

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

This Document comprises an Admission Document drawn up in compliance with the requirements of the AQSE Rules and is being issued in connection with the proposed admission of Psych Capital Plc to Access Segment of 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 Regulation Rules and its contents have not been approved by the Financial Conduct Authority (FCA) or any other competent authority. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA. This Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK.

The Directors and the Proposed Director of the Company, whose names are set out on page 11 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document including the Company's compliance with the AQSE Rules. The Directors and Proposed Director, having taken all reasonable care to ensure that such is the case, the information in the admission document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the issued ordinary share capital of the Company to be traded on the AQSE Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the AQSE Growth Market on 9 June 2022.

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**PSYCH CAPITAL**  
**Psych Capital Plc**

(Incorporated in England and Wales under the Companies Act 2006 with registration number 13351629)

**Placing of 16,200,000 new Ordinary Shares**  
**Admission to trading on the AQSE Growth Market**

**AQSE Growth Market Corporate Adviser and Broker**  
Peterhouse Capital Limited



**SHARE CAPITAL ON ADMISSION**  
Ordinary Shares of £0.001 each

Number of Ordinary Shares in issue  
290,033,335

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

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and AQSE Growth Market securities are not admitted to the official list of the FCA. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in 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 FSMA who specialises in advising on the acquisition of shares and other securities.

**Psych Capital Plc is required by Aquis 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 Exchange in the form prescribed by Appendix B to the AQSE Growth Market Corporate Adviser Handbook.**

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

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

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

#### **OVERSEAS SHAREHOLDERS**

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

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

#### **FORWARD-LOOKING STATEMENTS**

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

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential

investors should not place any reliance on forward-looking statements.

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

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## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006, as amended
<b>“Admission”</b>	admission of the entire issued ordinary share capital of the Company to trading on the AQSE Growth Market becoming effective in accordance with the AQSE Rules
<b>“Articles” or “Articles of Association”</b>	the articles of association of the Company from time to time
<b>“Aquis Exchange”</b>	Aquis Stock Exchange PLC, a recognised investment exchange under section 290 of FSMA
<b>“AQSE Growth Market”</b>	the AQSE Growth Market operated by Aquis Exchange
<b>“AQSE Rules”</b>	the rules contained in the AQSE Growth Market Access Rulebook, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the Access Segment of the AQSE Growth Market issued by Aquis Exchange
<b>“Asset Purchase Agreement” or “APA”</b>	an agreement entered into between the Company and PHL dated 11 June 2021, as further amended on 28 September 2021, whereby the Company acquired certain assets from PHL. Further information can be found in paragraph 10.1.1 of Part IV
<b>“Awakn”</b>	Awakn Life Sciences Corp., with common shares listed on Neo Exchange Inc., (with company registration number BC1169082) registered in Province of British Columbia Canada
<b>“Blossom”</b>	Blossom ACT B.V, a company registered in The Netherlands with the registered office address at Luzacstraat 24b, 3038 VX, Rotterdam, The Netherlands
<b>“Blossom Database”</b>	means the database being developed by the Company pursuant to the Licence Agreement, as more particularly described at paragraph 2.2 of Part I of this Document
<b>“Blossom Labs Limited”</b>	Blossom Labs Limited, a company registered in the United Kingdom with company number 12661129. The registered office is 17 Hanover Square, London, England, W1S 1BN
<b>“Board” or “Directors”</b>	the directors of the Company, whose names are set out on page 11 of this Document
<b>“Broker Warrants”</b>	the 14,501,667 Warrants granted to Peterhouse Capital to subscribe for Ordinary Shares at the Issue Price per share as more particularly described in paragraph 10.2.2 of the Part IV
<b>“Business Day”</b>	a day other than Saturday or Sunday or a public holiday in England and Wales
<b>“CDPRG”</b>	the Conservative Drug Policy Reform Group Ltd
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Company” or “Psych Capital”</b>	Psych Capital Plc, a company registered in England and Wales with company number 13351629 and whose registered office is at 17 Hanover Square, London, W1S 1BN

<b>“Consideration Shares”</b>	the 90,000,000 Ordinary Shares to be issued immediately prior to the date of Admission to PHL pursuant to the Asset Purchase Agreement
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) to facilitate the transfer of title in shares and the holding of shares in uncertificated form which is operated by Euroclear UK & International Limited
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
<b>“Document”</b>	this document and its contents
<b>“Executive Committee”</b>	means the executive committee established by the Company for the purposes and being composed of the members described in paragraph 5.2 of Part I
<b>“Existing Ordinary Shares”</b>	the 183,333,335 Ordinary Shares of 0.001 pence each in issue as at the date of this Document
<b>“Existing Shareholders”</b>	means the holders of Ordinary Shares as at the date of this Document
<b>“Existing Share Transfer”</b>	means the transfer of the Transfer Shares being placed by Peterhouse Capital to several investors participating in the Fundraising, for nil consideration
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority
<b>“Fee Shares”</b>	the 500,000 Ordinary Shares being paid to the CDPRG in respect of services rendered to the Company leading up to Admission
<b>“Founders”</b>	the original founders of the Company, being Mr. Robert Patrick Reid, Mr. Stephen Murphy and Mr. William Christopher Potts
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fully Diluted Share Capital”</b>	the total number of Ordinary Shares that would be in issue on the basis that all Options and Broker Warrants are exercised being 336,370,834 Ordinary Shares
<b>“Fundraising”</b>	the Placing
<b>“Fundraising Shares”</b>	the Placing Shares
<b>“Group”</b>	the Company and its subsidiaries as at the date of this Document
<b>Group A Locked-in Persons</b>	means all Existing Shareholders, holding in aggregate 54,000,000 Ordinary Shares
<b>Group B Locked-in Persons</b>	means all PDMRs, the Founders, Related Parties and Prohibition Holdings Limited, holding in aggregate 202,246,915 Ordinary Shares
<b>“Issue Price”</b>	being £0.05 per Ordinary Share
<b>“Issued Share Capital”</b>	the Existing Ordinary Shares together with the Fundraising Shares, being the issued ordinary share capital of the Company immediately following Admission

<b>“Last Practicable Date”</b>	means 23 May 2022, being the last practicable date prior to the publication of this Document
<b>“Lock-In Agreements”</b>	the lock-in agreements between the Company, Peterhouse Capital Limited and each of the Locked-in Parties, further details of which are set out in paragraph 10.2.3 of Part IV of this Document
<b>“Locked-in Parties”</b>	means all Group A Locked-in Persons (including, Existing Shareholders) and all Group B Locked-in Persons (PDMRs, the Founders, Related Parties and Prohibition Holding Limited)
<b>“Locked-in Shares”</b>	means an aggregate total of the Group A Locked-in Persons and the Group B Locked-in Persons, equating to 256,246,915 Ordinary Shares held by the Locked-in Parties
<b>“Licence Agreement”</b>	Licence agreement between the Company and Blossom dated 14 February 2022. Further information can be found in paragraph 10.1.2 of Part IV
<b>“MAR” or “Market Abuse Regulation”</b>	the UK version of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
<b>“Medicinal Psychedelic Technical Advisory Board”</b>	the board established by the Company and made up of individuals who review and analyse the Company’s proposed investments from time to time. Further information can be found in paragraph 9.4 of Part I
<b>“New Shares”</b>	means a total of 106,700,000 Ordinary Shares, comprising, the Fee Shares, Consideration Shares and the Placing Shares
<b>“Official List”</b>	the Official List of the FCA
<b>“Options”</b>	options to subscribe for Ordinary Shares
<b>“Ordinary Shares”</b>	ordinary shares of £0.001 each in the capital of the Company
<b>“Panel”</b>	as defined in paragraph 13 of Part I of this Document
<b>“Persons Discharging Managerial Responsibility” or “PDMRs”</b>	as defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as at the date of this Document
<b>“Peterhouse Capital” or the “Broker”</b>	Peterhouse Capital Limited, AQSE Growth Market Corporate Adviser and Broker to the Company, which is authorised and regulated by the FCA
<b>“PHL”</b>	Prohibition Holdings Ltd, a company registered in the United Kingdom with company number 12142167. The registered office is 20-22 Wenlock Road, London, England, N1 7GU
<b>“Placees”</b>	the persons who have confirmed their agreement to participate in the Placing and to subscribe for Placing Shares pursuant to the Placing

