxies, the Company would remind Shareholders that, in light of the COVID-19 measures being taken at the General Meeting, they will not be allowed entry to the General Meeting. However, the Company does value Shareholder participation and values the votes of Shareholders, so it would encourage all Shareholders to exercise their voting rights **BUT ONLY** by appointing the Chairman of the General Meeting to be their proxy. Any proxy received appointing a person other than the Chairman of the General Meeting as the Shareholder's proxy will be deemed to have appointed the Chairman of the General Meeting as that Shareholder's proxy.

Shareholders will find enclosed with this letter a Form of Proxy for use at the General Meeting. Proxies may be appointed by either:

- completing and returning the enclosed Form of Proxy; or
- using the CREST electronic proxy appointment service (for CREST members only).

In either case, the notice of appointment of a proxy should reach the Company at 7-9 Swallow Street, London, United Kingdom, W1B 4DE marked for attention of the company secretary¹, as soon as possible but in any

event so as to arrive not later than 10 a.m. (London Time) on 8 April 2021.

19 FURTHER INFORMATION

Your attention is drawn to the further information set out in the remainder of this Document and, in particular, to the Risk Factors set out in Part VI of this Document.

20 RECOMMENDATION

The Existing Directors, who have been so advised by Peterhouse, consider that the Proposals and Resolutions set out in the notice of General Meeting are fair and reasonable, and in the best interests of the Company and its Shareholders as a whole and accordingly, unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting. In providing advice to the Directors, Peterhouse has taken into account the Directors' commercial assessments.

Accordingly, the Existing Directors recommend that the Independent Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own holdings of Ordinary Shares which amount, in aggregate, to 2,040,000 Ordinary Shares representing 6.43 per cent. of the Existing Ordinary Shares.

Yours faithfully

David Lenigas

Executive Chairman

PART II
TAKEOVER CODE DISCLOSURES AND ADDITIONAL INFORMATION

1 PRINCIPAL ACTIVITIES OF THE COMPANY

The Company has historically been investing in African agri-logistics businesses and sector. From September 2018, the Company's investment strategy has been to identify investment opportunities and acquisitions in the legal medicinal cannabis sector.

Agriculture

The Company historically sought acquisitions of direct and/or indirect interests in businesses involved in agriculture generally and the production, processing, logistics and distribution of agricultural produce.

The Company historically focused on opportunities in this sector in Europe, Africa and the Middle East, but will consider possible opportunities anywhere in the world.

The Company divested itself of such agricultural business on 29 November 2019, with its only agricultural initiatives potentially being ones that derive from the cultivation of medical cannabis in such places where it can lawfully do so pursuant to local government licence.

Medicinal Cannabis

Apollon is an international medicinal cannabis pharmaceutical company. It conducts business through investments and contractual arrangements with various persons and entities. AFJ is the principal entity with which the Company has an interest, which exists pursuant to the Commitment Agreement. AFJ is a government licensed medicinal cannabis company incorporated in Jamaica. AFJ is licensed and approved to cultivate, process, perform research and develop, and sell medical cannabis in Jamaica. Further details of the Licences held by Apollon and its business activities are set out in the Business Overview section of Part III of this Document.

In addition to operating the businesses and activities permitted under the Licences, the Company also intends to operate businesses and seek investments and financial interest arrangements throughout the world where and as legally permitted to do so in companies, projects, services and/or products that are:

- progressing medicinal cannabis research and development and obtaining intellectual property interests;
- producing or cultivating medicinal cannabis;
- producing or supplying medical products and services derived from or related to medical cannabis (including, but not limited to, hemp and cannabidiol products);
- commercialising or marketing medicinal cannabis and its derivatives; and/or
- complementary to the medical cannabis business of the Company even if not directly involving medical cannabis.

The Company will operate and seek investments in companies and projects in jurisdictions which have well-developed and reputable laws and regulations for the cultivation, production and provision of cannabis for medical research treatment.

2 RESPONSIBILITY

Except as otherwise expressly stated in this Document, the Existing Directors and Proposed Directors accept responsibility for the information contained in this Document (including any expressions of opinion), other than that relating to background and relationship of each member of the Concert Party, including individual and collective responsibility for compliance with the AQSE Growth Market Rules. To the best of the knowledge and belief of the Existing Directors and Proposed Directors as applicable otherwise herein, who have taken reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not knowingly omit anything likely to affect the import of such information.

Each member of the Concert Party accepts responsibility for the information contained in paragraph 10 of

Part I of this Document (including any expressions of opinion) relating to such Concert Party. To the best of the knowledge and belief of a member of the Concert Party (who have each taken all reasonable care to ensure that such is the case), the information contained in this Document about such member of the Concert for which he/she accepts responsibility is in accordance with the facts and contains no omission likely to affect its import.

3 MATERIAL CONTRACTS OF THE COMPANY

Besides the agreement in respect of the Offer entered into on 17 March 2021 and the disposals of the entire issued share capital of the Company's subsidiaries, which operated the Company's African operations, announced on 29 November 2019 and the contracts set out in para. 9 of Part VII of this Document, there are no contracts that have been entered into by the Company or any member of the Concert Party within the period of two years preceding the date of this Document that are or may be material (not being contracts entered into in the ordinary course of business).

4 INTERESTS AND DEALINGS

As at the close of business on 17 March 2021 (being the latest practicable date prior to the posting of this Document), the total issued share capital of the Company was 31,710,011 Existing Ordinary Shares.

As at the close of business on 17 March 2021 (being the latest practicable date prior to the posting of this Document) the interests of the Existing Directors and their families and the interests of persons connected with them, within the meaning of Part 22 of the UK Companies Act 2006, in the issued share capital of the Company were as follows:

	Ordinary Shares	Percentage of Existing Ordinary Shares
Hamish Harris	400,000	1.26%
David Lenigas	1,240,000	3.91%
Donald Strang	400,000	1.26%

During the 12-month period prior to 17 March 2021 (being the latest practicable date prior to the posting of this Document), the Existing Directors have not undertaken any dealings for value in Existing Ordinary Shares.

Save for the Offer Document, the letters of appointment with the relevant Proposed Directors who are members of the Concert Party, and the other arrangements expressly referenced in this Document, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party (or any person acting in concert with them) and the Existing Directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Proposals set out in this Document. Further, there are no arrangements for transfer of securities acquired pursuant to the Proposals.

On 17 March 2021 (being the latest practicable date prior to the posting of this Document, and save as disclosed in this Document):

- a. no member of the Concert Party, nor any person acting in concert with them has any interest in, right to subscribe, in respect of or short position, in relation to any relevant securities;
- b. no member of the Concert Party, nor any person acting in concert with them has dealt in relevant securities during the period of twelve months ended on 16 March 2021 (being the latest practicable date prior to the publication of this Document);
- c. there are no relevant securities which the Concert Party, or any person acting in concert with them has borrowed or lent;
- d. none of:

- i. the Existing Directors or any of their close relatives or related trusts; or
- ii. any other person acting in concert with the Company,

has as at 16 March 2021 (being the latest practicable date prior to the publication of this Document) any interest in, right to subscribe in respect of or short position in relation to any relevant securities;

- e. there are no relevant securities which the Company or any person acting in concert with the Existing Directors has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold);
- f. save for the fact that each of the Proposed Directors has the relationships expressly identified in para. 8 of Part I and para. 9.6 to 9.12 of Part VII of this Document, there are no relationships (personal, financial or commercial), arrangements or understandings between any member of the Concert Party and:
 - i. any of the Existing Directors (or their close relatives and related trusts); or
 - ii. any of the Shareholders of the Company or any person who is, or is presumed to be, acting in concert with any such Shareholder;

there has been no other agreement to transfer any shares that are subject to the Proposals except as expressly stated in the Offer.

In this para. 4 reference to:

- a. "relevant securities" means Ordinary Shares and securities carrying conversion or subscription rights into Ordinary Shares;
- b. "derivatives" includes any financial product, whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- c. "short position" means a short position, whether conditional or absolute and whether in the money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- d. "associated company" means in relation to any company, that company's parent subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies. For these purposes, ownership or control of 20 per cent or more of the equity share capital of a company is regarded as the test of associated company status;
- e. "connected adviser" means:
 - i. in relation to the Company, (i) an organisation which is advising the Company in relation to the disapplication of the application of Rule 9; and (ii) a corporate broker to the Company;
 - ii. in relation to a person who is acting in concert with the Concert Party or with the Existing Directors, an organisation (if any) which is advising that person either (i) in relation to the disapplication of the application of Rule 9; or (ii) in relation to the matter which is the reason for that person being a member of the relevant concert party; and
 - iii. in relation to a person who is an associated company of the Concert Party or the Company, an organisation (if any) which is advising that person in relation to the disapplication of the application of Rule 9;
- f. "control" means an interest, or aggregate interests, in shares carrying in aggregate 30 per cent or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control; and

g. “dealing” or “dealt” includes the following:

- i. the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
- ii. the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
- iii. subscribing or agreeing to subscribe for securities;
- iv. the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- v. the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- vi. the entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
- vii. any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

For the purposes of this para. 4 a person is treated as “interested” in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “interested” in securities if:

- a. he owns them;
- b. he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- c. by virtue of any agreement to purchase, option or derivative, he:
 - i. has the right or option to acquire them or call for their delivery; or
 - ii. is under an obligation to take delivery of them;
- d. whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- e. he is party to any derivative:
 - i. whose value is determined by reference to their price, and
 - ii. which results, or may result, in his having a long position in them.

5 EXISTING DIRECTORS’ SERVICE AGREEMENTS

A summary of the Existing Directors’ service contracts and appointment letters are set out in para. 7 of Part VII of this Document.

Other than as set out above, there are no other service contracts or letters of appointment between the Existing Directors and the Company and no service contracts or letters of appointment have been entered into or amended during the period of six months prior to the date of this Document.

6 MIDDLE MARKET QUOTATIONS

The closing middle market quotations for an Ordinary Share for the first business day in each of the six months immediately preceding the date of this Document are:

Date	Price
16 October 2020	6.5p
16 November 2020	7.0p
16 December 2020	6.5p
15 January 2021	6.5p
16 February 2021	6.5p
16 March 2021	9.5p

7 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection:

- a. a copy of this Document;
- b. the articles of association of Apollon and AFJ;
- c. the existing articles of association of the Company;
- d. copies of the Material Contracts referred in paragraphs 9.5 to 9.12 of Part VII;
- e. a copy of the Offer Document;
- f. the audited accounts of the Company for the years ended 31 December 2019 and the unaudited interim accounts to 30 June 2020;
- g. the unaudited accounts of Apollon for the financial year ended 31 July 2019 and 31 July 2020; and
- h. the unaudited pro forma statement of net assets of the Enlarged Group referred to in Part IV.

The documents will be available at (i) the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the conclusion of the General Meeting; (ii) at the place of the meeting for at least 15 minutes prior to the General Meeting until its conclusion; and (iii) for inspection on: www.apollon.org.uk.

PART III INFORMATION ON APOLLON

Business Overview

Apollon is a private limited company incorporated and registered in England and Wales with company number 11489007 under the Companies Act 2006 and its registered office is at 7-9 Swallow Street, London, United Kingdom, W1B 4DE. Apollon's directors are Nicholas F. Barnhill and Dr. Stephen D. Barnhill. Roderick C. McIlree resigned as a director on 17 November 2020.

Apollon is an international medicinal cannabis pharmaceutical company. It conducts business through investments and contractual arrangements with various persons and entities. AFJ is the principal entity with which the company has an interest, which exists pursuant to the Commitment Agreement. AFJ is a government licensed medicinal cannabis company incorporated in Jamaica. AFJ is licensed and approved to cultivate, process, perform research and develop, and sell medical cannabis in Jamaica.

AFJ holds the following medical cannabis Licences:

Registered holder	Type of licence	Description
AFJ	CLA Licence - Retail (Therapeutic Services);	Licence No. 170209153635 from CLA (Cannabis Licensing Authority) of Jamaica operating under the Jamaica's Ministry of Industry, Commerce, Agriculture & Fisheries for Volume 694 Folio 3, 42 One Love Blvd, West End Road, Westmoreland, Negril dated 09 November 2018, which expires 08 November 2021 and which licence includes the following condition: Licensed to provide therapeutic services utilising cannabis in accordance with Regulation 24 (1)(b), Regulation paragraph (2) and Regulation 24(3)(b) of the Dangerous Drugs (Cannabis Licensing) (Interim) Regulations 2016.
AFJ	CLA Licence - Processing (Tier 1);	Licence No. 170209113513 from CLA of Jamaica for Volume 694 Folio 3, 42 One Love Blvd, West End Road, Westmoreland, Negril dated 09 November 2018, which expires 08 November 2021 and which licence includes the following conditions: (1) Licensed to process raw cannabis oil (bulk), and (2) Licensed to manufacture any cannabis-based products that have been approved by the Ministry of Health for medical, therapeutic and scientific purposes in accordance with the Regulations.
AFJ	CLA Licence – Research and Development (Experimental)	Reference No. 170209151209 from CLA of Jamaica for Volume

	Licence	694 Folio 3, 42 One Love Blvd, West End Road, Westmoreland, Negril dated 25 September 2019, which expires 24 September 2022 and which licence includes the following conditions: (1) Licensed to conduct, for experimental purposes, research and development utilising cannabis in accordance with Regulation 27 paragraph (a) and Regulations 28 of the Dangerous Drugs (Cannabis Licensing) (Interim) Regulations 2016, and (2) Licensed to cultivate, for research and development (experimental) purposes only, not more than thirty (30) cannabis plants at any one time (to include all stages of growing and other plants).
AFJ	Conditional Approval Letter from CLA – Cultivation (Tier 1) Licence	Reference No. 180103090458 from CLA for Volume 694 Folio 3, 42 One Love Blvd, West End Road, Westmoreland, Negril issued to AFJ dated 09 November 2018, which expired on 8 May 2019 but was subsequently stated to be extended and still at the conditional approval stage per email from the CLA dated 7 January 2020, and which licence states the proposed method of cultivation to be indoor & greenhouse.
AFJ	Conditional Approval Letter from CLA – Transportation Licence	Reference No. 170209150226 from CLA issued to AFJ dated 13 March 2018, which includes the following condition: (1) the vehicles must be inspected and found to be in keeping with the requirements set out in Regulations 3(4) and 21 of the Dangerous Drugs (Cannabis Licensing) (Interim Regulations) 2016; the CLA applies these vehicle restrictions only for transporting cannabis on behalf of third parties.

Together, these Licences and approvals allow for the provision of therapeutic or spa services for medical treatment utilising cannabis or cannabis based products as well as the cultivation, processing, manufacture, research and development and retail distribution of medical cannabis pharmaceuticals in Jamaica. Additionally, through application of the interim regulations of the CLA regarding export, the Licences permit the export internationally of cannabis flower, oil and extracts for medical and scientific use. Such instance of exports are limited to those countries throughout the world where such import may be permitted, such as

Canada, Australia and the Cayman Islands, and must be done so in accordance with the procedures and protocols established by (and under the supervisions of) the CLA and generally in accordance with the Single Convention on Narcotic Drugs of 1961 as amended.

Apollon holds an indirect 49.9% interest in the issued share capital of AFJ, through an arrangement with Stephen D. Barnhill, M.D. and is entitled to 95% of the net profit of the business of AFJ. Apollon has entered into an agreement with Dr. Barnhill pursuant to which Dr. Barnhill will assign his 49.9% interest (the maximum allowed under Jamaican law) of the stock in AFJ to Apollon immediately upon approval of the assignment by the CLA.

In addition to operating the businesses and activities permitted under the Licences the Company also intends to operate businesses and seek investments and financial interest arrangements throughout the world where and as legally permitted to do so in companies, projects, services and/or products that are:

- progressing medicinal cannabis research and development and obtaining intellectual property interests;
- producing or cultivating medicinal cannabis;
- producing or supplying medical products and services derived from or related to medical cannabis (including, but not limited to, hemp and cannabidiol products);
- commercialising or marketing medicinal cannabis and its derivatives; and/or
- complementary to the medical cannabis business of the Company even if not directly involving medical cannabis.

The Company will operate and seek investments in companies and projects in jurisdictions which have well-developed and reputable laws and regulations for the cultivation, production and provision of cannabis for medical research treatment

The Company's strategy is to become the premiere global medical cannabis company legally licensed to develop successful personalised clinical treatments utilising artificial intelligence on clinical trial patient data. Apollon's research and development License will allow drug discovery using THC and other cannabinoids. It is the Company's intention to be one of the very few listed European companies to be able to undertake medically supervised trials inclusive of THC to develop new Apollon therapeutics and formulations.

The Company intends to:

- undertake medically supervised trials using full spectrum medical cannabis oils and formulations;
- identify disease and patient specific formulations for patient treatment;
- identify additional full spectrum medical cannabis formulations that are based on supervised trials
- be capable of providing consistent dosing globally and legally;
- commence medically supervised trials on humans;
- have patented formulas to be made available for third party licensing; and
- with patented formulations, along with clinically proven data, allow for potential partnerships with "Big Pharma".

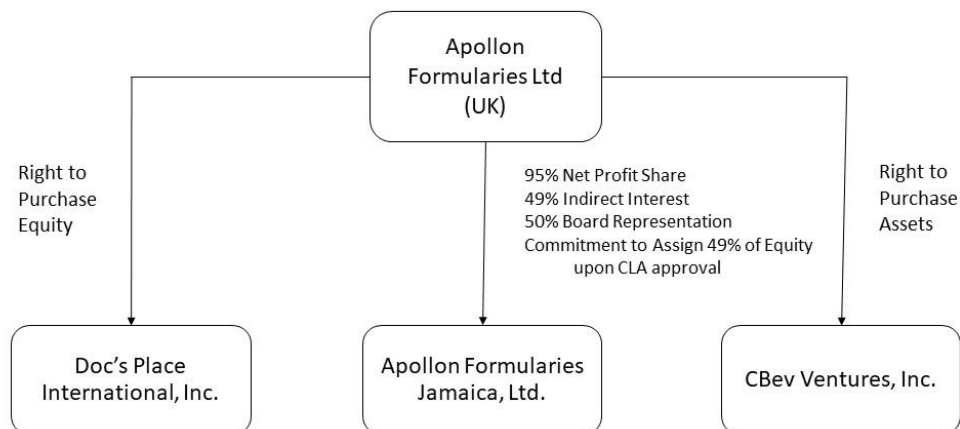
The Company's targeted Revenue Sources:

- potential for significant monthly revenue for both in patient treatments as well as outpatient care;
- to open global treatment facility franchises using Apollon products and protocols;
- strategy to create globally recognised Apollon branded products inclusive of Apollon's 3D printer technology;
- increase Apollon's product sales in Jamaica and to identify partners in other regulated markets;
- to create formulation intellectual property and 3D printer licensing and royalties revenues streams; and
- expand the legal export of Apollon Oils and products.

Processing and Oil Extraction

- Apollon owns and operates a processing laboratory at facility in Negril, Jamaica; and
- laboratory also manufactures Apollon's retail medical cannabis pharmaceuticals for sale via Apollon's dispensary.

Corporate Structure



AFJ Advisors

PAUL BURKE, Jamaican CEO

Mr. Burke a Former General Secretary of the Jamaican National Party from 2014-2016, Chairman and Founding Member of the National Alliance for the Legalization of Ganja, Project Manager and Founding Member of the Cannabis Commercial and Medicinal Task Force, Programme Director and Founding Member of the Ganja Growers and Producers Association of Jamaica and Chairman of the Jamaican Wellness and Health Network

ANTHONY HALL, MD, MDCM, FACS, FAANS, Head of Advisory Board

Specialises in Neurological Surgery and cannabis therapy. US Board Certified Brain and Spine Surgeon from McGill University. Dr Hall is an Associate Professor at Florida Int. University College of Medicine. Dr. Hall is also certified by the State of Florida to recommend medical cannabis to patients. Dr. Hall is also the Medical Director of Doc's Place International, Inc. Dr. Hall is Licensed to practice medicine in Canada, the US and Jamaica.

HERB FRITSCHKE, PH.D, Chief Science Officer

Clinical Chemist and was Professor of Laboratory Medicine and Chief of the Clinical Chemistry Section at The University of Texas, M.D. Anderson Cancer Center in Houston, Texas. During his 41 years at M.D. Anderson Cancer Center, Dr. Fritsche focused his research activities on the development and validation of cancer diagnostics. Dr. Fritsche has participated in the validation and FDA clearance process for every commercial serum tumor marker product currently in use in the United States.

MARGARET SPENCE, MB BS, Assistant Medical Director - Oncologist and Palliative Care Specialist

Fellow, Royal College of Radiologist, Diploma, Palliative Care. Consultant in Oncology and Palliative Medicine, Hope Institute.

DANVILLE DAVIDSON | Director of Regulatory Affairs

Senior Advisor/Consultant to The Honourable Minister of Housing (Jamaica Labor Party- JLP), Water & Works, Group IT Manager, ICWI Group, Managing Director of the Spectrum Management Authority. Port

Manager, Falmouth Cruise Ship Terminal. General Manager DPK (Jamaica) Limited. Advisor to the Prime Minister of Grenada.