<b>“Placing”</b>	the proposed placing of the Placing Shares at the Issue Price, conditional upon Admission
<b>“Placing Shares”</b>	the 16,200,000 new Ordinary Shares to be issued pursuant to the Placing
<b>“Pre-IPO Fundraising”</b>	means the subscriptions for shares undertaken as part of the fundraising rounds occurring on 13 May 2021 (as described at paragraph 3.3.3 of Part IV, such shares being subscribed for at a price of 0.1p per share), 14 June 2021 (as described at paragraph 3.3.4 of Part IV, such shares being subscribed for at a price of 0.5p per share) and 23 August 2021 (as described at paragraph 3.3.5 of Part IV, such shares being subscribed for at 1.5p per share), respectively
<b>“Pre-IPO Investors”</b>	means all investors subscribing for Ordinary Shares as part of the Pre-IPO Fundraising
<b>“Proposed Director”</b>	means Joseph Colliver, who will be appointed as a director of the Company subject to and conditional upon Admission
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA pursuant to part VI of the FSMA from time to time
<b>“PSYCH Platform”</b>	a Business-to-Business media and content platform for the psychedelic science and healthcare industry operated by the Company
<b>“QCA Code”</b>	the Corporate Governance Code for Small and Mid-sized Quoted Companies 2018, published in April 2018 by the Quoted Companies Alliance
<b>“Related Parties”</b>	means a person who is (or was within the 12 months before the date of the relevant transaction or event) a substantial shareholder, being a person who is entitled to exercise, or to control the exercise of, 10 per cent or more of the votes able to be cast on all or substantially all matters at general meetings of the Company
<b>“Reverse Takeover”</b>	an acquisition by the Company which constitutes a reverse takeover for the purposes of the AQSE Rules
<b>“Shareholders”</b>	the persons who are registered as the holders of Ordinary Shares from time to time
<b>“Transfer Shares”</b>	means an aggregate total of 36,666,667 Ordinary Shares to be sold by the Pre-IPO Investors pursuant to the Existing Share Transfer for nil consideration to the Placees. Further details are set out in paragraph 1 of Part I.
<b>“Significant Shareholders”</b>	those Shareholders who are interested and who, immediately following Admission, are expected to be interested, directly or indirectly, in three per cent. or more of the Company’s capital or voting rights
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland

## GLOSSARY

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

<b>“2015 Order”</b>	the Misuse of Drugs Designation Order 2015
<b>“ACMD”</b>	the Advisory Council on the Misuse of Drugs
<b>“DMT”</b>	N, N-dimethyltryptamine
<b>“LSD”</b>	lysergic acid diethylamide
<b>“Medicinal Psychedelics”</b>	a broad term for any sort of psychedelic medicine used to relieve symptoms
<b>“Member States”</b>	those 28 states that make up the European Union
<b>“MDA 1971”</b>	the Misuse of Drugs Act 1971
<b>“MDMA”</b>	3, 4-Methylenedioxymethamphetamine
<b>“MDR 2001”</b>	the Misuse of Drugs Regulations 2001 (S.I. 2001/3998)
<b>“MDDO 2001”</b>	the Misuse of Drugs (Designation) Order 2001
<b>“MHRA”</b>	Medicines Healthcare Regulatory Products Agency
<b>“MMPR”</b>	Marihuana for Medical Purposes Regulations
<b>“Narcotics Convention”</b>	the Single Convention on Narcotic Drugs as amended by the 1972 Protocol
<b>“POCA 2002”</b>	Proceeds of Crime Act 2002
<b>“SOCPA 2005”</b>	Serious Organised Crime and Police Act 2005
<b>“THC”</b>	Tetrahydrocannabinol (commonly known as THC) which is the principal psychoactive compound of the cannabis plant
<b>“UN Drug Conventions”</b>	refers collectively to, the Narcotics Convention, the Convention on Psychotropic Substances 1971 and the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	24 May 2022
Admission to trading on the AQSE Growth Market becomes effective and commencement of dealings in the Ordinary Shares	8:00 a.m. on 9 June 2022
Ordinary Shares credited to CREST accounts (where applicable)	9 June 2022
Dispatch of share certificates (where applicable)	24 June 2022

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

### SHARE ADMISSION STATISTICS

Number of Existing Ordinary Shares	183,333,335
Placing Price	5 pence
Number of new Placing Shares issued at the Placing Price	16,200,000
Number of Transfer Shares transferred to the Placees	36,666,667
Effective acquisition cost of the Placing Shares and Transfer Shares	1.5 pence per share
Number of Consideration Shares to be issued on Admission	90,000,000
Number of Fee Shares to be issued on Admission	500,000
Broker Warrants	14,501,667
Total Options to be issued on Admission	31,835,832
Issued Share Capital on Admission	290,033,335
Fully Diluted Share Capital	336,370,834
Gross Proceeds from the Placing	£810,000
AQSE Growth Market symbol (TIDM)	PSY
ISIN Number	GB00BL6CJQ54
LEI	213800WXCQ1C6GPLHH68

## DIRECTORS, SECRETARY AND ADVISERS

Directors	William Christopher Potts ( <i>Chief Investment Officer</i> ) Stephen Murphy ( <i>Executive Director</i> )
Proposed Director	Joseph Tregonning Colliver ( <i>Non-Executive Chairman</i> )
Company Secretary	Kieren Charles Mildwaters
Registered Office	17 Hanover Square London W1S 1BN
AQSE Growth Market Corporate 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
Reporting Accountants and Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Website	<a href="https://psych.capital">https://psych.capital</a>

## PART I

### INFORMATION ON THE GROUP

#### 1. BACKGROUND

Psych Capital Plc is a public limited company incorporated in England currently operating in the in the field of psychedelic medicines.

The Company operates the Psych Platform (a business-to-business networking platform), that is developing the Blossom Database pursuant to a third-party licensing arrangement and it has undertaken an investment in Awakn, a Canadian NEO Exchange listed psychedelics research and clinical group, with operations in the UK and Europe.

The focus of the Psych Group will be to scale and grow the Psych Platform business, a business-to-business media and content platform for the psychedelic science and healthcare industry. Further details are set out at paragraph 2 of this Part I. The Company also intends to seek opportunities to undertake additional buy and build investments into the medical psychedelic sector. The Company would particularly seek to focus on identifying and supporting, strategically and financially early-stage companies that provide ancillary products and services which serve the medical psychedelic sector, primarily in the UK and across Europe, and other jurisdictions (such as Canada), which are internationally recognised as having well-developed and reputable laws and regulations for the research and production of psychedelic medicines.

The Directors and the Proposed Director believe that they have the necessary collective skills and professional experience in the medical psychedelic industry to enable the Company to succeed in executing its business strategy.

Application has been made for the Ordinary Shares to be admitted to trading on the AQSE Growth Market. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on 9 June 2022.

In connection with Admission, the Company has raised funds from the Placing. The Company will have raised gross proceeds of £810,000 from the issue and allotment of 16,200,000 Placing Shares at the Issue Price. Following the deduction of expenses, the Company is expected to have net proceeds of approximately £587,000. The net proceeds from the Fundraising will be used principally as working capital to fund the Company's growth and to implement its strategy.

Between 13 May 2021 and 23 August 2021, the Company issued an aggregate total of 183,329,335 Ordinary Shares raising gross proceeds of £1,049,996.02 pursuant to subscriptions received from the Pre-IPO Investors.

To support the Fundraising, it was agreed that Pre-IPO Investors would transfer the Transfer Shares to Peterhouse Capital for nil consideration and Peterhouse Capital would then transfer the Transfer Shares to Placees pro-rata based on their investment as part of the Fundraising (the "Existing Share Transfer"). The Transfer Shares represent approximately 20 per cent. of each Pre-IPO Investors pro-rata interest, as a result of their participation in the Pre-IPO Fundraising.