Ownership Structure

Person holding shares	Total shares	% of class
AfriAg Global plc	4,640,000	2.675
Apollon Formularies, Inc.	43,500,000	25.081
Barnhill, Christopher	4,800,000	2.768
Barnhill, Nicholas	4,800,000	2.768
Brookes, Anthony	400,000	0.231
Brown, David Graham	320,000	0.185
CANNAssets Corp	700,000	0.404
Celaschi, John Paul	4,346,000	2.506
Chubb, Andrew	40,000	0.023
Clayton, Alastair Raoul	300,000	0.173
Courtney, Paul Spencer	598,400	0.345
Dalziell, Jason Adam	300,000	0.173
Davies, James Fox	200,000	0.115
Doc's Descendants Education Trust	1,000,000	0.577
Doc's Descendants Medical Trust	1,000,000	0.577
Douglas Eugene Partners, LLC	2,000,000	1.153
Drew Capital Investments Ltd	100,000	0.058
Dzisiak, Robert	200,000	0.115
Exchange Minerals Limited	800,000	0.461
French, Brooke	400,000	0.231
Fullard, Alex	1,626,664	0.938
Haggiag, Simon E.	1,600,000	0.923
Hodgkinson, Michael	400,000	0.231
Jackson, Mary Alyssa	4,800,000	2.768
Jacobs, Stene	675,200	0.389
Jagpal, Chandip	300,000	0.173
Jishkariani, Nino	200,000	0.115
Jr., Stephen D. Barnhill,	4,800,000	2.768
Kuenzel, Gregory	10,630,000	6.129
Mahony, James	416,008	0.24
Marr, Sebastian	1,245,200	0.718
Marshall, Luke	100,000	0.058
McAlpine, Adrian Neil Reaburn	200,000	0.115
McDowell, Mark	825,200	0.476
McIlfree, Roderick Claude	53,594,000	30.901
McNally, Josephine	1,300,000	0.75
M.D., Stephen D. Barnhill,	2,800,000	1.614
Millswest Pty Ltd	700,000	0.404
Negril Advisors, LLC	3,500,000	2.018
Obuz, Adnan	1,600,000	0.923
Orgee, William Alfred Pope	1,626,664	0.938
Pains Fireworks Ltd	80,000	0.046

RTX Advisory Services, LLC	3,000,000	1.73
Sanotra, Inderjeet	80,000	0.046
Serrot Trading Limited	400,000	0.231
Shedden, David	200,000	0.115
Shedden, Thomas	200,000	0.115
Sheil, Kevin Francis	1,600,000	0.923
Sondergaard, Eric	120,000	0.069
Stensgaard, Bo Moller	300,000	0.173
Tak, Kanwaljeet Singh	1,000,000	0.577
Taylor-Firth, Victoria	350,000	0.202
Thomas, David and Jenny	1,626,664	0.938
Thompson, Karl	500,000	0.288
Trustees of the Brian Garnett Isotank Will Trust	600,000	0.346

Medical cannabis regulatory regime in Jamaica

Overview

The Dangerous Drug Act (DDA Act) Amendment of 2015 (Amended DDA), which came into operation on the 15th day of April, 2015, principally gives the Cannabis Licensing Authority (CLA), which operates under the Ministry of Industry, Commerce, Agriculture and Fisheries (MICA), the power to issue licences, permits and authorizations, as may be appropriate, for the handling of hemp² and marijuana³ (ganja) for medical, therapeutic or scientific purposes. Specifically, the CLA regulates the use, cultivation, processing, importation, exportation, transit, manufacture, sale, possession and distribution of hemp and marijuana for medicinal purposes, including research, clinical trials, therapy and treatment and the manufacture of nutraceuticals and pharmaceuticals. The CLA is also charged with monitoring and otherwise regulating persons who have been issued licences, permits and authorizations and is specifically mandated to ensure that regulations do not contravene Jamaica's international obligations. The CLA is comprised of representatives from several Ministries that are engaged with issues relating to ganja, the Attorney General's Department, the National Council on Drug Abuse, academia, civil society groups and other non-governmental community-based and faith-based organizations.

As a matter of principle, the Jamaican government, and by extension the CLA, is strongly against the use or handling of marijuana by children, teenagers, adolescents and at-risk adults. As part of its efforts to ensure the protection of such groups, the CLA is directed to work with the National Council on Drug Abuse (NCDA) to educate at-risk groups about the potential negative effects of the drug, and the Jamaican government funds programs administered by the NCDA. Accordingly, the Amended DDA authorized the Minister of Finance to direct that a percentage of the revenues earned from issuing licences, permits and authorizations relating to ganja and hemp be used for:

1. Strengthening the capacity and programs of the NCDA;
2. Strengthening Jamaica's mental health institutions;
3. Funding scientific and medical research into ganja and hemp; and
4. Supporting the regulatory arrangements of the CLA

Aside from the CLA, there are three ministries given authority with regard to hemp and ganja in Jamaica. The Ministry of Science, Technology, Energy and Mining is permitted to authorize and regulate the cultivation of

² Hemp is defined in the Amended DDA as a ganja plant having a THC content of less than 1%. Hemp is used to make a wide variety of products from cloth, paper and rope to medicines, beverages and cosmetics. Hemp is excluded from the provisions in the Amended DDA that apply to ganja.

³ Marijuana is defined in the Amended DDA as *Cannabis sativa* with THC levels in excess of 1%. Jamaican law still prohibits recreational use but allows usage for medical, therapeutic or scientific purposes.

ganja in furtherance of scientific research being conducted by accredited educational, scientific and medical institutions. It, along with the Ministry of Finance per the Jamaica Customs Agency (JCA), also oversee the import and export of the ganja plant (or part of the plant), flour, oil and other forms in furtherance of scientific research and medical treatment being conducted by such institutions and other authorized entities and persons bodies in Jamaica. The Ministry of Justice allows practitioners of the Rastafarian faith to cultivate ganja for religious purposes as a sacrament. The CLA does not have jurisdiction over religious use of ganja. Organizations comprised of persons who are adherents to the Rastafarian faith submit to regulation and oversight by the Ministry of Justice, which includes events that are primarily for the purpose of celebration or observance of the Rastafarian faith. As a practical matter, the CLA as an operating unit and extension of MICAFA has long been a proponent of seeing that the highest standards are set for the medical cannabis industry in Jamaica. The CLA is set on a path to achieving certification in International Organization for Standardization (ISO) 9001:2015, which is an international standard that specifies requirements for a quality management system (QMS). Such ISO Certification initiative is part of the Strategic Public Sector Transformation Project of the Ministry of Finance and the Public Service, with two divisions of the CLA already having completed more than 50% of the steps in the process. In addition to the CLA activities, MICAFA charged the Bureau of Standards Jamaica (BSJ) to develop and establish standards that will provide guidelines and safeguards to protect consumers as well as assist companies with positioning their cannabis operations in Jamaica. Over the past months, BSJ has established seven standards to support the cannabis industry, including:

1. 2019 Jamaican Standard Practice for Determination of Water Activity in Cannabis Flower.
2. 2019 Jamaican Standard Guide for Cleaning and Disinfection.
3. 2019 Jamaican Standard Guide for the Disposal of Resin-Cannabis Raw Materials and Downstream Products.
4. 2019 Jamaican Standard Practice for Hazard Analysis Critical Control Point (HACCP) Systems for Cannabis Consumable Products.
5. 2020 Jamaican Standard Guide for the Packaging and labelling of consumer resin medical cannabis products.
6. 2020 Jamaican Standard Code of Practice for Processing and handling of cannabis for medical, scientific and therapeutic use.
7. 2020 Jamaican Standard Code of Practice for the Cultivation of cannabis for medical, scientific and therapeutic use.

Finally, as for COVID-19 and its impact on the medical cannabis industry in Jamaica, the CLA's director of research, development and communication, Felicia Bailey, has explained that cultivation, processing, activity and trade have continued for this industry even though there has been a slight slowdown in the growth rate. The CLA stated that it is committed to facilitating licensees operating at their full potential, even as they deal with the impact of the pandemic. Some changes implemented by it to ensure that businesses in the industry continue to operate include the processing of medically authorized sales online, curbside pick-ups, and increased remote monitoring of licensed facilities.

Personal Possession and Use

Per the Amended DDA, possession of 2 ounces or less of ganja by a person is no longer a criminal offence in Jamaica for which one can be arrested, charged and tried in court, and it will not result in a criminal record. However, police may issue a ticket to a person in possession of 2 ounces or less of ganja, similar to a traffic ticket, and the person has 30 days to pay the sum of J\$500 at any Tax Office.⁴ Moreover, and except as otherwise permitted by Jamaica law, it remains a criminal offence for a person to be in possession of over 2 ounces of ganja, and offenders can be arrested, charged, tried in court and, if found guilty, sentenced to a fine or to imprisonment or both.

Notwithstanding the foregoing, such rules against possession of ganja do not apply to:

1. Possession of ganja for medical or therapeutic purposes as recommended or prescribed by a

⁴ A person found in possession of 2 ounces or less who is under the age of 18 years, or who is 18 years or older and appears to be dependent on ganja, will also be referred to the NCDA for counselling.

- registered medical doctor or other health practitioner or class of practitioners approved by the Minister of Health;
2. Possession of ganja for purposes of scientific research that is conducted by an accredited tertiary institution or is approved by the Scientific Research Council (SRC);
 3. Possession of ganja pursuant to a licence, authorization or permit issued pursuant to the Amended DDA; or
 4. Possession of ganja for religious purposes as a sacrament in adherence to the Rastafarian faith.

Also, smoking of ganja in a public place (i.e., restaurant, school, workplace, etc.), or within five meters of a public place, is prohibited in a manner similar to cigarettes. A person who smokes in public cannot be arrested or detained but police may issue a ticket to that person, who will have 30 days to pay J\$500 at any Tax Office. Notwithstanding the foregoing, smoking of ganja will be legally permitted in places that are licensed for the smoking of ganja for medical or therapeutic purposes such as an Apollon treatment centre located at a Doc's Place facility.

Persons who do not ordinarily reside in Jamaica (for example, tourists or visiting Jamaicans who live overseas) may apply for a permit to allow them to lawfully purchase and possess up to 2 ounces of ganja at a time, for medical or therapeutic purposes. To obtain this permit, visitors must produce evidence that their use of ganja has been recommended or prescribed by a licensed medical practitioner in Jamaica or the country where they live. Alternatively, they can sign a voluntary declaration to confirm this. The permit is issued by Jamaica's Ministry of Health, and a fee is payable.

Scientific Research

An accredited tertiary institution or other body approved by the SRC may cultivate ganja in furtherance of scientific research on lands approved for that cultivation. SRC authorization is typically done through a letter of authorization from the SRC, the Ministry itself or one of its designated units. The extent of the scientific research authority given is generally described in such letter but may be further specified in instructions and communications, whether written or oral, from the SRC and/or its designees. An authorization to cultivate ganja for research purposes also protects any third party who is engaged by the scientific institution or body for this purpose. Ganja approved in this manner for scientific research is not subject to the rules against ganja under the Amended DDA.

Import

Generally, the import of ganja into Jamaica is not permitted. However, a person who is suffering from cancer or any other terminal or serious chronic illness may import medicine or a therapeutic product derived from or containing ganja. In order to do so, a registered medical practitioner must certify that the person is suffering from the illness and must recommend the person's use of the medicine or therapeutic product. Also, the importation of the medicine or therapeutic product must comply with regulations that have not yet been issued.

Additionally, the import of ganja (including any part of the plant) is permitted when done so in furtherance of scientific research by an accredited tertiary institution or other body approved by the SRC. Such importation must be from a jurisdiction where the export of ganja (or parts of the plant) to Jamaica is lawful. The importation of ganja for research purposes must comply with regulations that have not yet been issued. An authorization to import ganja for research purposes also protects any third party who is engaged by the scientific institution or body for this purpose.

Export

The release of final export licence rules and regulations is still pending with the CLA, although Audley Shaw, Minister of Industry, Commerce, Agriculture and Fisheries, has stated that license holders in Jamaica have the ability to export cannabis flower, oil and extracts for medical and scientific use. Such instances of export are limited to those throughout the world where import may be permitted, such as Canada, Australia and the Cayman Islands, and must be done so to the satisfaction of the CLA and generally in accordance with the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 protocol.

In late spring of 2020, the CLA published interim import/export protocols that presently apply to instances

where export opportunities exist now. Per such regulations, the CLA, the Jamaica Customs Agency (JCA), the Plant Quarantine Produce Inspection Branch (PQPIB) of the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA), the Jamaica Promotions Corporation (JAMPRO) and the Jamaica Constabulary Force (JCF) may each have a role with achieving the export. The process is initiated by the exporter submitting an Import Certificate/Permit to the CLA along with a detailed plan for the transport of the medical cannabis. Such plan must, among other things, detail the shippers, storage arrangements and security of the package during transport. Upon the CLA electing to approve the Plan, an Export Authorization letter is issued to the exporter for that instance of medical cannabis export, which must then be delivered to the JCA and the importing country's regulatory authority (with such importing authority also to receive a Phytosanitary Certificate from Jamaica). The medical cannabis product must then be properly packaged and labelled in accordance with CLA (and importing authority) requirements, which includes identifying the strain, net weight, country of origin, and CBD/THC content of the package. The exporter and a representative of the CLA are then required to be onsite for the packing and sealing of the package and its transport to the place of export in Jamaica. The exporter and a representative of the JCA are to then be onsite at the place and time of export from Jamaica and import into the receiving country and to report to the CLA and JCF of the safe sending and arrival of the package.

Aside from the express requirements of such Jamaican regulations, once medical-grade or nutraceutical products qualify to be exported, regulations of the target import country apply and place restrictions and establish protocols applicable to the country of import. Additionally, international treaties and agreements with regard to trading in cannabis goods and items may apply. Some of the nations importing meaningful quantities of medical cannabis include Australia, Brazil, Germany, Canada and, only recently, Israel. Standards and approaches to allowing cannabis import vary from country to country. For example, Canada allows for authorization to be obtained at a national agency level for the import of cannabis for medical and scientific purposes provided it is done so within the parameters set by the international drug conventions. Alternatively, Australia permits medical practitioners and other select importers to obtain licenses and approval from applicable government agencies to import medicinal cannabis products in order to allow for supplies of medicinal cannabis products to be available in a more timely fashion.

Rastafarian Sacramental Uses

Persons 18 years or older who are adherents to the Rastafarian faith, or Rastafarian organisations, may apply to the Ministry of Justice for authorisation to cultivate and use ganja for religious purposes as a sacrament in adherence to the Rastafarian faith. Ganja that is cultivated under such authorisation may not be smoked in public places other than at locations registered as places of Rastafarian worship, may not be sold or otherwise dealt with commercially, and cannot be exported from Jamaica. Additionally, Rastafarian organisations and persons of such faith may apply to the Ministry of Justice to have an event promoted or sponsored by them to be declared an exempt event provided that such event is primarily for the purpose of the celebration or observance of the Rastafarian faith. Where an event is declared exempt, persons who attend the event will not be liable to be arrested, detained or prosecuted for smoking ganja or possession of ganja at the event, or transporting ganja to the event, as long as they have complied with the amounts and conditions specified in the order declaring it an exempt event. As previously mentioned, the rules against ganja under the Amended DDA are not applicable to such Rastafarian cultivation and use.

PART IV
(A)
UNAUDITED PROFORMA CONSOLIDATED NET ASSET STATEMENT FOR ENLARGED GROUP

AFRIAG GLOBAL PLC

Pro Forma Consolidated Statement of Financial Position

As at 31st July 2020

(Unaudited)

(Expressed in £'000)

	Afriag Global Plc as at 30 th June 2020	Apollon Formularies Ltd as at 31 st July 2020	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Non-current assets					
Investment in associate	-	354	-		354
Loans to associate	-	1,868	-		1,868
Goodwill	-	-	38,787	4(i)	38,787
Total non-current assets	-	2,222	38,787		41,009
Current assets					
Trade and other receivables	18	242	-		260
Available for sale assets	1,160	-	(1,160)	4(i)	-
Cash and cash equivalents	76	3	1,269	4(ii) 4(iii)	1,279
Total current assets	1,254	245	1,009		2,508
Total assets	1,254	2,467	39,796		43,517
Current liabilities					
Trade and other payables	(561)	(94)	-		(655)
Total current liabilities	(561)	(94)	-		(655)
Net current assets	693	151	1,009		1,853
Net assets	693	2,373	39,796		42,862
Equity					
Share capital and Reserves	11,833	3,879	(3,879) 40,000	4(iv) (4i)	54,178
Retained earnings	(11,140)	(1,506)	2,345 1,506 (176)	4(ii) 4(v) 4(iii)	(11,316)
	633	2,373	39,796		42,862

AFRIAG GLOBAL PLC

Notes to the Pro Forma Statement of Financial Position

As at 31st July 2020

(Unaudited)

(Expressed in £'000's)

1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position of AfriAg Global Plc (the "Company") as at 31st July 2020 has been prepared by management of the Company in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the Transaction between the Company and Apollon Formularies Ltd ("AFL"). The unaudited pro forma consolidated statement of financial position has been prepared from information derived from and should be read in conjunction with the following:-

- The unaudited statement of financial position of the Company as at 31st July 2020 based on the Short Form Report ("SFR") of the Company as at 30th June 2020 as if there were no transactions arising in the period to 31st July 2020;
- The unaudited statement of financial position of AFL as at 31st July 2020 based on the SFR of AFL.

AfriAg Global Plc is acquiring all the shares in AFL not held prior to the transaction. AFL's assets, liabilities and equity are included at their historical carrying values, and the net assets of AFL will be recorded in the consolidated Financial Position at fair value as at the date of the Transaction. Transaction costs incurred in connection with the Transaction have been treated as expensed.

It is Management's opinion that the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation, in all material respects, of the Transactions described in the Notes in accordance with IFRS applied on a basis consistent with AfriAg Global Plc's and AFL's accounting policies.

The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Company as if the Transaction had been effected on 31st July 2020. No unaudited pro forma consolidated statement of loss and comprehensive loss has been prepared as neither the Company or AFL have generated any revenues. The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position which would have occurred if the Transaction had actually occurred on 31st July 2020.

2. Summary of Significant Accounting Policies

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the financial statements of the Company for the six months ended 30th June 2020.

3. Proposed Transaction

The proposed Transaction is detailed in the Admission Document within which the pro forma consolidated statement of financial position is included.

The completion of the Transaction is subject to a number of conditions, including receipt of applicable regulatory and shareholder approvals and completion of the financing. There can be no assurance that the Transaction will be completed as proposed.

4. Pro Forma Assumptions and Adjustments

(i) Reverse Acquisition

As a result of the Transaction, the shareholders of AFL will acquire control of AfriAg Global Plc, thereby constituting a reverse acquisition of AfriAg Global Plc.

The Transaction will be accounted for in accordance with guidance provided in IFRS 3, "Business Combinations" as applicable.

The purchase price is allocated as follows:-

	Amount £'000's
Fair value of AfriAg Global Plc shares (500 million ordinary shares at £0.08 per share) to increase the Company's holding to 100% control of AFL	40,000
Add carrying value of AFL shares held by the Company	1,160
	<hr/>
Total fair value of AFL	41,160
	<hr/>
Represented by:-	
Net Assets of AFL per AFL SFR	2,373
Goodwill	38,787
	<hr/>
	41,160
	<hr/>

(ii) Financing

- a) The Company intends to complete a private placement of 50 million ordinary shares at a price of £0.05 per share to raise proceeds of £2.5 million gross and £2.345 million net of brokerage.
- b) On 8th October 2020 funds were raised totalling £49,000 in Apollon Formularies Ltd to settle certain services provided. This transaction is not included in the pro forma adjustments.

(iii) Transaction Costs

Direct Transaction costs are estimated to be £176,000 with respect to legal, accounting and advisory fees. These costs have been recorded as paid from the gross finance raised and expensed to the Income Statement.

(iv) Consolidation Adjustments

The enlarged group consolidated balance sheet is shown after the removal by consolidation adjustment of the share capital and retained earnings of AFL.

5. Pro Forma Share Capital and Reserves

The number of ordinary shares of no par value issued and outstanding after giving effect to the assumptions and pro form adjustments discussed in Note 4 is as follows:-

	Share Number Millions	Capital Reserves £'000's
At 31 st July 2020:-		
AfriAg Global Plc ordinary shares issued	31.7	11,833
Apollon Formularies Ltd ordinary shares issued		3,879
Adjustment for Transaction		(3,879)
Ordinary shares issued pursuant to Transaction	666.7	40,000
Ordinary shares issued pursuant to Financing	50.0	2,345
	<hr/> 748.4 <hr/>	<hr/> 54,178 <hr/>

PART IV
(B)
SECTION A - ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF
APOLLON FORMULARIES LTD

<div>Chapman Davis LLP</div> <div>CHARTERED ACCOUNTANTS</div>	<div>Tel. 020 7357 6008 Fax. 020 7357 6159 Email. cd@chapct.co.uk</div> <div>2 CHAPEL COURT LONDON SE1 1HH</div>
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The Directors
AfriAg Global Plc
Quayside House
6 Hope Street
Castletown
Isle of Man
IM9 1AS

The Directors
Peterhouse Capital Limited
80 Cheapside
London
EC2V 6EE

17 March 2021

Dear Sirs,

APOLLON FORMULARIES LTD

Introduction

We report on the financial information of Apollon Formularies Ltd (the “Company”) for the two years to 31st July 2020 (the “Financial Information”). The Financial Information has been prepared for inclusion in Part IV * (B) of AfriAg Global Plc AQSE Growth Market Admission Document dated * 2021 (the “Admission Document”), on the basis of the accounting policies set out in note 2 to the Financial Information. This report is required by Appendix 1 to the AQSE Growth Market – Rules for Issuers (the “AQSE Exchange Rules”) and is given for the purposes of complying with the AQSE Exchange Rules and for no other purpose.