The Company and the Pre-IPO Investors will not receive any proceeds resulting from the Existing Share Transfer and all transfers are being made for nil consideration. Only persons participating in the Fundraising by way of a subscription for Placing Shares will be eligible to subscribe for Transfer Shares.

#### 2. PSYCH GROUP AND HISTORY

The Company currently has exposure to the following key segments of the medical psychedelic sector through both strategic acquisitions and investments:

- clinical research in connection with the development of psychedelic medicines used to treat addiction;
- data collection in relation to developments in the psychedelic sector (including, the legal framework, commerce and science); and
- media and communications platform for the medical psychedelic industry.

The Directors and the Proposed Director believe that these are important segments of the medical psychedelic sector and which are likely generate value for investors over the medium to long-term. The Company intends to identify, fund and build future companies across three core pillars: therapeutic treatments, drug development, and data/artificial intelligence.

Set out below is a summary of the key areas of the Company's business investments and its development since incorporation as a private company.

## 2.1 Acquisition of Psych Assets

On 11 June 2021, the Company entered into an Asset Sale Purchase Agreement pursuant to which it agreed to acquire and Prohibition Holdings Limited agreed to sell the assets, contracts and intellectual property (including the audience, data, digital properties and design) of the Psych Platform. The consideration for the acquisition will be satisfied through the issue and allotment of 90,000,000 Ordinary Shares of the Company at a deemed valuation of £450,000 (on the basis that such shares were issued at an implied issue price of £0.005 each). Prohibition Holdings Limited is a related party of Stephen Murphy an executive director of the Company.

The Psych Platform is a business-to-business media and content platform for the psychedelic science and healthcare industry, and it operates the website, <https://psych.global/>. The Psych Platform is a global B2B resource for networking, intelligence and insights, servicing the industry through publications, newsletters and engaging events.

The Psych Platform has amassed a significant global B2B audience, with over 20,000 subscribers to the platform. This is particularly impressive given the group's lack of marketing activity. The audience contains investors, regulators and operators who receive the weekly newsletter, The Psychedelics Newsletter. The newsletter and blog tracks key players, innovations and milestones in the medical psychedelic industry, aiming to provide trustworthy weekly insights to investors, regulators and operators to cut through the noise and identify real opportunities. The Psych Platform also produces "The Psychedelics as a Medicine Report" series, now in its 3<sup>rd</sup> Edition, the report has become one of the leading resources for the global industry. The recent report has recorded just under 1,500 downloads to date and sponsored by some of the largest psychedelics companies in the industry including ATAI Life Sciences, Compass Pathways and Beckley Psytech.

As a business-to-business media and content platform, the Psych Platform also produces the PSYCH Symposium, a premium Live Event series traditionally run as a virtual event and, subject to no further COVID-restrictions, it intends to run a live event in London for 2022. To date PSYCH Symposium events have programmed over 80 speakers, that include Professor David Nutt, Christian Angermayer and Rick Doblin, welcomed 3,000+ delegates and generated revenue through sponsorship and ticket sales. The Psych Platform generated approximately £61,500 in revenue from trading activity since being acquired by the Company until the end of 2021.

The Psych Platform has a data lake that contains proprietary models, companies, report & news archive. This database is in the process of being moved to custom made SAAS platform to be made available to clients and partners of the Company.

## 2.2 Development of Blossom Database

On 14 February 2022, the Company entered into a licencing arrangement with Blossom pursuant to which the Company intends to work to develop an artificial intelligence platform that will provide biotech companies advanced clinical data that will be able to fast-track drug development and loop back the real-world data, in a centralized database, to provide feedback on molecules and associated therapy programmes (the "Blossom Database").

Blossom is a company established in the Netherlands, led by Floris Wolswijk. Blossom works on various projects that spread information about psychedelic drugs. These currently range from a database with contextual information about research, to easily searchable book listings.

Under the terms of the Licence Agreement, Blossom have agreed to licence to the Company the use of all copyright and database rights in the psychedelic company detailed information database for the purpose of biotechnology research and associated drug development for a period of 24 months. Further details of the Licence Agreement are located at paragraph 10.1.2 of Part IV ("Additional Information") of this Document.

On 12 January 2022, the Company acquired the entire issued share capital of Blossom Labs Limited (formerly named, RPO Technology Limited), a private limited company incorporated in England with company registration number 12661129. Blossom Labs Limited is the only subsidiary of the Company and it is intended that Blossom Labs Limited will be responsible for further the development of Blossom Database.

## 2.3 Investment into Awakn

On 16 June 2021, the Company undertook an investment in Awakn Life Sciences Corp., by acquiring 426,000 common shares, representing approximately 2% per cent. of Awakn's issued share capital. Awakn is a clinical biotech company researching, developing and delivering evidence-based psychedelic medicine to treat addiction and other mental health conditions. Awakn's common shares listed on Neo Exchange Inc., in Canada.

As at 23 May 2022, being the latest practical date prior to the publication of this Document, the share price of Awakn was CAD1.19, valuing the stake at approximately GBP 314,000.

## 3. OVERVIEW OF PSYCHEDELIC MEDICINES

The term psychedelic medicines have no precise legal definition, but is a broad term conventionally applied to a particular

category of drugs. Psychedelic drugs are associated with the ability to change or enhance the sensory perceptions, thought processes, energy levels. Psychedelic drugs can be categorized into empathogens and dissociative drugs (such as PCP) and serotonergic (classic hallucinogens) such as LSD. Psychedelic drugs involve various types of chemical substances including LSD and chemical extracted from plants. Psychedelic drugs are subject to strict legal controls, as more particularly described in paragraph 6 of this Part I.

Psychedelic drugs are currently being researched in the treatment of major mental health disorders including depressive disorder, treatment-resistant depression, anxiety, post-traumatic stress disorder, and opiate addiction among others.

Since the termination of a period of research from the 1950s to the early 1970s, and until relatively recently, there has been limited scientific research and studies into the potential applications of psychedelic medicines owing to both strict legal controls making it difficult for the medical community to undertake research and public attitudes towards psychedelic substances. We are now witnessing a global rise in clinical trials, academic research and commercial investment into psychedelic medicines and the Board anticipates that such activities will lead to a dramatic shift in attitudes concerning the possible application of psychedelic medicines in the treatment of a range of conditions. The Board expects the global psychedelics industry to disrupt the way we approach healthcare. The use of psychedelics as medicine could help to establish a new industry at pace.

The rising prevalence of mental depression and anxiety and availability of off-label drugs are the major drivers which have propelled the demand of the psychedelic drugs market in the forecast period. Emerging clinical evidence suggests there is growing acceptance of psychedelic drugs for treating depression and increasing prevalence of depression and mental disorders are the factors for the market growth. According to a CNBC report, in 2019, 51.5 million adults were living with mental illness in the U.S. In 2019, Denver became the first city in the U.S. to decriminalise psychedelic mushrooms<sup>1</sup>.

#### **4. MARKET OPPORTUNITY**

The market opportunity in the nascent and growing psychedelics' space is being harnessed by a growing base of institutional investors seeking to establish and scale businesses in a landscape showing scientific and commercial promise. While capital invested in psychedelic companies is over US\$2 billion, the current value of medical businesses surpasses US\$10 billion, with ATAI Life Sciences' initial public offering (IPO) last year which made it the most valuable publicly-traded business among the 47 publicly-traded businesses in the sector, currently valued at US\$928 million (as of 14 February 2022). Biotech and pharmaceutical companies continue to dominate businesses within the sector, though there is a growing base – and appetite for – research clinics, therapy providers and software infrastructure. (Source: The Psychedelics as Medicine Report 3rd Edition 2022.)