Responsibilities

The directors of Apollon (the “Directors”) are responsible for preparing the Financial Information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). It is our responsibility to form an opinion on the Financial Information as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

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

Basis of opinion

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

Opinion

In our opinion, the Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Apollon at the dates stated and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the Financial Information and has been prepared in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by Apollon.

Declaration

For the purposes of Appendix 1 of the AQSE Exchange Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Appendix 1 of the AQSE Exchange Rules.

Yours faithfully,

CHAPMAN DAVIS LLP
Chartered Accountants

PART IV
(B)
SECTION B – HISTORICAL FINANCIAL INFORMATION ON APOLLON FORMULARIES LTD

Financial Statements

Statement of comprehensive income for the year to 31 July 2019 and 31 July 2020

	Note	2019 £	2020 £
Continuing Operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administration expenses	5	(442,248)	(26,349)
Other gains/losses		-	16,980
Forex		36,893	(129,454)
Share of loss from associate	14	(715,561)	(243,951)
Operating (loss)/profit		(1,120,916)	(382,774)
Finance costs		1	(2,425)
(Loss)/profit before taxation		(1,120,915)	(385,199)
Corporate tax credit		-	-
(Loss)/profit for the year attributable to owners of the Parent		(1,120,915)	(385,199)
Other comprehensive income:			
Currency translation differences		-	-
Total comprehensive income attributable to owners of the Parent		(1,120,915)	(385,199)

Financial Statements

Statement of financial position as at 31 July 2019 and 31 July 2020

	Note	2019 £	2020 £
Non-current assets			
Investment in associate	6	597,761	353,811
Loans to associate		1,706,759	1,867,910
		2,304,520	2,221,721
Current Assets			
Trade and other receivables	8	191,307	242,131
Cash and cash equivalents	9	138,953	2,860
		330,260	244,991
Total Assets		2,634,780	2,466,712
Current Liabilities			
Trade and other payables	10	(91,794)	(93,925)
Total Liabilities		(91,794)	(93,925)
Net Assets		2,542,986	2,372,787
Equity attributable to owners of the Parent			
Share capital	11	17,201	17,309
Share premium	11	3,646,700	3,861,592
Retained losses		(1,120,915)	(1,506,114)
Total Equity		2,542,986	2,372,787

Statement of changes in equity

	Share capital	Share premium	Retained losses	Total equity
	£	£	£	£
As at 31 July 2018	-	-	-	-
Loss for the year	-	-	(1,120,915)	(1,120,915)
Total comprehensive income for the year	-	-	(1,120,915)	(1,120,915)
Proceeds from share issue	17,201	3,646,700	-	3,663,901
Transaction with owners	-	-	-	-
As at 31 July 2019	17,201	3,646,700	(1,120,915)	2,542,986

	Share capital	Share premium	Retained losses	Total equity
	£	£	£	£
As at 1 August 2019	17,201	3,646,700	(1,120,915)	2,542,986
Loss for the year	-	-	(385,199)	(385,199)
Total comprehensive income for the year	-	-	(385,199)	(385,199)
Proceeds from share issue	108	214,892	-	215,000
Transaction with owners	108	214,892	-	215,000
As at 31 July 2020	17,309	3,861,592	(1,506,114)	2,372,787

Statement of cash flows for the year to 31 July 2019 and 31 July 2020

	2019	2020
	£	£
Cash flows from operating activities		
(Loss) before taxation	(1,120,915)	(385,199)
Adjustments for:		
Interest expense	-	2,427
Share based payments	7,600	-
Increase in trade and other receivables	(15,505)	13,747
Increase in trade and other payables	70,084	(81,793)
Foreign exchange	-	130,134
Net cash used in operating activities	(1,066,336)	(320,684)
Cash flows from investing activities		
Right to purchase	(154,092)	-
Investment in associate	(1,313,322)	-
Loss from associate	715,561	243,950
Loans granted to associate	(1,706,759)	(291,288)
Other loans granted	-	(64,571)
Net cash used in investing activities	(2,451,012)	(111,909)
Cash flows from financing activities		
Proceeds from share capital	3,656,301	215,000
Proceeds from borrowings	-	81,500
Net cash used in financing activities	3,656,301	295,500
Net (decrease) / increase in cash and cash equivalents	138,953	(136,093)
Cash and cash equivalents at beginning of year	-	138,953
Cash and cash equivalents at end of year	138,953	2,860

Notes to the Financial Statements

1. General Information

Apollon Formularies Ltd (“the Company”) was incorporated on 30 July 2018 and commenced trading on 1 August 2018. The principal activity of Apollon Formularies Ltd (“the Company”) is an international medicinal cannabis pharmaceutical investment company. The address of its registered office is 7-9 Swallow Street, London, United Kingdom, W1B 4DE.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The Financial Statements are presented in Pounds Sterling rounded to the nearest pound.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

2.2 Standards and Interpretations effective in the two years

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 31 July 2018

As of 31 July 2018 the Company has adopted IFRS 9 and IFRS 15.

The Company adopted IFRS 9, Financial Instruments (‘IFRS 9’), which replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities.

The Company reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. Based on this assessment of the classification and measurement model, there were no changes to classification and measurement other than changes in terminology.

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. The Company has no revenue sources therefore IFRS15 is not applicable.

(b) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 July 2019

As of 1 July 2019, the Company adopted IFRS 16 Leases, IFRIC 23 Uncertainty over leases, and IAS 28 (Amendments) Long term interests in associates and joint ventures. The transition to these standards had no material impact on the Company. There were no long-term operating leases in the Company as at the transition date for IFRS 16; as such no adjustments were made under this standard.

(c) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Notes to the Financial Statements (continued)

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Definition of a Business	*1 January 2020
IAS 1 and IAS 8 (Amendments)	Definition of material	1 January 2020
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2022

*subject to EU endorsement

The Company is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's results or shareholders' funds.

2.3 Going Concern

The Directors have prepared cash flow forecasts for the Company covering the period up to 28 February 2022. After making enquiries and considering the impact of risks and opportunities on expected cash flows, regardless of the impact from the listing of AfriAg Global Plc on the AQSE Growth Markets and the reverse acquisition of Apollon by the Company, the Directors have a reasonable expectation that the Company has adequate cash to continue in operational existence for the foreseeable future. For this reason, the financial information is presented on a going concern basis.

2.4 Foreign Currencies

Functional and presentation currency

Items included in the Financial Statements of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Financial Statements are presented in British Pounds Sterling, rounded to the nearest pound, which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. 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 impairment (except goodwill) are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial Assets

Classification

The Company has classified all of its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Recognition and measurement

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.8 Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company has reoccurring tax losses which can be used to offset future profits. 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. No deferred tax asset has been recognised in the current year.

2.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

3. Financial Risk Management and Financial Instruments

The Company is not exposed to financial or capital risks as these are assumed by the parent company. Details of these risks and the risk management in place can be found in the parent company's financial statements.

4. Critical Accounting Estimates and Judgements

The preparation of the Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Expenses by Nature

	2019 £	2020 £
Directors fees	-	3,842
Consultancy & professional fees	313,537	-
Audit fees	-	10,000
Insurance	3,512	-
Office related expenses including rent, printing, postage and telephone	104,995	7,707
Travel and subsistence expenses	18,551	2,349
Other expenses	1,653	2,451
Total administrative expenses	442,248	26,349

6. Investment in Associates

	2019 £	2020 £
Investment in Apollon Formularies Jamaica Limited	1,313,322	1,313,322
Share of loss from Apollon Formularies Jamaica Limited	(715,561)	(959,511)
Total	597,761	353,811

7. Loans to Associates

	2019 £	2020 £
Loan to Apollon Formularies Jamaica Limited	1,706,759	1,867,910
Total	1,706,759	1,867,910

8. Trade and Other Receivables

	2019 £	2020 £
Prepayments	7,152	-
Right to purchase Cbev Ventures Inc	154,092	154,092
Other receivables	30,063	23,468
Loan to Cbev Ventures Inc	-	64,571
	191,307	242,131

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above and this is the only form of financial instrument within the Company.

9. Cash and Cash Equivalents

	2019 £	2020 £
Cash at bank and in hand	138,953	2,860

10. Trade and Other Payables

	2019 £	2020 £
Trade payables	71,152	-
Accrued expenses	20,642	10,000
Loan from third parties	-	50,000
Interest payable to third parties	-	1,637
Loan from Director	-	31,500
Interest payable to Director	-	788
	91,794	93,925

Trade and other payables are all due within one year.

11. Share Capital

	Number of shares	Ordinary shares £	Share premium £	Total £
At Incorporation	1	1	-	1
15 December 2018 – Subdivision of shares	9,999	-	-	-
21 March 2019 – Issue of new shares	63,000,000	6,300	-	6,300
21 March 2019 – Issue of new shares	76,000,000	7,600	-	7,600
21 March 2019 – Issue of new shares	13,000,000	1,300	648,700	650,000
21 March 2019 – Issue of new shares	16,000,000	1,600	1,988,400	1,990,000
14 May 2019 – Issue of new shares	1,200,000	120	299,880	300,000
12 July 2019 – Issue of new shares	2,800,000	280	699,720	700,000
At 31 July 2019	172,010,000	17,201	3,646,700	3,653,901
26 September 2019 – Issue of new shares	440,000	44	54,956	55,000
15 November 2019 – Issue of new shares	640,000	64	159,936	160,000
At 31 July 2020	173,090,000	17,309	3,861,592	3,653,901

On 30 July 2018, 1 Ordinary share of £1 each were issued for a price of £1 for the total amount of £1

On 15 December 2018, every 1 Ordinary shares of £1 each were subdivided into 10,000 new ordinary shares of £0.0001 each.

On 21 March 2019, 63,000,000 Ordinary shares of £0.0001 each were issued for a price of £0.0001 for the total amount of £6,300.

On 21 March 2019, 76,000,000 Ordinary shares of £0.0001 each were issued for a price of £0.0001 as part of the consideration for Apollon Formularies Jamaica Limited for the total value of £7,600.

On 21 March 2019, 13,000,000 Ordinary shares of £0.0001 each were issued for a price of £0.05 for the total amount of £650,000

On 21 March 2019, 16,000,000 Ordinary shares of £0.0001 each were issued for a price of £0.125 for the total amount of £2,000,000.

On 14 May 2019, 1,200,000 Ordinary shares of £0.0001 each were issued for a price of £0.25 for the total amount of £300,000.

On 12 July 2019, 2,800,000 Ordinary shares of £0.0001 each were issued for a price of £0.25 for the total amount of £700,000.

On 26 September 2019, 440,000 Ordinary shares of £0.0001 each were issued for a price of £0.125 for the total amount of £55,000.

On 15 November 2019, 640,000 Ordinary shares of £0.0001 each were issued for a price of £0.25 for the total amount of £160,000

12. Employees

The average monthly number of persons (including directors) employed by the Company during the year was 3 (2019: 1).

13. Taxation

	2019	2020
	£	£
Profit before tax	(1,120,915)	(385,199)
Tax at the applicable rate of 19%	(212,973)	(73,188)
Expenditure not deductible for tax purposes	494	150
Net tax effect of losses carried forward	212,479	73,038
Tax credit	-	-

No charge to taxation arises due to the losses incurred.

The Company has tax losses of approximately £285,517 (2019: loss of £212,479) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

14. Associate

On 28 September 2018, the Company acquired a right to receive a 49% equity interest in Apollon Formularies Jamaica Limited ("Apollon Jamaica"), a company incorporated in Jamaica, upon approval by the Cannabis Licensing Authority (CLA) of Jamaica for Company to so own such equity in a medically licensed cannabis company. In the interim, the Company entered into a contract with Apollon Jamaica whereby the Company receives 95% of the net profits of Apollon Jamaica. The Company also entered into a contract with its shareholder, Stephen D. Barnhill, M.D., who is the person presently recognized as the owner of such 49% equity interest in Apollon Jamaica, that he: (i) pledges to assign such equity to Company upon CLA approval of Company being an owner, (ii) commits to vote the equity he holds in Apollon Jamaica in accordance with such assignment obligation to the extent permitted by law, and (iii) will participate as a director of Apollon Jamaica and act when voting in a way that is consistent with such equity commitments to the Company to the extent permitted by law.

On 28 September 2018, the Company entered into a Right to Purchase Understanding agreement, as amended (RTP) with Doc's Place International, Inc. (Doc's Place), which is an affiliate of the Apollon Formularies, Inc. and under the direction of Stephen D. Barnhill, M.D. who are both Company shareholders. This RTP provides the Company with the exclusive right (but not an obligation) to acquire all of the equity of Doc's Place and/or to provide funds (or have Apollon Jamaica provide funds) to Doc's Place. Doc's Place is leasing, building-out, establishing and operating a wellness centre on property located in Negril, Jamaica that is subleased from Apollon Jamaica so that it may: (i) cultivate plants for use with the production of medical cannabis; (ii) process, store and dispense medical cannabis; (ii) perform research and development involving medical cannabis; and (iv) facilitate treatment using medical cannabis, all in accordance with the licenses issued by the CLA to Apollon Jamaica. Doc's Place also provides services to Apollon Jamaica and facilitates Apollon Jamaica with obtaining certain products and services from third-party suppliers and contractors.

Apollon Jamaica is accounted for as an associate because the Company has significant influence over it, has a representative serving as a director who participates in its policy-making process, and has engaged in material transactions with it that includes loans and a right to receive 95% of its profits. These factors have been determined to be sufficient to meet the requirements of IAS 28 even though the Company does not presently own any equity in Apollon Jamaica and, once it does, will only receive a 49% share of the return on investment (which will come from the 5% net income) and only have 49% voting rights. As an associate, Apollon Jamaica is accounted for on an equity accounting basis. Regarding Doc's Place, the Company does not recognize it as an associate because the Company does not own any equity in Doc's Place or does not have any interest in the profits of Doc's Place. The Company only has an opportunity (but not an obligation) to purchase the equity of Doc's Place per the RTP. Accordingly, the Company's investment in Apollon Jamaica and its RTP and funding arrangements with Doc's Place are a key part of its plans to expand its operations.

Regarding the medical cannabis license issued to the Company's associate, Apollon Jamaica, it should be noted:

- On 13 March 2018, the Cannabis Licensing Authority of Jamaica (CLA) issued Transportation Licence No. 170209150226 via a Conditional Approval Letter to Apollon Jamaica, which expired 13 September 2018 and which permitted it to transport medical cannabis as a commercial activity in accordance with CLA protocols and the regulations of the Dangerous Drugs (Cannabis Licensing) (Interim) Regulations 2016. At that time Apollon Jamaica elected to not engage in commercial transportation activity and therefore let such licence lapse. The licence can be re-initiated but is not needed by Apollon Jamaica to perform the basic forms of transportation done by it when conducting its other licensed activities.
- On 9 November 2018, the CLA issued Retail (Therapeutic Services) Licence No. 170209153635 to Apollon Jamaica, which expires 8 November 2021 and which permits it to provide therapeutic services utilising cannabis in accordance with Regulation 24 (1)(b), Regulation paragraph (2) and Regulation 24(3)(b) of the Dangerous Drugs (Cannabis Licensing) (Interim) Regulations 2016.
- On 9 November 2018, the CLA issued Processing (Tier 1) Licence No. 170209113513 to Apollon Jamaica, which expires 8 November 2021 and which permits it to: (1) process raw cannabis oil (bulk), and (2) manufacture any cannabis-based products that have been approved by the Ministry of Health for medical, therapeutic and scientific purposes in accordance with the Regulations.
- On 9 November 2018, the CLA issued Cultivation (Tier 1) Licence Reference No. 180103090458 to Apollon Jamaica, which expires 24 September 2022 and which permits it to: (1) cultivate up to 1 acre (4,047 square meters) of land with cannabis for medical, scientific and therapeutic purposes, and (2) perform indoor and greenhouse cultivation of cannabis for medical, scientific and therapeutic purposes. On 7 January 2020, the CLA confirmed by letter to Apollon Jamaica that Cultivation (Tier 1) Licence Reference No. 180103090458 continues to be conditional approved.
- On 25 September 2019, the CLA issued Research and Development (Experimental) Licence Reference No. 170209151209 to Apollon Jamaica, which expires 24 September 2022 and which permits it to: (1) conduct, for experimental purposes, research and development utilizing cannabis in accordance with Regulation 27 paragraph (a) and Regulations 28 of the Dangerous Drugs (Cannabis Licensing) (Interim) Regulations 2016, and (2) cultivate, for research and development (experimental) purposes only, not more than thirty (30) cannabis plants at any one time (to include all stages of growing and other plants).

In the fall of 2018, Apollon Jamaica filed an application to be granted a licence to export medical cannabis internationally. At such time the CLA delayed processing all export applications pending it developing final regulations. In the fall of 2019, the CLA issued interim regulations permitting export of medical cannabis on a case-by-case basis as approved by the CLA when done by an otherwise CLA licensed company (which Apollon Jamaica is) that has applied for an export licence (which Apollon Jamaica has done), with such export being restricted to only countries that allow import of medical cannabis pharmaceutical products and only provided that Apollon Jamaica has a purchase agreement with a buyer authorized to import pursuant to the laws of the applicable country.

On 22 June 2020, the Company's associate Apollon Jamaica entered into an Access and Use Licence Agreement with AI Pharmaceuticals Jamaica Limited (AI Pharma), an entity then owned and directed by Stephen D. Barnhill, MD who is a shareholder of the Company, whereby AI Pharma purchased the right to use certain equipment and space that is under the control of Apollon Jamaica..

The carrying value of the investment in the associate is determined as follows:

	2020	2019
	£	£
Opening balance	597,761	-
Share of loss in associate	(243,950)	(715,561)
Capital Contributions	-	1,313,322
	353,811	597,761

The Company's share of Apollon Jamaica result for the year was a loss of £243,950 (2019: loss of £715,561) of a total loss of £497,859 (2019: total loss of £1,460,328).

15. Directors Remuneration

	2019	2020
	£	£
Stephen Barnhill ⁽¹⁾	-	3,842
Roderick McIlree	-	-
Nicholas Barnhill ⁽²⁾	-	-
	-	3,842

(1) *Stephen Barnhill (appointed 22 August 2019)*

(2) *Nicholas Barnhill (appointed 22 August 2019)*

16. Related Party Transactions

Loans have been granted by Roderick McIlree to the Company during the year with a capital amount outstanding of £31,500 and an interest amount of £788 at the year end. The loans incur interest of 6% above the Bank of England base rate per annum.

On 1 August 2019, the Management Services Agreement (MSA) with Apollon Formularies, Inc., which is a shareholder of the Company and an entity that has Stephen D. Barnhill, M.D. as its sole director, was terminated, with 1 January 2019 being deemed by the parties to be the effective date that the rights and obligations of the parties per the MSA ended, in particular with regard to providing services and making payments. Notwithstanding the termination of the MSA, on 22 August 2019 Stephen D. Barnhill, M.D. (a shareholder of the Company) became a Director of the Company and as of 1 January 2019 he continued to be designated and served as the Company's representative to Apollon Jamaica.

As noted in Notes 7, 8, 14 and/or 18, the Company has the following related party arrangements:

- Commitment Agreement with Apollon Jamaica, an associate which is 49% owned by Stephen D. Barnhill, M.D who is a shareholder of the Company;
- Stock Pledge and Voting Commitment Agreement with Stephen D. Barnhill, M.D., who is a shareholder of the Company and 49% owner of Apollon Jamaica for the benefit of the Company;
- RTP with Doc's Place, which is an affiliate of the Apollon Formularies, Inc. and under the direction of Stephen D. Barnhill, M.D., who are both Company shareholders with Stephen D. Barnhill, M.D. also being a Director of the Company;
- RTP with CBev Ventures, Inc. (CBev), which is an entity owned and under the direction of Stephen D. Barnhill, Jr. who is a shareholder of the Company, was extended and certain nonrecourse loans were made to CBev;
- Payments, contributions and loans to Apollon Jamaica as noted in the Statement of Financial Position, Cash Flows, and notes;
- Sublease and other service, procurement and funding arrangements with Doc's Place, which is an affiliate of Apollon Formularies, Inc. (a company shareholder) and has Stephen D. Barnhill, M.D. as its sole director;
- Access and Use Licence Agreement made by the Company's associate Apollon Jamaica with AI Pharma, which is an entity that was owned and directed (and now remains directed) by Stephen D. Barnhill, M.D., who is a shareholder of the Company; and
- Assignment of two provision patents by Stephen D. Barnhill, M.D., as the inventor, to the Company.

On 22 June 2020, the Company's associate Apollon Jamaica entered into an Access and Use Licence Agreement with AI Pharmaceuticals Jamaica Limited (AI Pharma), an entity then owned and directed by Stephen D. Barnhill, MD who is a shareholder of the Company, whereby AI Pharma purchased the right to use certain equipment and space that is under the control of Apollon Jamaica.

17. Ultimate Parent Company and Controlling Party

The Directors believe there to be no ultimate controlling party.

18. Significant Events after the Reporting Date

Following the United Kingdom (UK) formally agreeing on 31 January 2020 at 11pm per Article 50(3) of the Treaty on European Union (EU) to cease to be a member of the EU (Brexit), the UK and EU entered into a Trade and Cooperation Agreement on 31 December 2020. The commercial impact of this new agreement may be delayed for some time. Although the business of the Company and its associate is principally conducted in Jamaica and the UK and therefore not directly impacted by Brexit, there is the possibility that the result of Brexit could have an impact on them, including (without limitation) with regard to currency exchange, access to capital and investors, changes to regulatory environments and other financial and/or operations developments.

On 13 October 2020, 350,000 Ordinary shares of £0.0001 each were issued for a price of £0.14 for the total amount of £49,000 as consideration for services provided.


On 21 October 2020, Stephen D. Barnhill, M.D. assigned the following patents to the Company:

- Provisional patent application No. 62/774,121 entitled MACHINE LEARNING ANALYSIS OF CANNABIS STRAINS FOR IMPROVED MEDICINAL PURPOSES, which was filed 30 November 2018 with the United States Patent and Trademark Office.
- Provisional patent application No. 62/774,169 entitled SYSTEM AND METHOD FOR COMPOUNDING AND 3-D PRINTING PHARMACEUTICALS, which was filed 30 November 2018 with the United States Patent and Trademark Office.

A worldwide Covid-19 pandemic has led to material alteration and/or shut-down of both social and economic activity in the UK, Jamaica and in most other countries around the globe. This outbreak began in late 2019 and early 2020 and remains in existence as of the Reporting Date and even date on this document. Where activities have resumed, they have often done so with restriction and/or limitation. This is an unprecedented global event and it is impossible to determine what the current and likely future impact will be on the Company or its associates, the local and national economy of the UK or Jamaica, or indeed the medical cannabis industry or wider global economy. The crisis gives rise to uncertainty in relation to the timing of present and future activity and it is not known when it will end or materially lessen.

PART V

SECTION A - ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF AFRIAG GLOBAL PLC

 CHARTERED ACCOUNTANTS	Tel. 020 7357 6008 Fax. 020 7357 6159 Email. cd@chapct.co.uk 2 CHAPEL COURT LONDON SE1 1HH
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The Directors
Peterhouse Capital Limited
80 Cheapside
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EC2V 6EE

17 March 2021

Dear Sirs,

AFRIAG GLOBAL PLC

Introduction

We report on the financial information of AfriAg Global Plc (the “Company”) for the three years to 31 December 2019 and the six months to 30 June 2020 (the “Financial Information”). The Financial Information has been prepared for inclusion in Part V (B) of Company’s AQSE Growth Market Admission Document dated 17 March 2021 (the “Admission Document”), on the basis of the accounting policies set out in note 2 to the Financial Information. This report is required by Appendix 1 to the AQSE Growth Market – Rules for Issuers (the “AQSE Exchange Rules”) and is given for the purposes of complying with the AQSE Exchange Rules and for no other purpose.

Responsibilities

The directors of the Company (the “Directors”) are responsible for preparing the Financial Information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). It is our responsibility to form an opinion on the Financial Information as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

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

Basis of opinion

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

Opinion

In our opinion, the Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company at the dates stated and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the Financial Information and has been prepared in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Appendix 1 of the AQSE Exchange Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Appendix 1 of the AQSE Exchange Rules.

Yours faithfully,

CHAPMAN DAVIS LLP
Chartered Accountants

PART V

SECTION B – HISTORICAL FINANCIAL INFORMATION ON AFRIAG GLOBAL PLC

Financial Statements

Consolidated statement of comprehensive income for the period

	Note	Year to 31 Dec 2017 £'000	Year to 31 Dec 2018 £'000	Year to 31 Dec 2019 £'000	Six months to 30 June 2020 £'000
Revenue	4	3,122	2,236	2,217	-
Cost of sales		(2,842)	(2,170)	(1,959)	-
Gross Profit		280	66	258	-
Administration expenses		(378)	(430)	(411)	60
Operating (loss)	5	(98)	(364)	(153)	(60)
Share of associate result	12	72	97	(2)	-
(Loss) on disposal of subsidiaries	21	-	-	(346)	-
Loans advanced to subsidiaries written off	21	-	-	(1,953)	-
Investment income	7	(11)	(51)	(22)	(2)
Finance costs	8	(1)	-	(4)	-
(Loss) before taxation		(38)	(318)	(2,480)	(62)
Taxation	9	-	-	-	-
Loss for the period attributable to equity holders of the parent		38	(318)	(2,480)	(62)
Other comprehensive income					
Transfer to income statement		14	22	-	-
Translation exchange (loss)		(3)	(51)	17	-
Other comprehensive income for the period net of taxation		11	(29)	17	-
Total comprehensive income for the year attributable to equity holders of the parent		(27)	(347)	(2,463)	(62)
		=====	=====	=====	=====
Loss per share					
Basic and diluted (pence)	10	(0.3)	(1.7)	(9.76)	(0.19)
		=====	=====	=====	=====

Consolidated statement of financial position at 31 December 2017, 2018 and 2019 and 30 June 2020

		31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
	Note				
Non-current assets					
Property, plant & equipment	11	5	5	-	-
Investments in associates	12	1,590	1,687	-	-
		<u>1,595</u>	<u>1,692</u>	<u>-</u>	<u>-</u>
Current assets					
Inventory	14	3	-	-	-
Trade and other receivables	15	846	925	16	18
Available for sale assets	13	1	30	1,167	1,160
Cash and cash equivalents		443	101	98	76
		<u>1,293</u>	<u>1,056</u>	<u>1,281</u>	<u>1,254</u>
Total assets		<u>2,888</u>	<u>2,748</u>	<u>1,281</u>	<u>1,254</u>
Current liabilities					
Trade and other payables	16	(919)	(844)	(525)	(561)
		<u>(919)</u>	<u>(844)</u>	<u>(525)</u>	<u>(561)</u>
Net current assets		<u>374</u>	<u>213</u>	<u>756</u>	<u>693</u>
Net assets		<u>1,969</u>	<u>1,904</u>	<u>756</u>	<u>693</u>
		=====	=====	=====	=====
Equity					
Share capital	17	1,461	1,761	3,171	3,171
Share premium account		8,648	8,630	8,535	8,534
Share based payment reserve		279	279	128	128
Revaluation reserves		(22)	-	-	-
Foreign currency reserve		34	(17)	-	-
Retained earnings		(8,431)	(8,749)	(11,078)	(11,140)
		<u>(1,969)</u>	<u>1,904</u>	<u>756</u>	<u>693</u>
		=====	=====	=====	=====

Consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Foreign currency reserve	Revaluation reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2016	1,381	8,528	279	37	(36)	(8,393)	1,796
(Loss) for the period	-	-	-	-	-	(38)	(38)
Currency translation gain	-	-	-	(3)	-	-	(3)
Gain on revaluation of available for sale investments	-	-	-	-	-	-	-
Transfer to income statement	-	-	-	-	14	-	14
Total Comprehensive Income	-	-	-	(3)	14	(38)	(27)
Shares issued	80	120	-	-	-	-	200
Share based payment charge	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	80	120	-	-	-	-	200
At 31 December 2017	1,461	8,648	279	34	(22)	(8,431)	1,969
(Loss) for the period	-	-	-	-	-	(318)	(318)
Currency translation gain	-	-	-	(51)	-	-	(51)
Transfer to income statement	-	-	-	-	22	-	22
Total Comprehensive Income	-	-	-	(51)	22	(318)	(347)
Shares issued	300	-	-	-	-	-	300
Share Issue cost	-	(18)	-	-	-	-	(18)
Share based payment charge	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	300	(18)	-	-	-	-	282
At 31 December 2018	1,761	8,630	279	(17)	-	(8,749)	1,904
(Loss) for the period	-	-	-	-	-	(2,480)	(2,480)
Currency translation gain	-	-	-	17	-	-	17
Transfer to income statement	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	17	-	(2,480)	(2,463)
Shares issued	1,410	-	-	-	-	-	1,410
Share Issue cost	-	(95)	-	-	-	-	(95)
Transfer with equity	-	-	(151)	-	-	151	-
Total contributions by and distributions to owners of the Company	1,410	(95)	(151)	-	-	151	1,315

Consolidated statement of changes in equity cont.../

At 31 December 2019	3,171	8,535	128	-	-	(11,078)	756
(Loss) for the period	-	-	-	-	-	(62)	(62)
Currency translation gain	-	-	-	-	-	-	-
Transfer to income statement	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(62)	(62)
Shares issued	-	-	-	-	-	-	-
Share Issue cost	-	(1)	-	-	-	-	(1)
Share based payment charge	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	(1)	-	-	-	-	(1)
At 30 June 2020	3,171	8,534	128	-	-	(11,140)	693

Consolidated statement of cash flows for the period

	Year to 31 Dec 2017 £'000	Year to 31 Dec 2018 £'000	Year to 31 Dec 2019 £'000	Six months to 30 June 2020 £'000
Cash flows from operating activities				
Operating (loss)	(98)	(364)	(153)	(60)
(Increase)/decrease in inventory	6	3	(12)	-
Decrease in trade and other receivables	130	38	81	(2)
(Decrease) in trade and other payables	(68)	(75)	(71)	36
Depreciation	4	3	1	-
Net cash (outflow) in operating activities	(26)	(395)	(154)	(26)
Investing activities				
Investment income	2	3	1	-
Finance costs	(1)	-	(4)	-
Loan advanced to related party company	-	(117)	-	-
Receipts on sale of AFS Investments	35	1	-	5
Payments on purchase of AFS Investments	-	(62)	(1,160)	-
Cash disposed with subsidiaries	-	-	(13)	-
Payments for PPE assets	(4)	(3)	-	-
Net cash (outflow) in investing activities	-	(178)	(1,176)	5
Financing activities				
Issue of share capital	200	300	1,410	-
Issue costs	-	(18)	(95)	(1)
Net cash inflow from financing activities	200	282	1,315	(1)
Net (decrease) in cash and cash equivalents	206	(291)	(15)	(22)
Cash and cash equivalents at beginning of period	240	443	101	98
Effect of foreign exchange on cash and cash equivalents	(3)	(51)	12	-
Cash and cash equivalents at end of period	443	101	98	76
	=====	=====	=====	=====

Notes to the financial statements

1 General information

AfriAg Global plc is a company incorporated in the Isle of Man under the Isle of Man Companies Act 2006. The address of its registered office is 34 North Quay, Douglas, Isle of Man, IM1 4LB. The Company's ordinary shares are traded on the AQSE Exchange Growth Market as operated by Aquis Stock Exchange Ltd ("AQSE").

Investing policy

The Company's investment strategy focuses on acquisitions of direct and/or indirect interests in the agricultural and medicinal cannabis sectors.

Agriculture

The Board intend to seek acquisitions of direct and/or indirect interests in businesses involved in agriculture generally and the production, processing, logistics and distribution of agricultural produce. The Company will focus on opportunities in this sector in Europe, Africa and the Middle East, but will consider possible opportunities anywhere in the world.

Medicinal Cannabis

The Board intend to seek investments in companies, projects or products that are:

- progressing medicinal cannabis research and development;
- producing or cultivating medicinal cannabis;
- producing or supplying products derived from or related to cannabis (including, but not limited to, hemp and cannabidiol products); and/or
- commercialising or marketing medicinal cannabis and its derivatives.

The Company will seek investments in companies and projects in jurisdictions which have well-developed and reputable laws and regulations for the research and production of medicinal cannabis and in jurisdictions that are signatories to the United Nation's conventions on narcotics.

Types of Investments

The Company is likely to be an active investor within these sectors and acquire control of certain target companies although it may also consider acquiring non-controlling shareholdings. The proposed investments to be made by the Company may be in either quoted or unquoted securities and made by direct acquisition of an interest in companies, partnerships or joint ventures, or direct interests in projects and can be at any stage of development. Accordingly, the Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership and a controlling interest. The Directors' primary objective is to achieve the best possible value over time for Shareholders, primarily through capital growth.

If the Company takes a controlling stake, the acquisition could trigger a Reverse Takeover under Rule 58 of the AQSE Exchange Rules.

The Board intend to acquire one or more investments in quoted or unquoted businesses or companies (in whole or in part) thereby creating a platform for further investments. There is no limit on the number of companies, projects or products that the Company may invest in with the agricultural and medicinal cannabis sectors. The Company may need to raise additional funds for these purposes and may use both debt and/or equity.

Notes to the financial statements (continued)

Investing policy (continued)

The Board believes that their collective experience, together with their extensive network of contacts and the Company's Technical Committee, will assist them in the identification, evaluation and funding of appropriate investment opportunities within the medicinal cannabis sector. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams. The Directors will also consider appointing additional directors and/or advisors with relevant experience if the need arises.

It is anticipated that there may be opportunities to spin out businesses privately or by initial public offerings where Shareholders may be able to benefit through distributions of cash and/or shares and/or rights to subscribe in listings. Given the nature of the investment strategy, the Company does not intend to make additional regular and periodic disclosures or calculations of net asset value outside of the requirements for a NEX Exchange Growth Market traded company. It is anticipated that the Company will hold investments for the medium to long term, although where opportunities exist for shorter term investments, the Company may undertake advantage of such opportunities.

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

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

Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

New standards, amendments and interpretations adopted by the Company

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2019 are not material to the Company.

New standards, amendments and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 17 in respect of Insurance Contracts will be effective for accounting periods beginning on or after 1 January 2021

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Notes to the financial statements (continued)

Going Concern

The Directors noted the losses that the Group has made for the Year Ended 31 December 2019 and the six months to 30 June 2020. The Directors have prepared cash flow forecasts for the period ending 31 December 2021 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 30 June 2020, the Company had cash and cash equivalents of £76,000 and borrowings of £nil. The Company has minimal contractual expenditure commitments and the Board considers the present funds at the date of the listing sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing this historical financial information. For these reasons the Directors continue to adopt the going concern basis in the preparation of the historical financial information.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

Notes to the financial statements (continued)

2 Significant accounting policies

Basis of Consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the balance sheet date. Subsidiaries are entities over which the Company has the power to control, directly or indirectly, the financial and operating policies so as to obtain benefits from their activities. The Company obtains and exercises control through voting rights. Subsidiaries are fully consolidated from the date at which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Acquisition costs are written off as incurred.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment in associate. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts from the sales of goods provided in the normal course of business, net of value added tax and discounts, and is recognised when the significant risks and rewards of ownership of the product have been transferred to a third party. In the case of sale or return transactions, revenue is only recognised when, and only to the level that, risks and rewards are transferred.

Revenue is the invoiced value of goods and services supplied and excludes VAT and other sales-based taxes.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

Finance costs / investment revenue

Borrowing costs are recognised as an expense when incurred.

Investment revenue is recognised as the Group becomes entitled to such revenue. Dividends are accounted for on receipt thereof.

Property, plant and equipment - General

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Plant and Equipment – between 5 per cent and 25 per cent

All assets are subject to annual impairment reviews.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Financial instruments

Financial assets and financial liabilities are recognised on the Group and Company's statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.

The Company's activities give rise to some exposure to the financial risks of changes in interest rates and foreign currency exchange rates. The Company has no borrowings and is principally funded by equity, maintaining all its funds in bank accounts.

Financial assets

Financial assets are classified into the following specified categories; financial assets "at fair value through profit or loss" (FVTPL), "held to maturity" investments, "available for sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include listed securities. These available-for-sale financial assets are measured at fair value. Realised and unrealised Gains and losses are recognised in the income statement. Interest calculated using the effective interest method and dividends are recognised in the income statement within investment income.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The share-based payment reserve represents the cumulative amount which has been expensed in the income statement in connection with share based payments, less any amounts transferred to retained earnings on the exercise of share options.

Foreign currency reserve represents the exchange translation gains/(losses) on converting overseas subsidiaries.

Retained earnings include all current and prior period results as disclosed in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within current liabilities on the balance sheet.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities initially recognised at fair value less transaction costs and thereafter carried at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Trade payables

Trade payables are non-interest-bearing and are initially measured at fair value and thereafter at amortised cost using the effective interest rate.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Share based payments

The Company issues equity-settled share-based benefits to employees. All equity-settled share-based payments are ultimately recognised as an expense in profit or loss with a corresponding credit to reserves.

Share-based payments relating to the subsidiary company increase the carrying value of the investment in the subsidiary and are included in the loss on disposal of the subsidiary.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of any share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, as described in note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Valuation of share-based payments to employees

The Company estimates the expected value of share-based payments to employees and this is charged through the income statement over the vesting period. The fair value is estimated using the Black Scholes valuation model which requires a number of assumptions to be made such as level of share vesting, time of exercise, expected length of service and employee turnover and share price volatility. This method of estimating the value of share-based payments is intended to ensure that the actual value transferred to employees is provided for by the time such payments are made.

Notes to the financial statements (continued)

4 Segmental information

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

The chief operating decision maker has defined that the Group's only reportable operating segments during the period are the agriculture and logistics sector, and the parent company/investment.

Subject to further acquisitions, the Company expects to further review its segmental information during the forthcoming financial year.

The Group has generated revenues from external customers during the periods as below:-

	£'000
Year to 31 December 2017	3,122
Year to 31 December 2018	2,236
Year to 31 December 2019	2,217
Six months to 30 June 2020	-

In respect of the total assets they were held as follows:

	Total £'000	Parent Company £'000	South Africa £'000
31 December 2017	2,888	132	2,756
31 December 2018	2,748	128	2,620
31 December 2019	1,281	1,281	-
30 June 2020	1,254	1,254	-

5 Operating loss

	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
Operating loss is stated after charging:				
Wages and salaries	20	27	76	9
Depreciation	4	3	1	-
Currency losses	26	1	13	-
Audit fees	12	12	11	-
Share Options	-	-	-	-

Notes to the financial statements (continued)

6	Directors' emoluments	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
	Fees and benefits	24	114	24	9

The Company has no other directly employed personnel.

	Fees and salaries £'000	Share based payments £'000	Total £'000
2017			
D Lenigas	6	-	6
A Samaha	6	-	6
D Strang	6	-	6
H Harris	6	-	6
	24	-	24
2018	£'000	£'000	£'000
D Lenigas	36	-	36
A Samaha	6	-	6
D Strang	36	-	36
H Harris	36	-	36
	114	-	114
2019	£'000	£'000	£'000
D Lenigas	36	-	36
A Samaha*	4	-	4
D Strang	36	-	36
H Harris	36	-	36
	112	-	112
2020	£'000	£'000	£'000
D Lenigas	9	-	9
D Strang	9	-	9
H Harris	9	-	9
	27	-	27

(*) - A Samaha resigned as a director on 9 August 2019.

The Directors' fees totalling £503,000 that have been accrued and remain unpaid as at 30 June 2020 all relate to the current and previous years unpaid fees. (2019: £494,000) (2018: £428,000) (2017: £337,000).

Notes to the financial statements (continued)

7	Investment income	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
	Interest received	2	3	1	-
	(Loss) on sale of AFS investments	(13)	(22)	-	-
	(Loss) on market value revaluation	-	(32)	(23)	(2)
	Total investment income	(11)	(51)	(22)	(2)
8	Finance costs	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
	Interest paid	1	-	4	1
9	Taxation	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
	Total current tax	-	-	-	-

The actual tax charges for the period differs from the standard rate applicable in the UK of 19% (2018 – 19%) for the reasons set out in the following reconciliation:

	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
Loss on ordinary activities before tax	(38)	(318)	(2,480)	(62)
Tax thereon @ rates above	(7)	(60)	(471)	(12)
Factors affecting charge for the period:				
Losses arising in territories where no tax is charged	7	60	471	12
Current tax charge for the period	-	-	-	-

Notes to the financial statements (continued)

10 Loss per share	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:				
Net loss after taxation (£000's)	(38)	(318)	(2,480)	(62)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic loss per share (millions)	14.05	15.93	25.41	31.71
Basic and diluted loss per share (expressed in pence)	(0.3)	(1.7)	(9.76)	(0.19)

The year to 31 December 2019 and the six months to 30 June 2020 reflects the share consolidation of 27 November 2019 of 100:1, with the prior year re-stated for comparison accordingly.

As inclusion of the potential ordinary shares would result in a decrease in the earnings per share they are considered to be anti-dilutive, as such, a diluted earnings per share is not included.