In modelling the medical psychedelics market, the Company is focused on therapy training and services, to encapsulate the current market condition. In 2021, with ketamine the only compound used off-label widely for the treatment of mental health conditions, and esketamine for Treatment-Resistant Depression, ketamine-assisted-therapy dominates the market. The Company expects compassionate use to increasingly include psilocybin and MDMA, with policy and health advocates being strong proponents of such therapies. MDMA is currently available for compassionate use in Israel, Switzerland and Canada. Compassionate use exception is expected in 2022 for psilocybin-assisted therapy in Europe, with Canada's section 56 exceptions being another route to early access before Health Canada's consideration. The Company's model is dependent on the exact dates of approval by the FDA or equivalents in other countries. Nonetheless, the model incorporates data on therapists' availability (both who is trained and how many patients they can serve), consumer willingness, and adjacent revenues such as therapist training and other complementary therapy services (e.g., Wavepaths' music service). Underground and non-medical revenues are not modelled. Psilocybin therapy (and specific training protocols) will grow in sales through clinical access being granted to practitioners (beginning in early 2023) - and expect this to be a key driver in societal education and contributor to wider reforms across America. There is potential for MDMA-assisted therapy to take a strong market share from 2024, owing in large part to the later trial stage, plans to create therapy opportunities, and the Multidisciplinary Association for Psychedelic Studies (MAPS) head start to therapist training.

There are many companies researching best practice for the training of psychedelic therapists, who have distilled these into training programmes, such as the MIND Foundation and COMPASS Pathway. Diversity in the offerings provides aspiring therapists with options from which they could choose training most aligned to their goals, though it will be encouraging to see more government subsidies and universities embed psychedelic therapy training, to increase access - both in terms of knowledge and resources - and widen therapist potential for the growing demand, with more PATs expected to be approved in the near future.

The United Nations (UN) Convention on Psychotropic Substances framework for the international control of psychotropic substances (those which affect how the brain works and cause changes in mood, awareness, thoughts, feelings, or behaviour) lists the substances in one of four Schedules (I to IV) or leaves them unlisted if no harm is perceived (e.g. for caffeine).

The ones perceived as least harmful and with a medical application, such as midazolam, are listed in Schedule IV. The ones where the UN perceived no medical benefits and the greatest harm, were listed in Schedule I. Psilocybin, MDMA, DMT and

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<sup>1</sup> <https://www.cnbc.com/2021/05/10/psychedelic-drug-boom-in-mental-health-treatment-nears-reality-.html>

LSD are listed as Schedule I substances under the convention. Ketamine, which is on the WHO List of Essential Medicines, is not a controlled substance. Ayahuasca is not specifically controlled, although the individual components that make up the brew are controlled, including DMT, which sits in Schedule I. Individual countries have also placed restrictions on some, or all, of these substances.

## **5. BUSINESS STRATEGY AND USE OF PROCEEDS**

### **5.1 Operation of Psych Capital Business**

Medical psychedelic drugs are arguably experiencing a renaissance and moving from the fringes to the mainstream of mental health care, offering a significant opportunity for investors. The Company intends to identify, fund and support the building of future companies across three core pillars: therapeutic treatments, drug development, and data/artificial intelligence. The Company will leverage its portfolio of brands and network of experts to identify early-stage opportunities in the medical psychedelic industry.

### **5.2 Acquisition and Investment Opportunities**

The Company will focus on identifying and supporting, both strategically and financially, early-stage companies that provide ancillary products, that support the current business of the Company, and services which serve the medical psychedelic sector, primarily in the UK and across Europe, and other jurisdictions (such as Canada) which are internationally recognised as having well-developed and reputable laws and regulations for the research and production of psychedelic medicines.

The Company has established an Executive Committee to promote and maintain a prudent and effective allocation of capital across the Company's portfolio and the Executive Committee will report to the Board on a regular basis and will be responsible for monitoring investments. On Admissions, the Executive Committee will comprise two executive members, including Stephen Murphy and William Potts, and one non-executive member, Joseph Colliver. Joseph Colliver will serve as chair of the committee.

Prior to undertaking an investment, the Executive Committee will undertake due diligence on a prospective opportunity, with the assistance of the Medical Psychedelic Technical Advisory Board. The Executive Committee will then present its findings in a comprehensive report to the main Board for review. The Board will in turn decide whether the Company should pursue the prospective investment. Any investment undertaken must first be approved by the Board, as well as any comments made by the Company's AQSE Corporate Adviser, who will review the potential investment and the application of the AQSE Rules implications in regard to a proposed investment.

The Executive Committee will be primarily responsible for the identification of Investments. The Executive Committee will also consider any opportunities identified by the Psychedelic Medicines Technical Advisory Board (as described in more detail at paragraph 9.4 ("Psychedelic Medicines Technical Advisory Board") of this Part I). The Company will also look to work with in-country experts and local partners (where required), to assist in investment opportunity identification.

As part of the analysis of prospective investments, appropriate operational and financial due diligence will be performed by the Directors, and where applicable, external legal and financial advisors will be commissioned and managed by Stephen Murphy. Due to the nature of the Company's strategic focus on the medical psychedelic sector, it will be necessary for the members of the Executive Committee to consider and address any specific legal and regulatory risks (as more particularly described in Paragraph 5.4 of this Part I ("Regulatory Framework in the United Kingdom relating to Medical Psychedelic Drugs")). In particular, the Executive Committee will undertake reasonable and appropriate due diligence and all necessary steps to avoid any potential breach of POCA 2002, MDA 1971, MDDO 2001 and MDR 2001. Where applicable, the Company will appoint appropriately qualified professional advisers and experts to deliver advice to the Board. The Company will take particular care when considering any opportunity in an overseas jurisdiction and will appoint locally qualified advisers to provide advice. The Executive Committee shall also consider Money Laundering legislation and will ensure any prospective dividends will not breach any laws, specially having regard to POCA 2002.

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

### **5.3 Use of Proceeds**

The Company has raised gross proceeds of £810,000 from the issue and allotment of 16,200,000 Placing Shares at the Issue Price. In connection with the transaction, the Company will incur costs and expenses of approximately £223,000, inclusive of VAT.

The Company intends to apply the net proceeds of £587,000 raised from the fundraising activities to support its general working capital requirements and to develop its existing business.

### **5.4 Regulatory Framework in the United Kingdom relating to Medical Psychedelic Drugs**

A detailed explanation of the investment objectives of the Company are described in paragraphs 5.1 and 5.2 of this Part I.

Set out below is a brief overview of the regulatory framework in the United Kingdom as it concerns psychedelic drugs.

An industry for medical psychedelics in the United Kingdom remains at an embryonic stage of development. This is due, in part, to the strict regulatory framework which applies to controlled substances in England and Wales, which includes psychedelic medicines. Most psychedelic drugs are potentially harmful to public health and welfare and consequently criminal penalties apply in the case of their misuse. The legal framework in England and Wales includes certain legal exceptions for psychedelic drugs to be made available for medical and scientific research purposes, and certain psychedelic drugs are capable of being lawfully prescribed for medical purposes.

**The Board confirms that it does not intend to undertake any form of investment into a consumer and or a recreational market which may develop in respect of the use of psychedelic drugs so far as this remains a criminal offence in the United Kingdom and there is no sound legal basis for undertaking such activities in the United Kingdom.**

## **6. General Legal Framework**

The objective of the UN Conventions has been to establish an international framework for the control of psychoactive substances in order to limit their availability for medical and scientific purposes. The UN Conventions also promotes the establishment of criminal offences and penalties associated with the misuse of controlled drugs.

The MDA 1971 reflects the UK's obligation and commitment to comply with the UN Conventions. The MDA 1971, whilst establishing various criminal offences for the misuse of controlled drugs, enshrines into law the special protection envisaged by the international conventions for controlled drugs to be used for medical and scientific purposes.

Under section 7(1) of MDA 1971, the Secretary of State has the power to make provision to make lawful activities which would otherwise be considered unlawful.

In compliance with the Narcotics Convention and pursuant to section 7(1) of MDA 1971, the MDR 2001 regulates the availability of controlled drugs that have a recognised and legitimate use by allocation them into one of 5 schedules. Drugs listed under Schedule 1 of MDR 2001 can only be possessed or supplied under a Home Office licence and cannot be prescribed by a medical practitioner. The Home Office may grant a special licence for a Schedule 1 controlled drug to be used for research and other purposes.

Controlled Drugs listed under Schedule 2 and 3 of the MDR 2001 can be made available for medical use and are capable of being prescribed by a medical practitioner.

### **Psychedelic Drugs in the United Kingdom**

Several of the most widely known psychedelic drugs, including, LSD, DMT, MDMA and Psilocybin, are categorised under Schedule 1 of MDR 2001. The same controlled substances are Class A Drugs (drugs which are subject to the strictest controls given their perceived risk to public health and welfare) under Part I, Schedule 2 of MDA 1971. This means that a special Home Office licence must be obtained before such controlled drugs can be used for research and other purposes.

Not all psychedelic drugs are subject to the most stringent controls. Ketamine, for example, is a Class B Drug under Part II, Schedule 2 of MDA 1971 and is listed under Schedule 2 of MDR 2001. This means that Ketamine can be medically prescribed.

### **POCA and anti-money laundering regulations**

It is noted that undertaking activities in relation to a controlled substance in the United Kingdom will (in most cases) be unlawful except in accordance with specific medical and scientific exemptions requiring a Home Office licence. It is clear that undertaking lawfully licenced activities in connection with psychedelic drugs would not be considered 'criminal conduct' for the purposes of POCA and, consequently, income generated from such activities would not be considered 'criminal property' for the purposes of the money laundering regime under POCA.

The Board therefore do not consider there to be a POCA risk in connection with its current investment strategy. The Board have adopted policies and procedures, including the constitution of Medical Psychedelic Technical Advisory Board, to carefully review and consider any investment opportunity. An analysis will be performed to ensure that the investment opportunity does not pose a risk of breaching POCA.

## **7. Reasons for Admission to the AQSE Growth Market**

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

- **improved negotiating position:** the ability to enter into negotiations with vendors of businesses or companies, to whom the issue of publicly traded shares as consideration is potentially more attractive than the issue of shares in an equivalent private company for which no trading facility exists;

- **access to funding:** Admission will enable the Company to access working capital at later dates more effectively than if it were an unquoted company;
- **increased corporate profile:** the status of being a company whose shares are traded publicly could benefit any business being acquired by increasing its profile; and
- **the ability to attract and retain key staff:** the ability to motivate personnel through the future grant of share options will assist the Company to attract, retain and motivate high calibre personnel.

## 8. Financial Information

The Company was incorporated on 22 April 2021. Audited financial information on the Company from incorporation to 30 June 2021 is set out in Part III of this Document; this information does not constitute statutory accounts and the first set of statutory accounts of the Company are required to be made up to 30 April 2022.

The Company's current financial year end is 30 April.

## 9. Directors, Proposed Director and Senior Management

### 9.1 Directors

Brief biographical details of the individual members of the Board are summarised below, as at the date of this Document.

#### **William Christopher Potts** (Chief Investment Officer) (Aged 25)

William Potts is the co-founder of Psych Capital Plc as well as Goodplant Ventures Plc. He has been an active investor in psychedelics healthcare since 2020, and brings an extensive network of high net worth and institutional investors to the table. William has been specifically focused on the healthcare sector for a number of years.

#### **Stephen Murphy** (Executive Director) (Aged 36)

Stephen Murphy is the co-founder of Psych Capital Plc. He is also the CEO and co-founder of Prohibition Holdings which owns some of the cannabis industry's best known B2B companies and brands including Prohibition Partners and Cannabis Europa. Stephen's background is in technology, digital media and corporate finance.

### 9.2 Proposed Directors

#### **Joseph Tregonning Colliver** (Non-Executive Chairman) (Aged 42)

Joseph built and led a team at one of the UK's first publicly listed CBD wellness and medicinal cannabis company. Joseph led the reverse-takeover via a scheme of arrangement of a listed Canadian CBD wellness business, merging the two companies and listing the combined group on the CSE and AQSE. In his CFO / COO role he had accountability for all regulatory matters, leading the company's novel food application process with the Food Standards Agency, obtaining a Home Office controlled drugs licence, and liaising with regulators such as Trading Standards, VMD, MHRA. Joseph had P&L accountability for the analytical laboratory (achieving ISO 107025) and wholesale CBD extraction operations and sales in Europe, as well as finance, HR, legal, fund-raising, investor relations, and M&A. Joseph was also responsible for the research partnership with King's College London and recruited and oversaw the Scientific Advisory Board.

Prior to this, Joseph spent 10 years at WPP, holding senior finance, commercial and client facing leadership roles across several operating companies, after qualifying as a chartered accountant in audit practice.

### 9.3 Senior Management

#### **Christina Lundberg** (Managing Director)

Christina has more than ten years in leadership roles in tech start-ups across London, San Francisco and Stockholm within business development and strategic communications. First employee at iZettle in the UK (acquired by PayPal for \$2.2B). With postgraduate studies in Psychology & Neuroscience, and working with coaching/ consulting start-up founders in the AI space, Christina's passion lies in the intersection of mental health and scaling hyper-growth companies.

### 9.4 Psychedelic Medicines Technical Advisory Board

The Psychedelic Medicines Technical Advisory Board will provide advice to the Executive Committee, as summarised in paragraph 5 (above) ("Business Strategy and Use of Proceeds"), in respect of any proposed acquisition or investment.

The Psychedelic Medicines Technical Advisory Board will also provide ongoing guidance on best practice in this sector. The

Board and the Executive Committee will therefore have regard to the views and recommendations of the Psychedelic Medicines Technical Advisory Board at various stages in relation to the assessment of investments and strategic advice.

Brief biographical details of the individuals on the Psychedelic Medicines Technical Advisory Board are set out below. The individuals whose brief biographies are set out below, were appointed based upon either their technical knowledge in the field or their track record of operating in the sector. The Board believes that the Psychedelic Medicines Technical Advisory Board has, collectively, extensive knowledge of the sector and will be able to provide valuable advice and support to the Executive Committee and Board from time to time.

#### **Dr Anne Schlag**

Dr Anne Katrin Schlag is a Chartered Psychologist and Head of Research at Drug Science. She leads the research for the Drug Science Medical Cannabis Working Group, focusing on controversies surrounding medical cannabis, the improvement of patient access, and the continued development of education and stakeholder communication. Dr Schlag is currently working on progressing the scientific evidence base of medical cannabis to include Patient Reported Outcomes, observational studies and the application of multi-criteria decision analysis to assess the benefits and safety of medical cannabis. She holds Honorary Fellowships at both Imperial College London and King's College London and is scientific advisor to the Primary Care Cannabis Network.

#### **Stephen O'Hara**

Stephen trained as a microbiologist and has over 50 publications, 70 plus patents, and chapters in a number of books. Whilst a scientist by training Stephen is at heart an entrepreneur with a track record of success in identifying opportunities, raising finance, commercialising products, and taking a number of companies to exit by IPO or trade sale. Stephen has built a number of businesses and was a founder of Acolyte Biomedica which he exited to 3M healthcare in 2007 (at a 32X multiple) whereupon he became a Director of Healthcare. Stephen has been a director of an investment company and is frequently asked to advise on potential investments by institutional investors.

#### **Peter Reitano**

Peter is a serial entrepreneur and consumer marketing expert with over a decade of experience in scaling some of the world's top brands. Peter has built, advised, raised for, and sold multiple ventures, including most recently High12, one of Canada's top cannabis CPG companies. Peter is currently Chief Executive Officer of Gwella.

### **10. Lock-In Agreements**

From Admission, a total of 54,000,000 Ordinary Shares held by the **Group A Locked-in Persons** and a total of 202,246,915 Ordinary Shares held by the **Group B Locked-in Persons** will be subject to lock-in and orderly market restrictions, such shares being held by the Locked-in Parties. The Transfer Shares are not subject to these restrictions. From Admission, the Locked-in Parties will in aggregate hold 256,246,915 Ordinary Shares, representing 88.35 per cent. of the Issued Share Capital.