Notes to the financial statements (continued)

11	Property, plant & equipment	Total PPE £'000
	Costs	
	At 1 January 2017	5
	Additions	4
	At 31 December 2017	<u>9</u> =====
	At 1 January 2018	9
	Additions	3
	At 31 December 2018	<u>12</u> =====
	Additions	12
	Disposed with subsidiaries	-
	At 31 December 2019	<u>-</u> =====
	At 30 June 2020	<u>-</u> =====
	Depreciation & impairment	
	At 1 January 2017	-
	Additions	4
	At 31 December 2017	<u>4</u> =====
	At 1 January 2018	4
	Additions	3
	At 31 December 2018	<u>7</u> =====
	At 1 January 2019	7
	Additions	1
	Disposed with subsidiaries	(8)
	At 31 December 2019	<u>-</u> =====
	At 30 June 2020	<u>-</u> =====
	Net Book Values	
	At 31 December 2017	<u>5</u> =====
	At 31 December 2018	<u>5</u> =====
	At 31 December 2019	<u>-</u> =====
	At 30 June 2020	<u>-</u> =====

Impairment Review

At 31 December 2019, the Directors carried out an impairment review and have considered that no impairment is required. No PPE was purchased or disposed of in the six months to 30 June 2020.

Notes to the financial statements (continued)

12 Investment in associate	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
At 1 January	1,518	1,590	1,687	-
Addition at cost	-	-	-	-
Share of associate result	72	97	(2)	-
Disposal of associate (See Note 22)	-	-	(1,685)	-
Carrying value at 31 December	<u>1,590</u> =====	<u>1,687</u> =====	<u>-</u> =====	<u>-</u> =====

The Group's share of results of its associate, which is unlisted, and its aggregated assets and liabilities at the date of disposal of 30 November 2019, is as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/(Loss)	% interest held
		As at 31 December 2017		Year to 31 December 2017		
AfriAg (Pty) Ltd	South Africa	£5,560,000	£5,560,000	£14,746,000	£179,000	40
		As at 31 December 2018		10 months to 30 December 2018		
AfriAg (Pty) Ltd	South Africa	£3,488,000	£1,273,000	£9,016,000	£227,000	40
		As at 30 November 2019		9 months to 30 November 2019		
AfriAg (Pty) Ltd	South Africa	£4,483,000	£4,199,000	£8,931,000	£4,000	40

13 Available-for-sale investments	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
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Current Assets – Listed investments

At 1 January – market value	35	1	30	1,167
Disposals during the period	(35)	(1)	-	(7)
Purchases during the period	-	62	1,160	-
(Loss) on disposal of investments	13	(22)	-	-
Transfers to income statement	14	22	-	-
Movement in market value	-	32	(23)	-
At 31 December – market value	<u>1</u> =====	<u>30</u> =====	<u>1,167</u> =====	<u>1,160</u> =====

Represented by:

Listed securities	1	30	7	-
Unlisted securities	-	-	1,160	1,160
	<u>1</u> =====	<u>30</u> =====	<u>1,167</u> =====	<u>1,160</u> =====

Available-for-sale investments comprise investments in listed and unlisted securities which are traded on stock markets throughout the world, and are held by the Group as a mix of strategic and short term investments.

Income from these investments was £nil for dividends received for the six months to 30 June 2020 and the year to 31 December 2019. (2018: £nil) (2017: £nil).

Notes to the financial statements (continued)

14 Inventories	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
Goods & Packaging	3	-	-	-
Total	<u>3</u> =====	<u>-</u> =====	<u>-</u> =====	<u>-</u> =====
15 Trade and other receivables	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
Current trade and other receivables				
Trade receivables	280	219	-	-
Other debtors	562	585	5	-
Loan to related party company	-	117	-	-
Prepayments & accrued income	4	4	11	18
Total	<u>846</u> =====	<u>925</u> =====	<u>16</u> =====	<u>18</u> =====
16 Trade and other payables	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
Current trade and other receivables				
Trade creditors	309	215	13	31
Other creditors	188	152	1	2
Accruals	422	477	511	528
Total	<u>919</u> =====	<u>844</u> =====	<u>525</u> =====	<u>561</u> =====
17 Share capital			Ordinary Shares Number	Nominal Value £'000
Ordinary shares of 0.1p each Allotted, called up and fully paid				
At 31 December 2016			1,381,007,037	1,381
On 12 September 2017 – 80 million shares issued at 0.1p per share			80,000,000	80
At 31 December 2017			1,461,001,037	1,461
On 12 July 2018 - 300 million shares issued at 0.1p per share			300,000,000	300

Notes to the financial statements (continued)

17 Share capital (continued)

At 31 December 2018	1,761,001,037	1,761
On 16/05/2019 - 300 million shares issued at 0.1p per share	300,000,000	300
On 29/05/2019 - 700 million shares issued at 0.1p per share	700,000,000	700
On 21/06/2019 - 250 million shares issued at 0.1p per share	250,000,000	250
On 14/11/2019 - 160 million shares issued at 0.1p per share	160,000,000	160
Pre – consolidation 100:1 (see below)	3,171,001,037	3,171
Post – consolidation shares – Ordinary shares of 10p each	31,710,011	3,171
At 31 December 2019	31,710,011	3,171
	=====	=====
At 31 December 2020	31,710,011	3,171
	=====	=====

Shares issued during the year ended 31 December 2017:

80 million shares were issued by the Company for cash at 0.25p per share on 12 September 2017.

Shares issued during the year ended 31 December 2018:

300 million shares were issued by the Company, by way of a placing on 12 July 2018 for cash at a price of 0.1p per share during the year to 31 December 2018.

Shares issued during the year ended 31 December 2019:

300 million shares were issued by the Company, by way of a placing on 16 May 2019 for cash at a price of 0.1p per share.

700 million shares were issued by the Company, by way of a placing on 29 May 2019 for cash at a price of 0.1p per share.

250 million shares were issued by the Company, by way of a placing on 26 June 2019 for cash at a price of 0.1p per share.

160 million shares were issued by the Company, by way of a placing on 14 November 2019 for cash at a price of 0.1p per share.

On 27 November 2019 at a General Meeting of the Company it was approved that the Ordinary Shares were consolidated on the basis of 1 new Ordinary Share with the nominal value of £0.10 for every 100 Ordinary shares held with a nominal value of £0.001.

Warrants in issue

No warrants were issued, exercised, or lapsed during the six months to 30 June 2020 and the year ended 31 December 2019 (2018: nil). (2017: nil).

Notes to the financial statements (continued)

17 Share capital (continued)

Share Options

The Company has as at 30 June 2020 and 31 December 2019, 1,190,000 (2018 and 2017: 129,000,000 pre consolidation) share options issued through its share schemes. During the six months to 30 June and the year to 31 December 2019 nil options were issued (2018 and 2017: nil), no options were exercised (2018 and 2017: nil), nil options were cancelled (2018 and 2017: nil) and in the six months to 30 June 2020 nil options lapsed and in the year to 31 December 2019 100,000 options lapsed (2018 and 2017: nil).

Employment Benefit Trust ("EBT")

The Company established on 3 October 2014 a share incentive plan ("SIP") and effective as of 3 October 2014. The purpose of the SIP is to incentivise officers, employees and consultants of the Company by the award of ordinary shares in the capital of the Company ("Ordinary Shares") for no cost. Ordinary Shares under this plan will not exceed 10 per cent of the Company's issued share capital from time to time without the prior approval of shareholders of the Company.

The Company also established on 3 October 2014, an employee benefit trust called the AfriAg Employee Benefit Trust ("EBT") to implement the use of the SIP. The EBT is a discretionary trust for the benefit of directors, employees and consultants of the Company and its subsidiaries.

Accordingly, the trustees of the EBT subscribed for 118,000,000 new ordinary shares of 0.1p each in the Company, at par value per share at an aggregate cost to the Company of £118,000, such shares representing 9% of the so enlarged issued share capital of the Company at the time. The shares held in the EBT are intended to be used to satisfy future awards made by the Company's Remuneration Committee under the SIP. It is intended that any individual awards under the scheme will be subject to vesting and performance conditions. There have been no further subscriptions during the year ended 31 December 2018(2017 : nil). On 1 August 2017, the Company awarded the remaining 18 million EBT shares to various consultants (2017:18 million), leaving nil shares held by the EBT which was wound up during the year ended 31 December 2017.

Notes to the financial statements (continued)

18 Share based payments

A modified Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period, which is determined annually. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods.

As disclosed in note 5 the share option charge for the period was £nil (2019- £nil). (2018 - £nil) (2017 - £nil). On the lapse of the 100,000 share options, £151,000 was transferred from the share based payment reserve to retained earnings by way of an equity reserve transfer.

The options currently in issue at each period end are represented as the post 2019 ordinary share consolidation options and detailed below:

Exercise Price	Grant Date	Expiry Date	31 December 2017	Granted	Expired	31 December 2018	Weighted average exercise price
Summary of options							
£0.10	07/12/2012	31/12/2020	690,000	-	-	690,000	£0.10
£0.25	01/07/2016	31/12/2020	500,000	-	-	500,000	£0.25
£0.30	12/08/2016	31/12/2019	100,000	-	-	100,000	£0.30
			<u>1,290,000</u>	-	-	<u>1,290,000</u>	£0.17
Exercise Price	Grant Date	Expiry Date	31 December 2018	Granted	Expired	31 December 2019	Weighted average exercise price
Summary of options							
£0.10	07/12/2012	31/12/2020	690,000	-	-	690,000	£0.10
£0.25	01/07/2016	31/12/2020	500,000	-	-	500,000	£0.25
£0.30	12/08/2016	31/12/2019	100,000	-	(100,000)	-	£0.30
			<u>1,290,000</u>	-	-	<u>1,190,000</u>	£0.16
Exercise Price	Grant Date	Expiry Date	31 December 2019	Granted	Expired	30 June 2020	Weighted average exercise price
Summary of options							
£0.10	07/12/2012	31/12/2020	690,000	-	-	690,000	£0.10
£0.25	01/07/2016	31/12/2020	500,000	-	-	500,000	£0.25
			<u>1,190,000</u>	-	-	<u>1,190,000</u>	£0.16

Notes to the financial statements (continued)

19 Financial instruments

The Group's financial instruments comprise cash at bank and payables which arise in the normal course of business. It is, and has been throughout the period under review, the Group's policy that no speculative trading in financial instruments shall be undertaken. The Group has been solely equity funded during the period. As a result, the main risk arising from the Group's financial instruments is currency risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the accounts.

	31 Dec 2017 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	30 June 2020 £'000
Financial assets (current)				
Trade receivables	280	219	-	219
Cash and cash equivalents	443	101	98	101
Financial liabilities (current)				
Trade payables	309	215	13	215
	=====	=====	=====	=====

Interest rate risk and liquidity risk

The Group is funded by equity, maintaining all its funds in bank accounts. The Group's policy throughout the period has been to minimise the risk of placing available funds on short term deposit. The short-term deposits are placed with banks for periods up to 1 month according to funding requirements.

The Group had no undrawn committed borrowing facilities at any time during the period.

Currency risk

The group was directly exposed to currency risk of its subsidiaries, as they were based in South Africa, and exposed to movement against the South African Rand as their assets, liabilities, revenue and expenditure are denominated therein (This exposure is now immaterial since the disposal of the subsidiaries during the year). The parent company is denominated in pound sterling.

Market risk

The group and company's current exposure to market risk in relation to its AFS investments, which are listed on stock markets throughout the world.

Fair values

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash held by the company with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The directors consider there to be no material difference between the book value of financial instruments and their values at the balance sheet date.

Notes to the financial statements (continued)

20 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

During the year to 31 December 2017 there were no transactions.

During the year to 31 December 2018, the parent company granted an interest free, repayable on demand loan of £117,000 to Afriag Global (Pty) Ltd, a South African company related to the parent by virtue of common Directors' (with the group's subsidiaries) in South Africa. No loans were advanced to subsidiaries or related parties during the year ended 31 December 2019.

All loans to subsidiaries and related parties as detailed above were written-off on the disposal of the Group's subsidiaries on 30 November 2019, totalling £1,953,000.

Remuneration of Key Management Personnel

The remuneration of the Directors and other key management personnel of the Group are set out below in aggregate for each of the categories specified in IAS24 Related party Disclosures.

	Year 2017 £'000	Year 2018 £'000	Year 2019 £'000	Six months 2020 £'000
Short-term employee benefits	24	114	112	-
Share-based payments	-	-	-	-
	<u>24</u>	<u>114</u>	<u>112</u>	<u>-</u>

Directors' fees totalling £503,000 that have been accrued and remain unpaid as at 30 June 2020 all relate to the current and previous years unpaid fees. (2019: £494,000) (2018: £428,000) (2017: £337,000).

Notes to the financial statements (continued)

21 Business Combination – Disposal of Subsidiaries

On 30 November 2019, the Company completed the disposal of all of its subsidiaries as disclosed in Note 12, including its holding in the associate company as detailed in Note 13, for a nominal £1 consideration. The results of the subsidiaries and associate are reported in the current period in the consolidated statement of comprehensive income. Financial information relating to the disposal is set out below.

	2019
	£'000
Consideration received or receivable;	
Cash	-
Total disposal consideration	-
Carrying amount of net assets sold	360
(Loss) on sale before income tax and reclassification of foreign currency translation reserve	(360)
Reclassification of foreign currency translation reserve & current year FX translation	14
Income tax expense on gain	-
(Loss) on sale after income tax	(346)

On disposal the Company wrote off loans which had been previously advanced to the subsidiaries during the period of ownership. The total amount of £1,953,000 has been written off through the Consolidated statement of comprehensive income during the year.

22 Capital Commitments & Contingent Liabilities

There are no non-cancellable capital commitments as at the balance sheet date. The Company has no contingent liabilities at the balance sheet date.

23 Ultimate control

The Company had for the periods presented and currently has no individual controlling party.

24 Events after the end of reporting period

There are no events after the end of the reporting period to disclose.

PART VI RISK FACTORS

An investment in Ordinary Shares involves a high degree of risk. Furthermore the Enlarged Group and AFJ are subject to a number of risks and uncertainties due to the nature of their business and the present stage of development. Accordingly prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Document before investing in Ordinary Shares. The Company considers the following risk factors to be the most significant for potential investors in the Enlarged Group, but the risks listed do not necessarily comprise all those associated with an investment in the Enlarged Group and are not set out in any particular order of priority.

If any of the following risks actually occur, the Enlarged Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of Ordinary Shares could decline and investors may lose all or part of their investment.

Additional risks and uncertainties not currently known to the Company may also have an adverse effect on the business of the Enlarged Group and AFJ and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group or AFJ. In particular, the performance of the Enlarged Group and AFJ may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

An investment in Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decisions. A prospective investor should consider carefully whether an investment in the Enlarged Group is suitable in the light of his or her personal circumstances and the financial resources available to him or her. If you are in any doubt about the action you should take, you should consult your independent professional adviser authorised under FSMA.

a. RISKS RELATING TO THE COMPANY'S INVESTMENT

Speculative Nature of Investment Risk

An investment in the Company and its Ordinary Shares carries a high degree of risk and should be considered as a speculative investment. Members of Enlarged Group and AFJ have limited history of earnings, limited cash reserves, a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. Each such entity is in the development and planning phases of its business and, at best, has limited commercialization of its products/services and is yet to initiate all planned products and services. Operations are not yet sufficiently established such that we can mitigate the risks associated with planned activities. Each member of the Enlarged Group and AFJ must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry. An adverse development regarding any of the preceding subject matter could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group and/or AFJ.

Liquidity and Future Financing Risk

Members of the Enlarged Group and AFJ are in the development stage and have not generated a significant amount of revenue. Each intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. Each will likely operate at a loss until business becomes established and each may require additional financing in order to fund future operations and expansion plans, including developing new products/services, enhancing existing products/services, enhancing operating infrastructure and acquiring complementary businesses and technologies. The ability of Members of the Enlarged Group and/or AFJ to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions, as well as business success. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that the Enlarged Group or AFJ will be successful in their efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional funds are raised by offering equity securities, existing shareholders

could suffer significant dilution. Any debt financing secured could involve the granting of security interest against the assets of the Company, AFJ and/or the other members of the Enlarged Group and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company, AFJ and/or the other members of the Enlarged Group to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Investments may be pre-revenue

The Company has made and may make future investments in entities that have no significant sources of operating cash flow and no revenue from operations. As such, the Company's investments are subject to risks and uncertainties including the risk that the Company's investments will not be able to:

- i. Implement or execute their current business plan, or create a business plan that is sound;
- ii. Maintain their anticipated management team and/or recruit new members to the management team;
- iii. Maintain existing licenses or obtain new licenses on terms that allow execution of the business plan as desired; and/or
- iv. Raise sufficient funds in the capital markets or otherwise to effectuate their business plan.

If the Company's investments cannot execute any one of the foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Company.

Research and development

Although the Company, itself and through its investments (including AFJ and the other members of the Enlarged Group), is committed to the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals, involving medical cannabis there can be no assurances that such research and development activities will prove profitable or that the resulting discoveries and products/treatments, if any, will be commercially viable or successfully produced and marketed.

The ongoing COVID-19 (coronavirus) pandemic could have a material adverse effect on the Group's results and financial condition

COVID-19 (commonly referred to as coronavirus) was declared a pandemic by the World Health Organisation on 11 March 2020 and cases have been reported in approximately 196 countries, areas or territories. The United Kingdom, Jamaica and other countries worldwide have been adversely affected by the pandemic with the number of reported cases of infections and fatalities in humans continuing to rise. As a consequence, governments worldwide, including the United Kingdom and Jamaica have instituted a number of protective public health measures to combat rising rates of infection and fatalities, such as, social distancing and self-isolation measure on all citizens other than health-care professionals and other key workers engaged in essential services.

The COVID-19 pandemic has negatively impacted economic conditions globally and there are concerns that global financial conditions will worsen until the pandemic is suppressed and civic life returns to normal. The reported outbreak of COVID-19 in Wuhan, China and the spread of the virus globally has caused stock markets worldwide to lose significant value and to experience significant volatility.

The operations of the Enlarged Group and AFJ have been and will be impacted as a result of its employees and workers being required to observe local public health measures of various countries requiring self-isolation and or social distancing measures. Trading partners and suppliers of the Enlarged Group and AFJ have been and will be similarly impacted by these public health measures. As a result, the Enlarged Group and AFJ have not and will not be able to conduct its business operations in a normal manner and its supply chain will be subject to disruption. It is anticipated that the financial conditions worldwide could result in consumers being subject to travel restrictions and having less spending power and this will have an impact on consumers' spending and saving habits. This could mean that consumers are less likely to spend their disposal income on non-essential purchases, such as wellness products. These particular factors are having and will likely continue to have an adverse impact on the financial operations of the Enlarged Group and AFJ, but it is not believed that their respective businesses will be affected by the current pandemic to a greater or lesser degree when compared to any other businesses operating in its sector and in the same geographic location.

Members of the Enlarged Group and AFJ have taken a number of steps to mitigate the impact of COVID-19 on its business, including, without limitation, reducing all but essential capital expenditure. The Enlarged Group

and AFJ is, however, aware that the current pandemic could result in a deterioration in the economic, social and political conditions across the Eurozone, Jamaica and other countries, which could lead to political instability and social unrest. It therefore remains difficult to predict with clarity how COVID-19 will impact the financial condition of the Group over the short to medium term.

Operations and Financing

Since its formation, the Company has invested significantly in AFJ. In turn, AFJ has invested in:

- Obtaining the Licenses,
- Procuring and building-out facilities to cultivate, process, dispense and provide access to treatment;
- Procuring and making operational the equipment and supplies needed to cultivate, process and dispense its products;
- Establishing arrangements with key suppliers and contractors;
- Researching and developing its products and services;
- Establishing channel relationships to dispense its products and have them prescribed by physician;
- Marketing and promoting its business, products and services;
- Scaling its operational model.

The Enlarged Group and AFJ expect to continue to devote substantial financial and other resources to developing enhancements to its existing products, services and expanding its marketing, sales and fulfilment of the same. As a result, the Enlarged Group and AFJ will need to generate significant revenue to achieve and maintain profitability. If the Enlarged Group and AFJ fail to achieve profitability within the time frame expected by investors, it may adversely affect the market price of the Company's Ordinary Shares. It cannot be assured that the Enlarged Group or AFJ will be able to achieve and/or maintain profitability.

The Enlarged Group and AFJ expect to derive its revenue from sale of its products and/or services as well as various licensing and leasing arrangements. It also believes that the rate at which dispensaries and patients with a prescription or medical order obtain its products and/or services will be highly variable and difficult to predict as a result of a number of factors, many of which are beyond its control, including:

- Demand for products and services and the timing, repetitiveness and size of orders;
- Adoption and acceptance of products and services by our practitioners, resellers and patients;
- Patient budgetary constraints;
- Competitive pressures; and
- General economic conditions.

Volatility in purchasing practices and adverse economic conditions could result in the Enlarged Group and/or AFJ not meeting its revenue growth objectives, and/or may have a material adverse effect on the financial conditions, results of operations, and/or cash of it and the Company. Furthermore, factors adversely affecting the pricing of, or availability to provide, products and/or services, such as supply shortages, treatment issues, contract restrictions, medical cannabis law changes, may harm the business and operating results, including operating margins and revenue and may result in loss of market share.