The **Group A Locked-in Persons** Locked-in Parties have agreed to enter into lock-in and orderly market agreements (as more particularly described in paragraph 10.2.3 of Part IV ("**Additional Information**"). Each of the Locked-in Parties have provided undertakings to the Company and Peterhouse not to dispose of their shares for a period of 5 months from Admission and for a further period of 12 months, any disposal undertaken by the Locked-in Parties must be undertaken in accordance with orderly market restrictions.

The **Group B Locked-in Persons** Locked-in Parties have agreed to enter into lock-in and orderly market agreements (as more particularly described in paragraph 10.2.3 of Part IV ("**Additional Information**"). Each of the Locked-in Parties have provided undertakings to the Company and Peterhouse not to dispose of their shares for a period of 12 months from Admission and for a further period of 12 months, any disposal undertaken by the Locked-in Parties must be undertaken in accordance with orderly market restrictions.

### **11. Dividend Policy**

The Directors do not intend to pay dividends 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.

### **12. Corporate Governance**

As a Company listed on AQSE, the Company will not be required to comply with the provisions of the UK Corporate Governance Code. The Directors are nevertheless committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature. The Directors have decided to voluntarily adopt the QCA Code. The Directors acknowledge that adherence to certain provisions of the QCA Code may be delayed until such time

as the Directors are able to fully adopt them.

The Directors will have regard to the principles of the QCA Code and will endeavour to comply with those requirements, as the Company matures and grows following the completion of investments and acquisitions over time. The Company does not, for example, intend to prepare a corporate governance statement authored by the Chairman to discuss compliance with the QCA Code in its annual report in the short to medium term.

The Company has established a remuneration committee, audit committee, AQSE Rules Compliance committee and executive committee to support the activities of the main Board. As at the date of this Document, the Directors do not consider it necessary to establish a separate nomination committee, but the Board will keep this matter under review and may seek to establish a nomination committee in future. The Board will have regard to QCA guidance in the preparation of the terms of reference governing individual committees.

To demonstrate the Company's adherence to the QCA Code, the Company will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company. The Board also addresses issues relating to internal control and the Company's approach to risk management

The Company has also adopted various policies and procedures to manage risk, as more particularly described below.

### **Independence of Board and Experience**

Joseph Colliver will join the Board as a non-executive Chairman, who is considered by the Board to be independent.

As at the date of this Document, the Company does not have two independent non-executive directors, as recommended under Principle 5 of the QCA Code. The Company does not consider it appropriate to appoint and maintain a senior independent director.

The Board believes that it has an effective mixture of skills, capabilities and experience required for the effective operation of the Company. The Board has public company, financial and sectoral experience relevant to its proposed investment and acquisition strategy. The Directors will seek to ensure that an appropriate balance of skills and experience is maintained over time.

### **Committees**

The Company has established an audit committee, remuneration and AQSE compliance committee with formally delegated duties and responsibilities. The composition of the committees is briefly described below:

- **audit committee** will, on Admission, comprise Joseph Colliver and William Potts, with Joseph Colliver serving as chairperson.
- **remuneration committee** will comprise William Potts and Joseph Colliver, with Joseph Colliver serving as chairman.
- **AQSE Rules Compliance Committee:** the AQSE Rules compliance committee will ensure that procedures, resources and controls are in place to ensure that AQSE Rules compliance by the Company is operating effectively at all times and that the executive directors are communicating effectively with the Company's corporate adviser regarding the Company's ongoing compliance with the AQSE Rules and in relation to all announcements and notifications and potential transactions.

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

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

The remuneration committee will determine the scale and structure of the executive directors' and senior employees' remuneration and the terms of their respective service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors of the Company will be set by the Chairman and executive members of the board.

### **Share Dealing Code**

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the AQSE Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 68 of the AQSE Exchange Rules. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

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

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

### 13. The City Code

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

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

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

Under the Takeover Code, Director and Founder Stephen Murphy and Founder, Robert Reid, are presumed to be acting in concert due to their status as Founders and their connection to Prohibition Holdings Ltd as co-founders of that company. William Potts is deemed to be acting in concert with Stephen Murphy and Robert Reid as he is also a Founder.

Messrs Murphy, Reid and Potts are also presumed to be acting in concert with the individuals and entities set out in the table below as they are connected via family links and/or through commercial involvement with, and/or shareholdings in, the Company or Prohibition Holdings Ltd, as described in the biographies below the table.

On Admission there will be a concert party in the Company as a result of Stephen Murphy being a Director and co-founder of the Company and the CEO and co-founder of Prohibition Holdings Limited, and Robert Reid being a Founder of the Company and a founder of Prohibition Holdings Limited. Further, both William Potts, Stephen Murphy and Robert Reid are Founders of the Company, and all of Stephen Murphy, Robert Reid, William Potts and Christopher Potts (father of William Potts) are all Pre-IPO Investors of the Company.

As listed in the concert party table immediately below, and the further information on the members of the concert party, immediately below the table, there are various Shareholders of the Company who are presumed to be acting in concert with Stephen Murphy and Robert Reid, with connections predominantly relating to Prohibition Holdings Limited. These various Shareholders with connections predominantly relating to Prohibition Holdings Limited, are also presumed to be acting in concert with William and Christopher Potts, due to the Founder and pre-IPO relationships described in the paragraph immediately above.

Following Admission, the City Code will apply to the Company. Following Admission the concert party will be interested in 192,780,247 Ordinary Shares representing 66.47 per cent. of the Issued Share Capital of the Company. Assuming exercise in full by the members of the concert party of the Options, (and assuming that no other person converts any convertible securities or exercises any options or any other right to subscribe for Ordinary shares in the Company), the members of the concert party would be interested in 211,333,583 Ordinary Shares, representing approximately 68.48 per cent. of the enlarged voting rights of approximately 308,586,671 Ordinary Shares of the Company.

The Company has agreed with the Panel that the following persons are acting in concert in relation to the Company and the table showing the respective individual interests in Ordinary Shares of the members of the concert party on Admission and

following the exercise of the Options is set out below.

**Following Admission, the members of the concert party will be interested in shares carrying more than 50% of the voting rights of the Company and for so long as they continue to be acting in concert, may accordingly increase their aggregate interest in shares without incurring any obligation to make an offer under Rule 9.**

Concert Party Member	Ordinary Shares interested on Admission	% of Issued Share Capital on Admission	Options convertible into Ordinary Shares	Ordinary Shares interested in following the exercise of the Options	% of Issued Share Capital following Admission and following exercise of all concert party Options
William Potts	10,720,000	3.70	5,481,668	16,201,668	5.25
Christopher Potts	54,780,247	18.89	Nil	54,780,247	17.75
Prohibition Holdings Ltd	90,000,000	31.03	Nil	90,000,000	29.17
Robert Reid	10,520,000	3.63	5,481,668	16,001,668	5.19
Stephen Murphy	12,240,000	4.22	5,481,668	17,721,668	5.74
Jonathan Hogg	800,000	0.28	Nil	800,000	0.26
Alpha Tango Ltd (Anthony Tennyson)	800,000	0.28	Nil	800,000	0.26
BuyUp HoldCo Inc. (George Scorsis)	2,400,000	0.83	Nil	2,400,000	0.78
Jonathan Nadler	1,200,000	0.41	Nil	1,200,000	0.39
Navy Street Consulting (Brad Morris)	1,200,000	0.41	Nil	1,200,000	0.39
Peter Reitano	1,200,000	0.41	2,108,332	3,308,332	1.07
Danielle Mac Innes	5,720,000	1.97	Nil	5,720,000	1.85
Marcus Mac Innes	1,200,000	0.41	Nil	1,200,000	0.39
<b>TOTAL</b>	<b>192,780,247</b>	<b>66.47%</b>	<b>18,553,336</b>	<b>211,333,583</b>	<b>68.48</b>

#### **Further Information on the Members of the Concert party**

##### **Prohibition Holding Limited**

Prohibition Holdings Ltd (Trading as Prohibition Partners) is a UK based group whose vision is for a legal cannabis industry where the abundant economic, societal and health benefits of the plant can be realised around the world. Prohibition has quickly grown to become the most trusted provider of data, media and technology for the global industry with our group of companies ultimately split across Technology & Data and Media & Events. Prohibition Partners now own some of the most respected B2B brands in the industry including Cannabis Europa, Business of Cannabis, BusinessCANN and Atalis.