The nature of the market for the products and/or services of the Enlarged Group and AFJ requires that they each continually improve the effectiveness, safety and reliability of its products and services, as well as introduce new offerings. To be competitive, the Enlarged Group and AFJ must successfully develop new products and services and promote and market its offerings. Any delays or failure to develop and introduce new products and/or services may have an adverse effect on the business and operating results, including an adverse effect on revenue growth, loss of market share, injury to its reputation or damage to its efforts to build brand awareness.

The Enlarged Group and AFJ will rely upon the availability of retained earnings, as well as additional debt or equity capital, to fund development, operations and other capital and operational expenditures. The long-term ability to grow through acquisitions or development of assets will be limited if earnings do not increase or additional financing or capital is not obtained on acceptable terms. Market conditions may make it difficult to obtain financing, and the ability to obtain additional debt or equity financing may not exist to the level needed on favourable terms.

Due to the specialized knowledge and skills that the executive officers and other key employees / contractors of the Enlarged Group and AFJ have with respect to the development and maintenance of operations, the loss

of service of any of such persons could negatively impact the success of the business. Any unplanned turnover could diminish the institutional knowledge base and erode our competitive advantage. The Enlarged Group and AFJ expect to need to hire additional personnel in the future, and it believes the success of the combined business depends, in large part, upon our ability to attract and retain key employees and contractor as well as suppliers and distributors. The loss of the services of any key personnel or the termination of any key arrangement, as well as the inability to attract or retain qualified personnel, suppliers and resellers in the future, could limit the ability to generate revenues and to operate the business.

Competition

The Company and We face competition in the markets in which we operate and intend to operate in the near future. Some of our competitors may be better positioned to develop superior product features and technological innovations, and able to better adapt to changing market conditions than us. Our ability to compete depends on, among other things, consistent high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition in the markets in which we operate may force us to reduce our product prices or may result in increased costs and may have a material adverse effect on our business and operating results. Any decrease in the quality of our products or level of service to customers, or any forced decrease in product pricing may adversely affect our business and operating results

Medical cannabis is an inherently risky product to market and sell.

Medical cannabis contains Tetrahydrocannabinol ("THC"), a chemical contained in the cannabis plant known to alter the senses. While numerous medical studies have shown that THC may alleviate pain and other symptoms associated with chronic disease, the long-term health risks of THC use are not clear. THC may have addictive properties. As with any mood-altering substance, users may experience changes in behaviour and decision-making skills. Providing medical cannabis products to patients is inherently risky, even when done under strict medical supervision. It is not known how medical cannabis will effect each and every patient and although the licensed physician provider of such products is to oversee it being administered to patients, they may have little to no control over the patient's use, misuse and handling of product. There is a substantial risk that patients could injure themselves or others while under the influence of the medical cannabis products of the Enlarged Group and/or AFJ.

Regulatory Considerations for medical cannabis

Business activity for the medial cannabis and wellness markets are highly (and somewhat uniquely) regulated in different jurisdictions where Members of the Enlarged Group and AFJ do business, with strict licensing and operational requirements being in place. Members of the Enlarged Group and AFJ are dependent upon regulatory approvals and licences (whether through direct application, joint ventures or by acquisitions) in those certain jurisdictions where they operate. According, members of the Enlarged Group and AFJ are subject to ongoing compliance requirements, reporting obligations and operate pursuant to a licensing regime that has fixed terms requiring renewal. There can be no certainty that members of the Enlarged Group and AFJ will be able obtain some or all of the licenses, authorizations and consents that it may seek on terms and conditions deemed acceptable to them and ensure that their business plan can be achieved. Furthermore, failure to abide as required by applicable governing bodies could interrupt, and even require the discontinuation, of operations and may make the granting or renew of licences, approvals and authorisations needed to be denied and/or subject to delays.

Jamaican medical cannabis regulations and their impact to business

Regarding the Company's investment in Jamaica (AFJ), it grows, purchases, processes, packages, stores, sells and conducts research and development involving medical cannabis and other products/services derived therefrom pursuant to the regulatory authority and licences granted under Jamaican law and its governing regulatory agency, the CLA. Such business, as well as that conducted by its growers, suppliers, distributors/dispensaries, healthcare practitioners and other contractors, in Jamaica is and will continue to be subject to ongoing inspections and audits by Jamaican regulators. Any new facilities in Jamaica will be inspected for compliance by Jamaican licensing authorities. Any failure by the Company's investments in Jamaica to comply with the applicable regulatory requirements there could require extensive changes to the operations; result in regulatory or agency proceedings or investigations; increase compliance costs; lead to damage awards and/or civil or criminal fines or penalties; cause restrictions to be place on the products/services of the Company; harm the reputation of the Company and/or the companies investments; and/or give rise to

material liabilities and/or a revocation or suspension of licences and other permits. There can be no assurance that any pending or future regulatory or agency proceedings, investigations or audits will not result in substantial costs, a diversion of management's attention and resources or other adverse consequences to members of the Enlarged Group and/or AFJ.

Potential difficulty accessing the service of banks.

Although the use of medical cannabis in the UK and Jamaica is legal, laws still exist both locally and via treaty that have inhibited many banks from providing traditional banking services (i.e., accept deposit of funds, making payments using funds, transferring funds, etc.) for businesses involved with medical cannabis. Consequently, businesses like the Enlarged Group and/or AFJ that are otherwise lawfully involved in the medical cannabis industry may have trouble finding a bank willing to accept service their business. The Company is aware that certain banks in Jamaica have limited, or eliminated, banking services as such are sought by businesses engaged legally in the medical cannabis industry.

Changes in applicable UK legislation (including POCA 2002)

The Company will take reasonable precautions not to contravene POCA 2002 or any other applicable regulations and legislation in relation to its medical cannabis business. It is to be understood that the Company operates in the UK and is subject to UK law and that the other members of the Enlarged Group and AFJ are subject to the laws in the relevant jurisdiction applicable to their respective operations. However, there are no guarantees that investments, income, profits, losses, dividends or distributions involving the Company or that the activities of the other members of the Enlarged Group will always be deemed lawful if there are any changes in the applicable law. Contravention of POCA 2002 carries potential criminal and/or civil liability.

As at the date of this document, the ordinary recreational use of cannabis is illegal in the countries in which the members of the Enlarged Group and AFJ, including the United Kingdom and Jamaica. Accordingly, the Enlarged Group and AFJ do not engage in operations or activities involving recreational cannabis. Changing sentiments and evolving regulations in relation to recreational cannabis may mean that in the future recreational cannabis use may be legalised. Nevertheless, the strategy of the Enlarged Group and AFJ is focused exclusively on the medical cannabis and wellness market. Should recreational cannabis use be legalised in those countries in which the Enlarged Group and AFJ operate, the members of the Enlarged Group will not explore opportunities within such recreational cannabis sectors where the Company determines that there is a risk of contravening POCA or any other applicable regulations and legislation in relation to the Enlarged Group and their involvement with recreational cannabis. As a result of such a business restriction, members of the Enlarged Group and AFJ may encounter additional competition from recreational cannabis companies and/or may lose potential medical cannabis customers to the recreational cannabis market.

Risks inherent in an agricultural business

The starting material and Biomass required for the production of products of the members of the Enlarged Group and/or AFJ are derived from agricultural processes. Specifically, various strains of cannabis are grown, which is an agricultural process. The Company's investment in Jamaica (AFJ) currently purchases and/or produces cannabis product involving growing facilities that are currently either in a greenhouse or outdoors. As such, the business of the members of the Enlarged Group and AFJ is subject to the risks inherent in the agricultural business, including risks of crop failure presented by weather, insects, natural disaster, plant diseases and similar agricultural risks. These natural elements could result in a material adverse effect on the cultivation, yield and harvesting of cannabis and/or the processing production of products for medical cannabis purposes, which therefore may materially impact the business, operations, financial condition and operating results of the members of the Enlarged Group and/or AFJ.

Potential for unfavourable publicity and/or consumer perception

The medical cannabis industry is highly dependent upon consumer perception regarding product the safety, efficacy and quality of the medical cannabis produced. Consumer perception of the products and services of the Enlarged Group and/or AFJ can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier

research reports, findings or publicity could have a material adverse effect on the demand for the products, services and/or the business, results of operations, financial condition and cash flows of the Enlarged Groups and/or AFJ. The dependence of the Enlarged Group and AFJ upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Enlarged Group and/or AFJ, the demand for their medical cannabis products, and the business, results of operations, financial condition and cash flows of the Enlarged Group and/or AFJ. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the products of the Enlarged Group and/or AFJ specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Operating risk and insurance coverage

The Enlarged Group intends to use commercially reasonable efforts to obtain insurance to protect their assets, operations and employees. While they believe many traditional insurance policies could address most material risks to which they are exposed, insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Enlarged Group and/or AFJ are exposed. Insurance, if any, may not adequately cover all potential losses on the properties and the absence thereof may impair the security of the Enlarged Group and/or AFJ and harm the value of their respective assets. While the Enlarged Group may obtain comprehensive insurance covering the properties, there are certain types of catastrophic losses that may be impossible to completely cover and allow for the complete restoration of damaged assets. In addition, no assurance can be given that such insurance will be adequate to cover liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the members of the Enlarged Group and/or AFJ were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if they were to incur such liability at a time when it is not able to obtain liability insurance, their business, results of operations and financial condition could be materially adversely affected.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Enlarged Group and AFJ faces 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 the medical cannabis products of the Enlarged Group and/or AFJ involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Enlarged Group and/or AFJ may be subject to various product liability claims, including, among others, that the medical cannabis products of the Enlarged Group and/or AFJ 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 the Enlarged Group and/or AFJ could result in increased costs, could adversely affect the reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Enlarged Group and/or AFJ. There can be no assurances that the Enlarged Group and/or AFJ 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 to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the medical cannabis products of the Enlarged Group and/or AFJ are recalled due to an alleged product defect or for any other reason, the Enlarged Group and/or AFJ could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Enlarged Group and/or AFJ 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 the Enlarged Group and/or AFJ intend to develop detailed procedures 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 lawsuits. Additionally, if one of the significant brands of the Enlarged Group and/or AFJ is subject to recall, the image of that brand and the Enlarged Group and/or AFJ could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the medical cannabis products and services of the Enlarged Group and/or AFJ and could have a material adverse effect on the results of operations and financial condition of the Enlarged Group and/or AFJ. Additionally, product recalls may lead to increased scrutiny of the operations of the Enlarged Group and/or AFJ by the government of Jamaica or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Management of growth and factors which may prevent realization of growth objectives

The Enlarged Group and AFJ may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Enlarged Group and AFJ to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Enlarged Group and AFJ to deal with this growth may have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Group and/or AFJ. The growth strategy of the Enlarged Group contemplates outfitting AFJ's Jamaican facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities;
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms;
- conditions adversely affecting agriculture including drought, flood, winds rains, and temperature extremes; and
- infestations affecting the medical cannabis growth.

As a result, there is a risk that the Enlarged Group and AFJ may not have product or sufficient product available to meet the anticipated demand or to meet future demand when it arises.

Agreements that have not yet been finalized may never be finalized

The contents of this document makes reference to right to purchase understandings, arrangements, licenses, documents and/or agreements that are not yet final or executed and plans that have not been implemented. In some instances such documents or agreements are not even in draft form. The definitive versions of those agreements, documents, plans or proposals may contain terms or conditions that vary significantly from the terms and conditions described herein and agreements, documents, plans or proposals not in final form may not materialize or, if they do materialize, may not prove to be profitable.

b. RISKS RELATING TO JAMAICA OTHER THAN REGULATORY RISKS RELATING TO THE MEDICAL CANNABIS INDUSTRY

Political and legal outlook

The Enlarged Group and AFJ are exposed to significant political risk resulting from operations in United Kingdom, in particular as exits due to the Brexit, and in other foreign countries. This is particularly a factor where initiative involve developing countries, including Jamaica. Moreover, in the United Kingdom, Jamaica and other countries, there are significant changes to laws occurring as relate the medical cannabis and its cultivation, processing, possession, distribution, use, and/or export/import. Even though such changes are making it easier and more permissible for a business to operate that involves medical cannabis, there remain inconsistencies in

the law and there can be no guaranty that the laws will continue to evolve so as to be favourable to the Enlarged Group and/or AFJ.

Economic outlook

The majority of the activities of the Enlarged Group is presently conducted in Jamaica by AFJ pursuant the Commitment Agreement. Jamaica is a country with moderate levels of political risks and high levels of economic, criminal and financial system risk. Jamaica has experienced volatility in its macroeconomic drivers and has experienced economic crises in recent decades. The Jamaican economy expanded by 1.9% in 2018 when compared to 2017 based on growth in the country's Gross Domestic Product (**GDP**). GDP grew by 1% in 2017 compared to 2016, 1.4% in 2016 compared to 2015. There can be no guarantee that the Jamaican economy will grow in the future. Economic growth depends on a variety of factors, including among others, the sustainability of tourism, the stability and competitiveness of the Jamaican dollar against foreign currencies, confidence among Jamaican consumers and foreign and domestic investors and their rates of investment in Jamaica, the willingness and ability of business to engage in new capital spending and the rate of inflation.

The Jamaican economy remains vulnerable to external shocks, including natural disasters such as hurricanes, which could have a material adverse effect on economic growth

Jamaica's economy is vulnerable to external shocks. A reduction in tourism, as a result of economic decline in other countries or natural disasters, such as hurricanes, may cause a reduction in revenue and could have an adverse effect on the Jamaican economy. In addition, a significant decline in the economic growth of any of Jamaica's major trading partners, especially the United States, could have an adverse effect on Jamaica's balance of trade and adversely affect Jamaica's economic growth. The United States is Jamaica's largest export market. Jamaica's economy also benefits substantially from remittances, which tend to decline during global and U.S. economic downturns. A significant decrease in remittances from Jamaicans living abroad may lead to depreciation of the Jamaica dollar and negatively affect the Jamaican economy.

Competition from other companies that may have or obtain greater resources.

Although competition is presently somewhat limited in Jamaica as a result of its license and regulatory regime, products and services in the medical cannabis industry may become highly competitive in the future. Increased competition may result in pricing pressures, reduced margins or the failure of the products, services and licensing of the Enlarged Group and AFJ to achieve or maintain market acceptance, any of which may adversely affect its business and operating results. Certain current and potential competitors to the Enlarged Group and/or AFJ have (or may obtain) substantially greater financial, processing, marketing, distribution and other resources than the Enlarged Group and/or AFJ have. As a result, competitors may be able to respond more quickly to new or changing opportunities, industry standards or customer requirements.

Changes in currency exchange rates and currency controls.

An international business activity has foreign currency exchange risks. When the exchange rate between the foreign currency and the United Kingdom pound changes, it can increase or reduce for a transaction or an investment return. In fact, with regard to AFJ, it is possible that this foreign investment may increase in value in its home market but, because of changing exchange rates, the value of that investment in United Kingdom pounds is actually lower. In addition to exchange rates, it is noted that some countries may impose foreign currency controls that restrict or delay traders and/or investors, which may include the Enlarged Group and AFJ, from moving currency out of a country. These controls could affect the value and liquidity of the Enlarged Group and any investment in it.

c. RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS

Intellectual property and proprietary protection

The success of the Enlarged Group and AFJ will depend, in part, on the ability of members of the Enlarged Group and AFJ to obtain, maintain, enhance and protect its intellectual property, including various existing and potential proprietary discoveries, techniques and processes. Members of the Enlarged Group and/or AFJ may be vulnerable to competitors who develop competing technology.

Furthermore, the protection of the intellectual property rights and interests by members of the Enlarged Group and/or AFJ may be a costly and complicated and may involve litigation.

Due to the nature of its business, products and services, the success of the members of the Enlarged Group and AFJ will be dependent on protecting its intellectual rights, and if the Enlarged Group or AFJ are unsuccessful in protecting, maintaining and enforcing its intellectual property rights, this could have a material adverse impact on the business of the Enlarged Group and/or AFJ

The success of the Enlarged Group and AFJ will depend, in part, on the ability of members of the Enlarged Group and/or AFJ to obtain, maintain, enhance and protect its intellectual property, including various existing and potential proprietary discoveries, techniques and processes. In particular the success of each member of the Enlarged Group and/or AFJ will depend upon, to an extent, its ability to protect unique proprietary formulations in the countries in which it may seek to operate, and to preserve the confidentiality of its know-how. For example, to protect its intellectual property rights, trade secrets, know-how and unpatented proprietary information, a member of the Enlarged Group and AFJ will seek to protect its rights by ensuring that its employees, contractors and business partners (amongst others) enter into suitable licences, confidentiality agreements, invention assignment agreements and proprietary information agreements, in addition to protection afforded under national law. The members of the Enlarged Group and AFJ cannot provide assurances that such protections are not breached or otherwise that trade secrets, know-how and other unpatented proprietary technology may become known to or independently developed by its competitors.

The members of the Enlarged Group and AFJ could incur significant costs and its competitive position could be harmed if it is required to enforce its intellectual property rights and it is unsuccessful or if it is the subject of successful claims for violation of intellectual property rights brought by third parties

If any of the members of the Enlarged Group and/or AFJ is alleged to have breached intellectual property rights of some other person or entity, or if any of the members of the Enlarged Group or AFJ pursues a claim for breach of its intellectual property rights or patents, such disputes may result in the incurring of significant costs and efforts in prosecuting or defending such claims. If a dispute is resolved against any of the members of the Enlarged Group or AFJ, this could result in significant damages being awarded against any of the members of the Enlarged Group or AFJ and the marketing or sale of certain products/treatments/intellectual property could be restricted and may permit competitors to introduce products replicating the capabilities, designs or features of the current products/treatments/intellectual property of the Enlarged Group and/or AFJ. In any of these risks were to materialise, business, results of operations, financial conditions and prospects of the Enlarged Group and/or AFJ could be materially adversely affected.

d. RISKS RELATING TO THE ORDINARY SHARES AND TRADING ON THE AQSE GROWTH MARKET

Investment in unlisted securities

Investment in shares traded on the AQSE Growth Market is perceived to involve a higher degree of risk and be less liquid than investments in companies whose shares are listed on the Official List or AIM. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of Ordinary Shares may not reflect the underlying value of the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

Suitability

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

Share price volatility and liquidity

The share price of early stage companies can be highly volatile and shareholdings illiquid. Once listed on the Exchange, such volatility in the price of Ordinary Shares and shareholdings illiquidity could cause Investors to lose all or part of their investment because they may not be able to sell their Ordinary Shares at or above the price they paid. The price at which the Ordinary Shares are traded and the price which investors may realise or their Ordinary Shares will be influenced by a large number of factors, some specific to the Enlarged Group Company and its (and AFJ's) operations and some which may affect quoted companies generally. These factors

could include the performance of the Enlarged Group and/or AFJ, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that application has been made for the Ordinary Shares to be admitted to trading on the AQSE Growth Market, this should not be taken as implying that there will be a “liquid” market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of the Aquis Stock Exchange.

Legal remedies.

The laws of the country where holder of Ordinary Shares is subject, as well as the laws where the Company is subject, can affect whether an investor has, and where an investor can pursue, legal remedies against the Company or any other person or entity involved in a transaction. Investors should be mindful of this when either buying or selling securities, especially those located outside of the United Kingdom. In these situations, investors may not have the ability to seek certain legal remedies in the courts of their home country as private plaintiffs. Moreover, even if investors sue successfully in such other courts, they may not be able to collect on a judgment against the Company, or another entity or person, not subject to the laws, or not having a presence, in that plaintiff's home country. Investors may have to rely on legal remedies that are available in the United Kingdom, if any.

Facts, statistics and projections may not be accurate.

Certain information and statistics in this Document, such as statistics relating to certain industries, are derived from various public and private publications. Such information has not been independently verified by the Enlarged Group, the Existing Directors or the Proposed Directors and may not be accurate, complete or up-to-date. Neither the Enlarged Group, Existing Directors nor the Proposed Directors make any representations as to the correctness or accuracy of such statements and, accordingly, such information should not be unduly relied upon. Additionally, the past year results and the operating budget and revenue forecast for the Company (the “**Projections**”) compiled by management are included in the Document solely for purposes of illustrating the potential operating results of the Enlarged Group and although the Projections are based upon preliminary data, assumptions, estimates and hypotheses which are believed to be reasonable, such data and these assumptions, estimates and hypotheses are based in part upon facts and events that are extremely difficult to estimate accurately or predict and over which the Enlarged Group, Existing Directors and Proposed Directors may have little or no control. The Projections represent targets that management hopes to achieve but cannot and does not represent what will in fact be achieved. No assurance can be given that the Enlarged Group will achieve revenues or operating results equal or similar to the Projections.

Variances in actual results from those projected are inevitable, and such variances could be material. Each prospective investor should carefully review the assumptions upon which the projections are based, and the projections must be read together with the risk factors set forth in this Document. Additionally, the Projections must be considered in light of the absence of significant historical performance by the members of the Enlarged Group and the financial resources required to attempt to achieve the goals of the Enlarged Group.

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

PART VII ADDITIONAL INFORMATION

1. Responsibility

Except as otherwise expressly stated in this Document, the Existing Directors, the Proposed Directors, whose names appear on page 11 of this Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Document, and for compliance with the AQSE Growth Market Rules. To the best of the knowledge and belief of the Existing Directors and the Proposed 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 are no other facts which, if omitted, would affect the import of such information. All the Existing Directors and the Proposed Directors accept responsibility accordingly.

2. The Company

- 2.1. The Company was incorporated in the Isle of Man on 17 June 2008 as a company limited by shares with the name 3D Diagnostic Imaging plc and with registered number 002845V. On 29 October 2012 the Company changed its name to 3D Resources plc. On 30 April 2013, the Company subsequently changed its name to AfriAg plc and on 26 July 2016 the Company changed its name to AfriAg Global Plc. With effect from and subject to Admission and the passing of the Resolutions, the Company will change its name to Apollon Formularies Plc.
- 2.2. The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.3. The liability of the members of the Company is limited.
- 2.4. The registered office of the Company is 34 North Quay, Douglas, Isle of Man, IM1 4LB. The Company's business address is 7-9 Swallow Street, London, United Kingdom, W1B 4DE. The Company's telephone number is +44 7879 584 153.
- 2.5. The accounting reference date of the Company is 31 December.
- 2.6. On Admission the Company will become the holding company of the following company:

Name	Country of Incorporation	Company Registration Number	Registered Office	Ownership Interest
Apollon Formularies Ltd	England and Wales	11489007	7-9 Swallow Street, London, United Kingdom, W1B 4DE	100%

3. Share capital of the Company

- 3.1. As at 30 July 2019, the share capital comprised 3,011,001,037 Ordinary Shares.
- 3.2. At a general meeting of the Company held on 19 June 2019 the following resolutions were passed:
- 3.2.1. THAT the Directors of the Company be and are hereby authorised to allot and issue unissued shares in the capital of the Company for cash as if the rights of pre-emption set out in article 5.2 of the Company's articles of association did not apply to such allotment, provided that such power shall be limited to the allotment and issue of ordinary shares up to an aggregate nominal amount of £700,000 (700,000,000 new ordinary shares) and such authority expires at the earlier of the next annual general meeting of the Company or fifteen months from the date of this General Meeting; and

- 3.2.2. THAT the Directors of the Company be and are hereby authorised to allot and issue unissued shares in the capital of the Company for cash as if the rights of pre-emption set out in article 5.2 of the Company's articles of association did not apply to such allotment, provided that such power shall be limited to the allotment and issue of ordinary shares up to an aggregate nominal amount of £1,500,000 (1,500,000,000 new ordinary shares). The authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2020, unless such authority is renewed, varied or revoked by the Company.
- 3.3. The changes to the issued share capital of the Company which occurred between 31 July 2019 and 17 March 2021 are as follows:
- 3.3.1. on or around 14 November 2019, 160,000,000 Ordinary Shares were issued; and
- 3.3.2. on 27 November 2019, the Company's Ordinary Shares of £0.001 each were converted into Ordinary Shares of no par value each.
- 3.4. As at the close of business on 17 March 2021 (being the latest practicable date prior to the posting of this Document), the Company's Existing Ordinary Shares consists of 31,710,011 Ordinary Shares.
- 3.5. On Admission, the Company will issue as New Shares the following:
- 3.5.1. the Placing Shares;
- 3.5.2. the Subscription Shares; and
- 3.5.3. the Consideration Shares.
- 3.6. 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 transferrable in both certificated and uncertificated form. No Shareholder has any different voting rights from any other Shareholder.

4. Summary of the Articles of Association of the Company

The Articles, which were adopted by special resolution of the Company passed on 27 November 2019, contain, *inter alia*, provisions to the following effect:

4.1. *Share capital*

The number of Ordinary Shares available for issue shall be 3,000,000,000, unless amended by a resolution. Only shares of no par value may be issued.

4.2. *Shares under the control of the Directors*

Subject to the Act, the Articles and any resolution of the Company, all unissued shares in the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise deal with or dispose of such shares as they may decide.

4.3. *Pre-emption rights*

Save for the allotment of shares for a consideration other than cash or in connection with an employees' share scheme, all shares to be allotted for cash shall first be offered to the members of the Company who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs, made in proportion to the existing holdings of shares of such members.

4.4. *Rights attaching to shares*

Subject to the Act and any special rights attaching to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions as the Company or the Directors may determine.

4.5. *Purchase and redemption of shares*

Subject to any shares expressly being non-redeemable as a term of their issue, shares may be redeemed or otherwise acquired for any consideration provided that such redemption or acquisition does not contravene the Act.

4.6. *Share warrants*

The Company has the power to issue warrants to subscribe for shares and has no power to issue any warrants stating that the bearer thereof is entitled to the shares specified therein.

4.7. *Trusts*

Subject to the Articles, law or court order, the Company shall not recognise any person as holding any share on any trust.

4.8. *Reduction of capital*

Subject to compliance with the solvency test and any rights attaching to shares, the Company may by special resolution reduce its share capital, any share premium account or any undistributable reserve in any manner.

4.9. *Purchase of own shares*

Subject to the provisions of the Act, the Company may purchase its own shares.

4.10. *Variation of class rights*

Subject to the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company 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, either with the consent in writing of the holders of not less than three quarters in number of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

4.11. *Lien on shares*

To the extent permitted by law, the Company shall have a first lien on any of its unpaid shares.

4.12. *Calls on shares*

Subject to the terms of allotment of shares, the Directors may make calls on the members in respect of any moneys unpaid on the shares or any class of shares held by them.

4.13. *Transfer of shares*

All transfers of certificated shares may be effected by transfer in writing in any usual form or any other form approved by the Directors. All transfers of uncertificated shares may be effected without a written instrument in accordance with the Uncertificated Securities Regulations 2006. Any written instrument shall contain the business or residential address of the transferee and be executed by or on behalf of the transferor and by or on behalf of the transferee (in the case of a transfer of a share which is not fully paid up).

The Directors have limited powers to refuse registration of transfer of shares.

4.14. *Meetings of shareholders*

The Directors shall convene in each year a general meeting of the members of the Company held at such time and place as the Directors may determine ('annual general meeting'). The Directors may convene any other meeting of the members of the Company ('extraordinary general meeting') whenever they think fit and at any meeting convened on such requisition no business shall be transacted except that stated by the requisition or proposed by the Directors. Any annual general

meeting and any extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing. The notice shall specify the time, date and place of the meeting, the general nature of any special business and meeting convened to consider a special resolution shall specify the intention to propose the resolution as such (including the text of the resolution). Subject to the Articles, the notice shall be given to the members, Directors and auditors. The accidental omission to send a notice of meeting or any instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

4.15. *Voting rights*

At general meeting of the Company, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll, every member present in person or by proxy shall have one vote for each share of which he is the holder. On a poll votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

4.16. *Company Directors*

- 4.16.1. Unless and until otherwise determined by the Company the number of directors of the Company shall not be less than two or more than 12.
- 4.16.2. At every annual general meeting one third of the directors of the Company who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.
- 4.16.3. The persons serving as directors of the Company shall be entitled to receive by way of fees for their services as directors such sum as the board of directors of the Company may from time to time determine.
- 4.16.4. Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director.
- 4.16.5. If by arrangement with the board of directors of the Company any director shall perform or render any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration as the board of directors of the Company may from time to time determine.
- 4.16.6. The salary or remuneration of any director of the Company appointed to hold any employment or executive office in accordance with the provisions of the Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the board of directors of the Company.
- 4.16.7. The board of directors of the Company may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and any other benefits or allowances or gratuities for the benefit of directors.
- 4.16.8. The business of the Company shall be managed by the then-current board of directors of the Company, which may exercise all the powers of the Company, whether relating to the management of the business or not.
- 4.16.9. The board of directors of the Company may delegate any of its powers, authorities and discretions for such time and on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more directors and (if thought fit) one or more other persons.
- 4.16.10. Subject to the Act and provided a director declares the nature of his interest at the meeting of the board of directors of the Company, the director so interested (i) may be a party to or

otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested (ii) may hold any other office or place of profit under the Company in conjunction with the office of Director (iii) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by or promoting the Company or in which the Company is otherwise interested and (iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

- 4.16.11. A Director shall not vote on or be counted in the quorum in relation to any resolution of the board of directors of the Company, or of a committee of the board of directors of the Company, concerning any contract, arrangement, transaction or any proposal to which the Company is or is to be a party in which the Director has, directly or indirectly, an interest which is material or a duty which conflicts with the interests of the Company unless his duty or interest arises as a result of: (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries; (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries; (iii) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate; (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company; (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of directors.
- 4.16.12. Subject to the provisions of the Act, the Company may indemnify every Director or other officer of the Company (other than an auditor) to the fullest extent permitted by law.
- 4.16.13. Subject to the provisions of the Act, the board of directors of the Company may purchase and maintain insurance at the expense of the Company for the benefit of directors or other officer or employee of the Company or of any other company which is a subsidiary of the Company.

4.17. *Borrowing powers*

Subject to the Articles and the Act, the directors of the Company may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets and uncalled capital or any part or parts thereof 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.

4.18. *Dividends*

Subject to the provisions of the Articles and solvency test, the Company may declare that dividends out of the Company's profits may be paid to members. No dividend shall exceed the amount recommended by the board of directors of the Company. The board of directors of the Company may declare and pay such interim dividends as appear to the board of directors of the Company to be justified by the profits of the Company and the position of the Company.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the

Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

All dividends, interest or other sum payable and unclaimed for twelve months after having become payable may be invested or otherwise made use of by the Company as determined by its board of directors until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become due for payment shall (if the board of directors of the Company so resolves) be forfeited and shall revert to the Company.

The board of directors of the Company 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.

4.19. *Winding up*

On the winding up, the liquidator may, with the sanction of a special resolution of the Company 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 may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members.

5. **Proposed Directors' Interests**

- 5.1. On Admission the interests of the Proposed Directors and the entities under their direct, immediate control 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 Proposed Directors, or could with reasonable diligence be ascertained by them) in the Existing Share Capital and Enlarged Share Capital are and will be as follows:

Director	Number of Ordinary Shares on Admission	% of Enlarged Share Capital
Stephen D. Barnhill, M.D.	11,058,452	1.48
Nicholas Barnhill	18,957,346	2.53
Kevin Sheil	6,319,115	0.84
Nicholas Ingrassia	None	None

- 5.2. The Company, the Existing Directors and the Proposed Directors are not aware of any arrangements or operations which may, at a subsequent date, result in a change in control of the Company, nor are they aware that the Company is majority owned or controlled directly or indirectly by any entity.
- 5.3. Save as disclosed in para. 5.1 and para. 6.1 of this Part VII or this Document otherwise, as at the date of this Document, the Company, the Directors and the Proposed Directors are not aware of any interest which will immediately following Admission represent 3% or more of the Enlarged 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.
- 5.4. There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Existing Directors or Proposed Directors.
- 5.5. Save as disclosed in para. 9 of this Part VII or otherwise in this Document, no Existing Director or Proposed 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.

6. Significant Shareholders

6.1. As at 16 March 2021 (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 three per cent. of the Enlarged Share Capital or voting rights of the Company:

Name	Number of Ordinary Shares on Admission	% of Enlarged Share Capital
Apollon Formularies, Inc.*	171,800,948	22.96
Roderick McIlree	211,666,666	28.28

*Apollon Formularies, Inc. (US entity with sole director and chief executive officer being Stephen D. Barnhill, M.D.); AFI's sole shareholder is an entity that is owned by Dr. Barnhill and the four adult children of Dr. Barnhill (Stephen D. Barnhill, Jr., Nicholas F. Barnhill, Christopher J. Barnhill and Mary Alyssa Jackson), with each of them being 1/5th owners of such sole shareholder.

7. Directors' Terms of Appointment

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

Existing Directors

The terms of the Existing Directors appointments are summarised at para. 7.1 – 7.3 below. Upon Admission, each of the Existing Directors will resign as a director of the Company and consequently each of their respective agreements will be terminated.

7.1 Service Agreement with David Lenigas

On 16 December 2019, David Lenigas entered into a service agreement with the Company, under the terms of which he has agreed to act as an executive director of the Company. The service agreement acknowledges that Mr Lenigas' appointment had commenced prior to 1 January 2020 and will continue unless terminated by either party giving to the other 12 months' prior written notice. The fee payable by the Company in consideration for the performance of the services is £30,000 per annum. The service agreement is governed by the laws of England and Wales.

Settlement Agreement

On 17 March 2021, David Lenigas has entered into a settlement agreement with the Company, pursuant to which his employment with the Company has terminated with effect from completion of the Offer and Admission ("**DL Settlement Agreement**"). Mr Lenigas has agreed to waive his right to notice. The parties have also agreed to settle all claims that Mr Lenigas has, or may have, against the Company or any Associated Company and/or their officers or employees, arising out of Mr Lenigas' employment or its termination.

Prior to entry into the DL Settlement Agreement, Mr Lenigas has received an independent legal advice on the terms and effect of the agreement, the cost of which will be settled by the Company.

7.2 Letter of Appointment with Donald Strang

On 16 December 2019, Donald Strang signed a letter of appointment with the Company, pursuant to which he agreed to act as a non-executive director of the Company. The letter of appointment acknowledges that Mr Strang's appointment had commenced prior to 1 January 2020 and will continue unless terminated by either party giving to the other 6 months' notice in writing. The fee payable to Mr Strang is £30,000 per annum. The letter of appointment is governed by the laws of England and Wales.

Settlement Agreement

On 17 March 2021, Donald Strang has entered into a settlement agreement with the Company, pursuant to which his appointment as a non-executive director of the Company has terminated with effect from completion of the Offer and Admission ("**DS Settlement Agreement**"). Pursuant to the DS Settlement Agreement, the Company shall pay to Mr Strang the sum of £35,000 (subject to the usual income tax and national insurance contributions) within 5 days of completion of the Offer. Mr Strang has agreed to waive his right to notice. The parties have also agreed to settle all claims that Mr Strang has, or may have, against the Company or any Associated Company and/or their officers or employees, arising out of Mr Strang's appointment as a director or its termination.

Prior to entry into the DS Settlement Agreement, Mr Strang has received an independent legal advice on the terms and effect of the agreement, the cost of which will be settled by the Company.

7.3 Letter of Appointment with Hamish Harris

On 16 December 2019, Hamish Harris signed a letter of appointment with the Company, pursuant to which he agreed to act as a non-executive director of the Company. The letter of appointment acknowledges that Mr Harris's appointment had commenced prior to 1 January 2020 and will continue unless terminated by either party giving to the other 6 months' notice in writing. The fee payable to Mr Harris is £30,000 per annum. The letter of appointment is governed by the laws of England and Wales.

Settlement Agreement

On 17 March 2021, Hamish Harris has entered into a settlement agreement with the Company, pursuant to which his appointment as a non-executive director of the Company has terminated with effect from completion of the Offer and Admission ("**HH Settlement Agreement**"). Pursuant to the HH Settlement Agreement, the Company shall pay to Mr Harris the sum of £35,000 (subject to the usual income tax and national insurance contributions) within 5 days of completion of the Offer. Mr Harris has agreed to waive his right to notice. The parties have also agreed to settle all claims that Mr Harris has, or may have, against the Company or any Associated Company and/or their officers or employees, arising out of Mr Harris's appointment as a director or its termination.

Prior to entry into the HH Settlement Agreement, Mr Harris has received an independent legal advice on the terms and effect of the agreement, the cost of which will be settled by the Company.

Proposed Directors

The terms of the Proposed Directors appointments are summarised at para. 7.4 – 7.6 below. Upon Admission, each of the Proposed Directors will be appointed as a director of the Company and consequently each of their respective agreements will become effective.

7.4 Service Agreement with Dr Stephen Barnhill

On 17 March 2021, Dr Stephen Barnhill entered into a service agreement with the Company, under the terms of which he has agreed to act as a Chief Executive Officer of the Company. The service agreement is effective from the date of Admission, and may be terminated by either party giving to the other one months' prior written notice, notice not to be given prior to the first anniversary of Admission. The fee payable by the Company in consideration for the performance of the services is £12,000 per annum. The service agreement is governed by the laws of England and Wales.

7.5 Letter of Appointment with Nicholas Barnhill

On 17 March 2021, Nicholas Barnhill signed a letter of appointment with the Company, pursuant to which he agreed to act as a non-executive director of the Company. The appointment is effective from the date of Admission and may be terminated by either party giving to the other one months' notice in writing, notice not to be given prior to the first anniversary of Admission. The fee payable to Mr Barnhill is £12,000 per annum. The letter of appointment is governed by the laws of England and Wales.

7.6 Letter of Appointment with Kevin Sheil

On 17 March 2021, Kevin Sheil signed a letter of appointment with the Company, pursuant to which he agreed to act as a non-executive director of the Company. The appointment is effective from the date of

Admission and may be terminated by either party giving to the other one months' notice in writing, notice not to be given prior to the first anniversary of Admission. The fee payable to Mr Sheil is £12,000 per annum. The letter of appointment is governed by the laws of England and Wales.

7.7 Letter of Appointment with Nicholas Ingrassia

On 17 March 2021, Nicholas Ingrassia signed a letter of appointment with the Company, pursuant to which he agreed to act as an independent non-executive director of the Company. The appointment is effective from the date of Admission and may be terminated by either party giving to the other one months' notice in writing, notice not to be given prior to the first anniversary of Admission. The fee payable to Mr Ingrassia is £12,000 per annum. The letter of appointment is governed by the laws of England and Wales.

8. Additional Information on Proposed Directors

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

Director	Current Directorships	Previous Directorships
Stephen D. Barnhill, M.D.	AfriAg Global Plc (with effect from Admission) Apollon Formularies Jamaica Ltd Doc's Place International, Inc. Apollon Formularies, Inc. Al Pharmaceuticals Jamaica Limited 1196691 B.C. Ltd. Alon Therapeutic, Inc. Apollon Formularies Ltd	BCL Laboratories, LLC
Nicholas Barnhill	AfriAg Global Plc (with effect from Admission) Apollon Formularies Ltd	-
Kevin Sheil	AfriAg Global Plc (with effect from Admission) Apollon Formularies Ltd	-
Nicholas Ingrassia	AfriAg Global Plc (with effect from Admission) Point Energy Limited Apollon Formularies Ltd	-

8.2. None of the Proposed Directors has:

- 8.2.1. had any previous names;
- 8.2.2. any unspent convictions in relation to indictable offences;
- 8.2.3. any convictions in relation to fraudulent offences;
- 8.2.4. had any bankruptcy order made against him or entered into any voluntary arrangements;
- 8.2.5. 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;
- 8.2.6. 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;

8.2.7. 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;

8.2.8. been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

8.2.9. 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.

8.3. None of the Proposed Directors have, or have 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 AQSE Growth Market Rules.

8.4. Nicholas Ingrassia is independent of any Significant Shareholders of the Company.

9. Material Contracts

Documents Relating to the Company

9.1. Disposal Agreement

Pursuant to a share purchase agreement dated 29 November 2019 entered into between the Company and Baloor Logistics (Pty) Ltd (a company incorporated and registered in the Republic of South Africa with company registration number 2018/358792/07 whose registered office is at 25 Buntine Place, Masons Hill, Petermaritzburg, South Africa) (the “**Buyer**”), the Company sold to the Buyer the entire issued share capital of its subsidiaries, AfriAg Limited (a company incorporated in England and Wales with company number 08661859) and AfriAg Ltd (a company incorporated in the British Virgin Islands with company number 1706720) and inter-company debt of circa £626,000 owing to the Company.

The aggregate consideration received by the Company from the Buyer was: (i) £1; (ii) the performance by the Buyer a number of covenants in favour and for the benefit of the Company; (iii) the grant of the indemnity by the Buyer to the Company. Both the Company and the Buyer have given standard commercial warranties to one another. This agreement is governed by English law.

Documents Relating to Admission

9.2. Peterhouse Capital Limited Engagement Letter

On 26 November 2020 the Company entered into an engagement letter with Peterhouse pursuant to which Peterhouse was engaged to act as the Company’s AQSE Growth Market Corporate Adviser in connection with the Admission. In consideration for the services provided under the engagement letter, the Company agreed to pay to Peterhouse: (i) a transaction fee of £35,000, payable as to £6,500 on signature of the engagement letter and £28,500 on completion of the Admission; (ii) a commission of 7.5 per cent of gross funds raised by Peterhouse pursuant to any fundraising undertaken by the Company; and (iii) a commission of 1 per cent of the gross funds raised by the Company or third parties pursuant to any fundraising undertaken by the Company if Peterhouse handles and facilitates all the paperwork.

9.3. Peterhouse Warrants

Pursuant to the terms of the engagement letter dated 26 November 2020 and a warrant instrument dated 17 March 2021, the Company has granted Peterhouse warrants to subscribe for 4,000,000 Ordinary Shares with an exercise price of 5.5p per share, at any time for a period of five years from the date of Admission and pursuant to the terms of the warrant instrument.