Prohibition Holdings Ltd was co-founded by the Psych Capital Founders, Robert Reid and Stephen Murphy. Stephen Murphy is a co-founder and director of the Company and Prohibition Holdings.

##### **Robert Reid**

Rob is an experienced entrepreneur and early stage investor who co-founded Prohibition Partners Ltd, Lyphe Group Ltd (UK), Awakn Life Sciences Corp (NEO:AWKN), Revmed Srl (Italy). He previously held CEO roles at ECH Ltd, a European cannabis incubator; and SOL Global Investments Corp (CSE:SOL).

##### **Stephen Murphy**

Further information on Stephen Murphy can be found in paragraph 9.1 of this Part I of the Document.

##### **William Potts**

Further information on William Potts can be found in paragraph 9.1 of this Part I of the Document.

**Christopher Potts** (Ordinary Shares held through nominee: Oberon Investments Group plc)

Started in the City with stockbrokers Keith, Bayley, Rogers for two years. In 1988 he joined Winterflood Securities Ltd as a Blue Button and became a Market Maker in 1989. Christopher became a director of Winterflood Securities Ltd in 1999. Christopher was headhunted by Evolution Beeson Gregory (later Evolution Group plc) in 2002, and a year later became head of market making. Christopher left the City in 2005 to become an entrepreneur and has been instrumental in a number of “cash shells” that have completed reverse takeovers.

**Jonathan Hogg**

Jonathan Hogg is Managing Director of Prohibition Partners and is a Director of Prohibition Holdings. Jonathan has a background in data and technology.

**Alpha Tango Ltd**

Alpha Tango Ltd is the private company owned by Anthony Tennyson (CEO of Awakn Life Sciences, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets). Psych Capital holds 2% of the shares capital in Awakn. Anthony Tennyson has a background in management consultancy specialising in tech and healthcare.

**BuyUp HoldCo Inc.**

BuyUp HoldCo Inc., wholly-owned by George Scorsis, Director of Awakn Life Sciences. George is a highly experienced corporate executive holding senior roles in RedBull, Aphria and WeedMD. BuyUp HoldCo also owns shares in Prohibition Holdings, the result of a demerger of ECH Ltd (Rob Reid & Stephen Murphy were Co-Founders).

**Jonathan Nadler**

Jonathan Nadler is the CEO & Co-Founder of Lyphe Group, a UK medical cannabis company. Jonathan holds 221,950 (0.59%) shares in Prohibition Holdings Ltd.

**Brad Morris**

Brad Morris is a Canadian lawyer with a background in corporate finance and business development. Brad holds 4,592,333 (12.42%) shares in Prohibition Holdings Ltd.

**Peter Retiano**

Peter Retiano is a Toronto based Canadian Entrepreneur. A serial entrepreneur with business interests in cannabis, psychedelics and digital media. Peter is a member of the Psychedelics Technical Advisory Board for Psych Capital and will be earning a monthly fee from Psych Capital to advise on investments in the psychedelics industry.

**Danielle and Marcus Mac Innes**

Danielle and Marcus Mac Innes are the wife & brother-in-law of the co-founder of Psych Capital, Robert Reid. Danielle is an interior designer and retailer, while Marcus is a digital and tech expert. Both are also shareholders of Prohibition Holdings Ltd.

**14. Unapproved Share Options**

At Admission share options will have been granted under a share option scheme over 31,835,832 Ordinary Shares to the Directors, Proposed Director, Technical Advisory Board, Founders and employees of the Company, representing 10.98 per cent. of the Issued Share Capital immediately following Admission.

Set out below is a summary of the proposed option grants. The Options will be granted with effect from Admission and will be capable of being exercised, at the prices set out below, for a period of 2 years from the date of Admission, and vest immediately. To the extent that persons receiving a grant of Options is a party to the Lock-In Agreements, then any further shares acquired during the period of the lock-in restrictions will be subject to the terms of the lock-in arrangements. The terms of the Options are more particularly described in paragraph 7 of the Part IV (“**Additional Information**”).

Persons Receiving Grant	Number of Options capable of being exercised at fixed exercise price			Total Unapproved Share Options Granted
	Strike Price 5p	Strike Price 6p	Strike Price 8p	
<b>Directors and Proposed Director</b>				
William Potts	2,740,834	1,370,417	1,370,417	5,481,668
Stephen Murphy	2,740,834	1,370,417	1,370,417	5,481,668
Joseph Colliver	1,054,166	527,083	527,083	2,108,332
			<b>TOTAL</b>	<b>13,071,668</b>
<b>Technical Advisory Board</b>				
Stephen O'Hara	1,054,166	527,083	527,083	2,108,332
Dr. Anne Schlag	1,054,166	527,083	527,083	2,108,332
Peter Reitano	1,054,166	527,083	527,083	2,108,332
			<b>TOTAL</b>	<b>6,324,996</b>
<b>Senior Management</b>				
Christina Lundberg	1,897,500	948,750	948,750	3,795,000
Russell Cafferty	5,27,084	263,542	263,542	1,054,168
			<b>TOTAL</b>	<b>4,849,168</b>
<b>Founders</b>				
Robert Reid	2,740,834	1,370,417	1,370,417	5,481,668
			<b>TOTAL</b>	<b>5,481,668</b>
<b>Consultant</b>				
Narisha Ragoonanthun	1,054,166	527,083	527,083	2,108,332
			<b>TOTAL</b>	<b>2,108,332</b>
			<b>Total Share Options</b>	<b>31,835,832</b>

The Company intends to undertake further grants of options to employees following Admission, as a means of recruiting and incentivising their performance. The Directors expect to issue up to approximately 5,060,000 options during the first anniversary of Admission, representing approximately 1.74% of the fully enlarged share capital of the Company on Admission.

#### 15. Application to the AQSE Growth Market

Application has been made for the Issued Share Capital to be admitted to trading on the AQSE Growth Market. Dealings in the Ordinary Shares are expected to commence on 9 June 2022.

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

#### 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 Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

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

#### 17. Taxation

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

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 13 of Part IV of this Document. These details are, however intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future.

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

**18. Further Information and Risk Factors**

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

## PART II

### RISK FACTORS

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

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

***The Company is at an early stage of development generating relatively small revenue and there is a limited financial track-record for Investors to base an investment decision***

The Company was incorporated on 22 April 2021 and as at 30 June 2021 (being the date on which the historical financial information on the Company is produced at Part III of this Document) the Company has generated Profit Before Taxation of £254,421 ("Accounts Date").

The future success of the Company following the Accounts Date will depend upon the operation of its current business, as well as other factors, such as the development of a market for medical psychedelic drugs and the potential success and performance of future investments and acquisitions (if applicable).

The future financial performance of the Company may therefore be difficult to predict as at the date of this Document on the basis of limited financial information currently available.

***Impact of COVID-19 on business model and in particular hosting of live events***

The Company currently operates the Psych Platform, which derives a significant proportion of its revenue from hosting live networking events and seminars, including the PSYCH Symposium, a premium Live Event series traditionally run as a virtual event which the Company intends to run as a live event in London for 2022. Since the outbreak of the COVID-19 pandemic, national governments have been forced to restrict or prohibit public gatherings, to introduce social distancing measures and requiring individuals to remain at home ("COVID measures").

As at the date of this Document, all COVID restrictions in England have been removed, but there remains a risk that COVID measures could be introduced, at any time, in order to curb a rise in infections, deaths and or hospitalisations. If COVID measures are adopted at a time coinciding with live seminars, networking meetings or other events scheduled by the Company this could result in cancellations or a deferral of such events and or an unexpected drop in attendance. This may result in the Company experiencing a loss of revenue and it could also be required to absorb certain costs and losses associated with the cancellation or deferral of planned events. It cannot be guaranteed that the Company will be able to access financial support from the UK Government in such circumstances or that it would be able to rely upon insurance to cover potential losses arising as a result of the consequence of COVID-19 restrictions.