9.4. Lock-in and Orderly Market Agreements

Proposed Directors

A lock-in and orderly market agreement dated 17 March 2021 was executed by and among the Company, the Proposed Directors and Peterhouse, pursuant to which the Proposed Directors have undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them (or subsequently acquired by them) for a period of twelve months commencing on the date of Admission ("**Lock-in Period**"). In addition, the Proposed Directors have undertaken to the Company and Peterhouse not to dispose of their Ordinary Shares for a period of 12 months after the end of the Lock-in Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Ordinary Shares.

Concert Party

A lock-in and orderly market agreement dated 17 March 2021 was executed by and among the Company, Apollon Formularies, Inc. and Roderick McIlree and Peterhouse, pursuant to which Apollon Formularies, Inc. and Roderick McIlree have undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them (or subsequently acquired by them) for a period of twelve months commencing on the date of Admission ("**Lock-in Period**"). In addition, Apollon Formularies, Inc. and Roderick McIlree have undertaken to the Company and Peterhouse not to dispose of their Ordinary Shares for a period of 12 months after the end of the Lock-in Period without first consulting the Company and Peterhouse in order to maintain an orderly market for the Ordinary Shares.

The Proposed Directors, Apollon Formularies, Inc. and Roderick McIlree will hold in aggregate 413,483,412 Ordinary Shares representing 55.25 per cent. of the Enlarged Share Capital, on Admission.

9.5. Relationship Agreement

On 17 March 2021 AFI and Roderick McIlree ("**RA Shareholders**") entered into a relationship agreement with Peterhouse and the Company (the "**Relationship Agreement**") pursuant to which the RA Shareholders have undertaken, for so long as the Ordinary Shares are admitted to trading on the AQSE Growth Market and the RA Shareholders (individually or together with their associates) continue to hold more than 20 per cent of the voting rights attaching to the Ordinary Shares in issue from time to time, to procure that, inter alia, the enlarged share capital of the Company and its business shall be managed for the benefit of Shareholders as a whole, any transactions between each of them and a member of the Enlarged Group or AFJ will be at arm's length, the board of directors of the Company will contain at least one independent director and certain reserved board matters will only be voted on by the directors of the Company.

Documents Relating to Apollon

9.6. Share Exchange Agreement

On 31 January 2019 Apollon entered into a share exchange agreement pursuant to which it acquired shares in Phyto Atlantic Ltd in exchange of issue of shares in Apollon to AFI. Apollon has received standard warranties as to the title of the shares in Phyto Atlantic Ltd. Apollon also provided standard warranties regarding its authority to issue shares to AFI and enter into this agreement. This agreement is governed by the laws of England and Wales.

9.7. Deed of Novation of Contract

Pursuant to this agreement dated 31 January 2019, Phyto Atlantic Ltd (**PAL**) was substituted by Apollon by novation as a party to the Stock Purchase Agreement (**SPA**) dated 28 September 2018 through the transfer of all of PAL's rights and obligations to Apollon. AFI has agreed to release PAL from liability for any failure to perform its obligations under the SPA, which were assumed by Apollon.

Apollon has represented and warranted to PAL that it is in the same financial, operational and governance position as PAL and it agrees to be bound by the SPA as if it was an original party to the

SPA. Apollon undertook and covenanted to PAL to assume, observe, perform, discharge and be bound by all liabilities and obligations arising under the SPA and be bound by its terms (whether actual, accrued, contingent or otherwise), as if it were the original party to the SPA. Apollon agreed to indemnify PAL against all liabilities, costs, expenses, damages and losses that PAL suffers or incurs under or in connection with the SPA as a result of Apollon's failure to perform the SPA. PAL indemnified Apollon against all liabilities, costs, expenses, damages and losses that Apollon suffers or incurs under or in connection with the SPA as a result of PAL's failure to perform the SPA. This agreement is governed by the laws of England and Wales.

Pursuant to the SPA (as amended on 13 May 2019 upon Apollon's entry into the amended SPA), AFI, through its designee Stephen D. Barnhill, M.D., arranged to form AFJ whereby Dr. Barnhill is listed as having been issued 49% of all of its issued and outstanding limited shares of ordinary stock (**AJ Stock**), which he holds and controls for the benefit of AFI and has pledged to assign it in full to AFI when it can be validly undertaken. AFI and Dr Barnhill will enter into a stock pledge and commitment agreement in this regard. AFI is to form Apollon Formularies Trading Limited (**AFTL**) pursuant to the laws of the British Virgin Islands. When agreed by the parties, the parties are to cause AFTL, Apollon Jamaica and Dr. Barnhill to enter into the commitment agreement and transfer to AFTL all AJ Stock owned by AFI in exchange for 100% of the issued and outstanding shares of common stock of the equity and capital of AFTL (**Commitment Agreement**). AFI is to prepare and then enter into a Right to Purchase Understanding document between AFTL, Doc's Place and AFI regarding the right of AFI to initiate a transaction by which AFTL purchases and receives from AFI all of the DP Stock owned by AFI, in exchange for a reservation fee and other consideration; and (ii) any other consideration due to AFI under this agreement.

9.8. Deed of Transfer

Pursuant to this agreement, PAL has agreed to transfer to Apollon, its entire rights, title interests and shareholding in Apollon Formularies Trading Limited (which was subsequently struck off the register of companies on 12 July 2019). PAL provided to Apollon standard warranties as to title to the shares in Apollon Formularies Trading Limited. The consideration for the transfer was the parties' entering into, performance of, and benefit received from the Deed of Novation of Contract (please see para. 9.6 of this Part VII. AFI is a third-party beneficiary under this agreement. This agreement is governed by the laws of England and Wales.

9.9. Doc's Place Right to Purchase Understandings

RPU Dated 28 September 2018

Pursuant to this RPU agreement dated 28 September 2018 ("**Doc's Place RPU**"), Apollon acquired the right to be assigned and conveyed the 90% of all of the issued and outstanding limited shares of ordinary stock of no par value of Doc's Place with all other authorised and issued stock and other equity in Doc's Place owned or controlled by AFI, such stock to be purchased 'as is' but free from all liens and encumbrances and include all right title and interest in and to the same, including all rights of a shareholder. To exercise this right to purchase, Apollon must give written notice to AFI at least 30 days prior to the then-current expiration date that it elects to initiate the purchase. The expiry date of this right to purchase understanding is 31 December 2019. This agreement is governed by the laws of the State of Georgia, USA.

Amended Doc' Place RPU Dated 1 July 2019

Pursuant to this agreement dated 1 July 2019, the parties acknowledged that it is no longer necessary for the company to hold interests in AFTL to conduct the transactions contemplated by the Stock Purchase Agreement of 28 September 2018. By this agreement, AFTL transfers all of its rights, obligations and interests in the Doc's Place RPU and in Doc's Place, its assets and liabilities and Doc's Place business to the Company. AFTL is to be struck off the register. This agreement is governed by the laws of the State of Georgia, USA.

Doc' Place RPU Amendment 1 & Extension Dated 31 December 2019

Pursuant to this agreement dated 31 December 2019, the expiry date of the Doc's Place RPU, as amended, was extended to 30 June 2020. The agreement also provides that if (i) the Company or its

shareholders sell, assign, transfer or convey a majority of the Company's shares, control or economic interest of the Company to one or more third parties; or (ii) the Company (or its successors) sell, assign, transfer or convey substantially all of its assets to a third party, then the common stock equity to be issued to Doc's Place per the Doc's Place RPU will be instead the common equity of such acquiring third party, or if the common stock of such acquiring third party shall be owned or controlled by some other entity, then instead it will be common equity of such senior most third party.

Doc' Place RPU Amendment 2 & Extension Dated 30 June 2020

Pursuant to this agreement dated 30 June 2020, the expiry date of the Doc's Place RPU, as amended, was extended to 31 December 2020.

Doc' Place RPU Amendment 3 & Extension Dated 14 December 2020

Pursuant to this RPU amendment agreement dated 14 December 2020, the expiry date of the Doc's Place RPU, as amended, was extended to 31 March 2021.

Doc's Place RPU Amendment 4 & Extension dated 8 March 2021

Pursuant to this RPU agreement dated 8 March 2021, the expiry date of the Doc's Place RPU, as amended, was extended to 30 June 2021.

9.10. CBev Ventures, Inc Right to Purchase Understanding

CBev RPU Dated 28 September 2018

Pursuant to this RPU agreement dated 28 September 2018, PAL acquired the right to purchase the assets and certain of the liabilities and obligations of CBev as pertain CBev's business ("**CBev RPU**"). The parties agreed to negotiate in good faith the contents for a mutually acceptable asset purchase agreement within 12 months of 28 September 2018 should PAL indicate at least 60 days prior to the end of such 12 month time period that it elects to initiate such negotiations. A reservation fee of USD\$200,000 was paid by PAL, which amount was designated to be credited towards the purchase price consideration. Additional provisions for inclusion in the proposed transaction agreement to be negotiated by PAL and CbeV included: (i) payment to CbeV of \$800,000 USD at closing; (ii) issuance to CbeV of \$4,000,000 USD worth of common (ordinary) stock to as generally authorized and existing, and (iii) appointment of Stephen D. Barnhill, Jr as a senior vice president of PAL responsible for leading its worldwide functional beverage division and enter into an employment agreement.

CBev RPU Amendment 1 & Extension Dated 27 September 2019

Pursuant to this agreement which became effective as of 27 September 2019 (signed on 10 October 2019), Apollon agreed with CBev that the CBev RPU is amended, superseded and supplemented by this agreement and that Apollon is the successor-in-interest to PAL. Apollon was to pay to CBev US\$75,000. The closing of the proposed sale and purchase is to occur no later than 30 June 2020.

CBev RPU Amendment 2 & Extension dated 30 June 2020

Pursuant to this agreement entered into on 30 June 2020, CBev and Apollon agreed to extend the termination date of the CBev RPU, as amended, to 31 December 2020.

CBev RPU Amendment 3 & Extension dated 14 December 2020

Pursuant to this agreement entered into on 14 December 2020, CBev and Apollon agreed to extend the termination date of the CBev RPU, as amended, to 31 March 2021.

CBev RPU Amendment 4 & Extension dated 8 March 2021

Pursuant to this agreement entered dated 8 March 2021, CBev and Apollon agreed to extend the termination date of the CBev RPU, as amended, to 30 June 2021.

9.11. Commitment Agreement

Pursuant to a commitment agreement dated 14 March 2019, Apollon agreed that it (or its designees) will provide reasonable funding and services to support the full operations of AFJ and Doc's Place until such time as they each are self-funding from their operations and otherwise profitable or until such other time as Apollon, Doc's Place and AFJ mutually agree. For each such advance of funds, Doc's Place and AFJ shall execute a promissory note and security agreement in the form attached to the commitment agreement. Doc's Place and AFJ are jointly and severally responsible for the repayment of such advances of funds pursuant to each promissory note. If either Doc's Place or AFJ achieve profitability, 95% of the net profits shall be paid to Apollon. Apollon will provide services to Doc's Place and AFJ, including assistance with corporate governance and operating of bank account.

Apollon shall make available to Doc's Place and AFJ up to 500,000 ordinary shares to be issued to minority shareholders of Doc's Place and to Jamaican shareholders of AFJ in return for their agreement to forego dividends from Doc's Place and AFJ in furtherance of the payment of 95% or more of the net profits of Doc's Place and AFJ to Apollon.

Unless terminated early, the initial term of this commitment agreement is five years. This agreement shall automatically renew for additional term of three years, unless either party has given at least 60 days written notice to the other party prior to the expiry of the then-current term of its election to not renew. This agreement is governed by the laws of the State of Georgia, USA.

9.12. Amendment and Assignment to the Stock Pledge and Voting Commitment Agreement

Stephen D. Barnhill, M.D., AFTL and AFJ entered into a Stock Pledge and Voting Commitment Agreement on 10 October 2018. The agreement states that Dr. Barnhill is the owner of 499 shares of Apollon Jamaica which is deemed to be owned and controlled for the benefit of AFTL pursuant to the Stock Pledge and Voting Commitment Agreement of 10 October 2018.

Pursuant to this amendment agreement dated 1 July 2019, AFTL transferred and assigned obligations and interests of AFTL contained in the Stock Pledge and Voting Commitment Agreement of 10 October 2018 and the 49.9% of the common stock in AFJ to Apollon. Apollon has accepted and assumed the rights, obligations and interests of AFTL. This agreement is governed by the laws of England and Wales.

9.13. Consultancy Agreement

On 8 October 2020 Apollon entered into a consultancy agreement with Stene Jacobs ("**SJ**") pursuant to which SJ agreed to provide marketing and consulting services to Apollon either personally or by a personnel appointed by him. In consideration of the services, Apollon has issued 350,000 ordinary shares in Apollon to SJ. SJ is also entitled to payment of his fees in the sum of £80,000 per annum. SJ is engaged to provide services on a rolling basis.

Patents

9.14. On 30 November 2018 AFI applied to register a patent "System and Method for Compounding and 3-D Printing Pharmaceuticals" to the United States Patent and Trademark Office.

9.15. On 30 November 2018 AFI applied to register a patent "Machine learning analysis of cannabis strains for improved medicinal purposes" to the United States Patent and Trademark Office.

9.16. It has been confirmed that the two patent applications listed in paragraphs 9.14 and 9.15 above (together the "**Patent Applications**") were refiled as new applications with essentially the same content on 10 December 2019 and are presently pending before the United States Patent and Trademark Office. AFI intends to convert the patent applications into utility patent applications in 2020 after completion of the Offer and Admission. As at the date of this Document, confirmation has not been received that the Patent Applications were converted into utility patent applications.

9.17. A Patent Application Assignment dated 21 October 2020 purports to assign the Patent Applications from Stephen D Barnhill, MD to Apollon (the "**Assignment**"). The Assignment provides that Dr Barnhill sells, assigns and transfers to Apollon the full, exclusive and entire right, title and interest to the inventions and improvements disclosed and described in the Patent Applications and the patents issuing from them, together with income, royalties, damages and payments due or payable in respect

of these Patent Applications. Dr Barnhill has also assigned any related patent applications filed in the US or elsewhere in the world describing the inventions and improvements as the Patent Applications. Dr Barnhill has requested that the commissioner of patent issues any and all patents in the US resulting from the Patent Applications, and any related patent applications, to and in the name of Apollon.

9.18. Phyto Atlantic, LLC and not Dr Barnhill applied for the patents pursuant to the Patent Applications. Dr Barnhill is noted on the applications as an inventor. Phyto Atlantic, LLC should have been the party to the Assignment.

9.19. The Assignment does not contain any boilerplate clauses, including the governing law and jurisdiction clause, which will be problematic in the event of any dispute.

10. 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.

11. Litigation

11.1. 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 Existing Directors are aware, there are no such proceedings pending or threatened against the Company.

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

12. Taxation

Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs (HMRC) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

12.1. Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (1) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (2) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- (3) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the

Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

12.2. *Dividends*

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers, and 38.1% for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

12.3. *Disposals of Ordinary Shares*

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10% and for upper rate taxpayers, the rate is 20%.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19%.

12.4. *Further information for Shareholders subject to UK income tax and capital gains tax*

“Transactions in securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

12.5. *Stamp Duty and Stamp Duty Reserve Tax (SDRT)*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on the AQSE Growth Market (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- (A) the Ordinary Shares are admitted to trading on the AQSE Growth Market, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (B) AQSE Growth Market continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

12.6 *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.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

13. General

Except for the Lock-in Agreement (further details of which are set out in paragraph 9.4 above) involving each of the Lock-in Party members, the Relationship Agreement (further details of which are set out in paragraph 9.5 above), the Peterhouse Capital Limited Engagement Letter between the Company and Peterhouse as set forth in paragraph 9.2 and the Peterhouse Warrants between the Company and Peterhouse as set forth in paragraph 9.3, there is no relationship (personal, financial or commercial), arrangement or understanding between such members of the Lock-in Party and Peterhouse or any person who is, or is presumed to be, acting in concert with Peterhouse.

- 13.1. The total costs and expenses in relation to the Proposals payable by the Company are estimated to amount to approximately £331,000 ex VAT.
- 13.2. Except as disclosed in this Document and for the advisers named on page 11 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, 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.
- 13.3. Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2020, the date to which the Financial Information in Part IV of this Document was prepared.
- 13.4. Except as disclosed in this Document, there has been no significant change in the financial or trading position of Apollon since 31 July 2020, the date to which the Financial Information in Part IV of this Document was prepared.
- 13.5. Chapman Davis 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 IV(B) and Part V of this Document and the references thereto. Chapman Davis LLP also accepts responsibility for its report.

- 13.6. Peterhouse Capital Limited 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.
- 13.7. There are no investments in progress and there are no future investments in respect of which the Existing Directors have already made firm commitments which are significant to the Company.
- 13.8. 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.
- 13.9. The Existing Directors accept responsibility for the financial information contained in Part V of this Document which has been prepared in accordance with the law applicable to the Company.

14. Working Capital

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

15. Dividend Policy

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

16. 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 at 80 Cheapside, London, EC2V 6EE and shall remain available for at least one month after the date of Admission.

AFRIAG GLOBAL PLC

*(a company incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006
with registered number 002845V)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of AfriAg Global Plc (the **Company**) will be held at 10 a.m. (London Time) on 12 April 2021 (London time) to consider and, if thought fit, pass resolution 1 and resolution 2 which will be proposed as ordinary resolutions and resolution 3 and resolution 4 which will be proposed as special resolutions. It should be noted that only the Independent Shareholders will be allowed to vote the waiver Resolution 2.

The physical meeting will be held at 7-9 Swallow Street, London, United Kingdom, W1B 4DE, but please note the instructions set out in this document with respect to the arrangements in place for this meeting. **No Shareholder will be allowed entry into to the physical meeting.**

1. **THAT**, subject to passing of resolutions 2 and 3, the offer by the Company to acquire the entire issued share capital of Apollon Formularies Ltd (**Apollon**) from the existing shareholders of Apollon not already owned by the Company (Offer) on the terms and subject to the conditions contained in the offer document to be posted to the shareholders of Apollon be and is hereby approved and that the Directors of the Company be and are hereby authorised to take all steps necessary or, in the opinion of the Directors of the Company, desirable, to complete and give effect to the Offer.
2. **THAT** the waiver to be granted by the Panel on Takeovers and Mergers of any obligation under Rule 9 of the City Code on Takeovers and Mergers on any or all of the Concert Party (as defined in the Company's Admission Document dated 17 March 2021 (the "**Admission Document**")) to make a general offer to Shareholders of the Company which obligation might otherwise have arisen as a result of the issue to the members of the Concert Party of, in aggregate of 484,573,459 Ordinary Shares of no par value as consideration under the agreement entered into by the Company in relation to the Offer, as a result of which the Concert Party will own in aggregate up to 64.75% of the enlarged share capital of the Company, be and is hereby approved. This resolution 2 can only be voted on by the Independent Shareholders.
3. **THAT** the Directors of the Company be authorised and empowered to allot and issue ordinary shares of no par value in the Company (**Ordinary Shares**) and rights to subscribe for Ordinary Shares (together **equity securities**) for cash or other consideration in accordance with Article 5.1 of the Company's articles of association in respect of 816,666,666 new equity securities as if the restrictions on the allotment and issue of equity securities in Article 5.2 of the Company's articles of association did not apply to any such allotment and issue, such power to expire on the date occurring 15 months from the date of this special resolution or (if earlier) the conclusion of the annual general meeting of the Company to be held in 2021, provided that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted and issued after the expiry of this power and the Directors may allot and issue equity securities in pursuance of such an offer or agreement as if the power had not expired. The allotments in respect of 816,666,666 Ordinary Shares shall be limited to:
 - a. the allotment of 666,666,666 new Ordinary Shares pursuant to the Offer;
 - b. the allotment of 50,000,000 new Ordinary Shares in the capital of the Company in connection with the Placing and Subscription; and
 - c. the allotment (other than under paragraphs (a) to (b) above) of additional equity securities up to an aggregate amount of 100,000,000.
4. **THAT**, conditional upon Admission, the name of the Company be changed to "Apollon Formularies Plc" and that the Company's memorandum and articles of association be amended to reflect such change of name.

Registered Office
34 North Quay
Douglas
Isle of Man
IM1 4LB

David Lenigas
by Order of the Company's Board
17 March 2021

Notes:

1. Shareholders entitled to attend and to speak and vote are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint the Chairman as their proxy in relation to the General Meeting. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. In light of the COVID-19 restrictions, all shareholders are strongly encouraged and requested to only appoint the Chairman as their proxy or representative as any other persons so appointed will not be permitted to attend the meeting.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR marked for the attention of Richard Macbeth, no later than 10 a.m. (London Time) on 8 April 2021.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent, Share Registrars Limited (ID: 7RA36) by 10 a.m. (London Time) on 8 April 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Shareholders are advised not to attend the General Meeting and in the event that they should attend, such Shareholders will not be granted access to the meeting.
9. To be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 10 a.m. (London Time) on 8 April 2021 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

11. As at the close of business on 16 March 2021, the Company's issued share capital comprised 31,710,011 ordinary shares of no par value each. Each Ordinary Share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 31,710,011.
12. Voting on all of the proposed resolutions set out in the Notice of General Meeting will be conducted on a poll which reflects Shareholders' voting intentions in respect of shares held and votes tendered.