Whilst the Directors believe that certain risk are capable of being minimised through the use of virtual events, if such risks were to materialise at a point where the Company is unable to adopt alternative measures, this could have a material adverse impact on the financial condition and reputation of the Company.

***The Market for Medical Psychedelic Drugs is at an early stage of development and may not develop in line with expectations***

The Company is currently operating in the medical psychedelic sector, which is at an early stage of development and is demonstrating signs of potential. The Company will target opportunities to invest in business at an early stage of development or which are otherwise operating with nascent segments of the medical psychedelic industry.

In the United Kingdom, Psychedelic drugs (predominantly) are class A controlled drugs (the most restricted category) and are generally only available for use in the field of scientific research and development under licence. The misuse of such controlled substance is subject to a strict regime of criminal penalties including, significant fines and imprisonment. As a result, access to psychedelic drugs for medical and scientific research remains strictly controlled and the perception of both the effectiveness or efficacy of psychedelic drugs may be regarded with scepticism by both the public and certain areas of

the medical and scientific community.

The development of this market will be underpinned by credible medical and scientific research, studies, peer reviewed articles and clinical trials, leading to credible data on the medical benefits, application, viability and efficiency of certain drugs. Future research and clinical trials may, however, prove such statements to be incorrect and/or may raise concerns regarding any perceptions relating to psychedelic drugs. The results of such studies are difficult to predict, require significant capital investment to undertake and can take several years to complete.

Investors should therefore be aware that the psychedelic market may not grow in a manner consistent with the Board's expectations (particularly as to the timing of such developments) and assumptions, and there are a number of existing barriers and limitations to the growth of such a market, which may remain in place for the foreseeable future. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

#### ***Protection of Intellectual Property Rights***

The Company's business relates, in part, to the collection of data, including, for networking, sharing intelligence and insights, servicing the industry through publications, newsletters, as well as the development of the Blossom Database.

The Company will seek to diligently protect its intellectual property, trade-secrets, know-how and other forms of proprietary information through the use of contractual agreements (including, licences and confidentiality agreements) with employees, business partners and relevant third-parties, and by adopting reasonable and proportionate measures to protect its rights (e.g. through the registration of intellectual property rights with appropriate national and international agencies) so far as is practicable under national law.

The Company cannot provide any guarantee that it will be able to fully protect such information nor can it guarantee that breaches will not occur. If the Company fails to protect its intellectual property rights or is the subject of a breach, this could have an adverse impact on its business, in particular, allowing competitors to gain an advantage or to replicate the business of the Company. The Company could be required to enforce or defend its rights through legal proceedings, which could impose a significant burden upon management time and the financial resources of the Company. If such risks were to materialise, this could have an adverse impact on the financial condition, operations and reputation of the Company.

#### ***Risks associated with investment and acquisition activity***

The Company is seeking as part of its strategy to deliver further growth by undertaking further acquisitions and investments.

The success of this strategy depends on the Company's ability to identify investments in accordance with the Company's objectives and to interpret market data correctly. No assurance can be given that the strategy to be followed will be successful under all or any market conditions, that the Company will be able to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders.

There can be no guarantee that the Company will successfully effect an investment or acquisition where there is an identified opportunity and, as a result, resources may be expended on investigative work and due diligence without the investment being completed. Given the field in which the Company operates, specialist advisers will very likely be required to ensure that any important regulatory risks are assessed and fully understood, before completing an investment or acquisition. There is therefore a high-degree of risk of the Company being left with abortive and unrecoverable costs and expenses associated with an aborted acquisition or investment, which may in turn, have an adverse impact on the financial condition of the Company.

If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

#### ***Dilution Risk and access to further capital***

Investors should be aware that there is a significant risk of dilution in their holding of Ordinary Shares, upon the occurrence of any of the following events:

- the Company may seek to issue further Ordinary Shares or other convertible securities to fund the costs of its ongoing operations or otherwise to respond to business challenges. Further issues of such securities are likely to be dilutive.
- the Company currently has in issue a total of 14,501,667 Broker Warrants and 31,835,832 options over Ordinary Shares, which on Admission is expected to represent approximately 15.98 per cent of the total number of Ordinary Shares in issue on Admission, and the Company may grant further Options to employees, consultants and management over time. The exercise of such rights over securities could be dilutive.
- the Company may pursue investments or acquisitions following Admission, and the consideration for such activities

may be satisfied either entirely or partly through the issue and allotment of new Ordinary Shares. The use of Ordinary Shares as consideration could, depending upon the size of the asset, result in significant dilution to the holders of Ordinary Shares.

Furthermore, if the Company is unable to raise funds through equity capital (as outlined above) it may seek to raise funds through debt financing and such lenders may obtain superior or preferential rights to the holders of Ordinary Shares. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities.

Failure of the Company to obtain adequate financing or financing on terms satisfactory to it, when the Company requires it, could affect the Company's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

#### ***Dependence on key personnel***

As at Admission, the Company will operate with a relatively small management team, comprising, Directors, the Proposed Director and members of certain committees described in this Document. The field in which the Company operates is a nascent sector and hence there is likely to strong competition for persons with the specialists skills and knowledge able to assist with the development of the Company's business and to be able to identify suitable investment and acquisition opportunities. If key members of the Company's management team depart, are affected by illness or for any reason are required to reduce their time commitment, and the Company is not be able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

#### ***Regulatory risks associated with medical psychedelic drugs***

The Company's chosen sector is highly regulated and non-compliance with relevant national law or practices could result in the commission of civil, as well as criminal offences. The Board will have particular regard to the potential risk of money laundering or proceeds of crime offence(s) under POCA 2002. It will also ensure that the Company complies with relevant national laws and good practice in respect of its continuing operations. The Board will adopt a cautious and conservative approach when weighing up any future business development, acquisition, or investment opportunity, and the Company will ensure that appropriate advice is obtained. Breach of local regulatory requirements could have a significant adverse effect on the financial condition and reputation of the Company and could put shareholders' investment at risk.

#### ***Change of Laws***

Expectations of growth within the medical psychedelic sector also assumes national regulators will liberalize their laws and policies associated with the availability and use of medical psychedelic drugs in response to the demands of patients, public sentiment and an increase in credible data indicating the efficacy of psychedelic medicines in the treatment of various conditions. However, the nature, extent and timing of such developments are often very difficult to predict. There can be no guarantee that laws and policies of national authorities will develop in a manner which helps to support the growth of the Company, and it is conceivable that even stricter laws and controls could be implemented by national governments over time in response to negative public sentiment or negative results produced by further medical and scientific study. A materialization of such risks could impact the growth and development of the Company.

#### ***Dividends***

The Company is at an early stage of its development and has not yet broken even. In the event that the Company does generate profits in the short term it highly is likely to need any surplus capital generated to pursue its growth plans. Therefore the Company is unlikely to be in a position to declare a dividend in the short term.

#### ***Risks relating to the AQSE Market and lack of liquidity***

Investment in shares traded on the Aquis Stock Exchange carries a higher degree of risk than an investment in shares listed on the Official List and can provide less liquidity than investments in companies whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment, especially as the market in the Ordinary Shares may have limited liquidity. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market develops, the market price for the Ordinary Shares may fall and/or trade at a discount and therefore is no guarantee that the market price will reflect the underlying net asset value of the Ordinary Shares. The Aquis Stock Exchange has the right to suspend trading in a company's securities. A suspension could result in Shareholders realising less on a disposal than their initial investment. No application has been or will be made for the Ordinary Shares to be admitted to the Official List or to be listed on any other exchange.

***Tax Risks***

The Company may undertake operations or make investments or acquisitions that will subject the Company to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Company's operations, investments or acquisitions, the effect will generally be to reduce the income received by the Company on such investments or acquisitions. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature. The Company may make investments in jurisdictions where the tax regime is not fully developed or is not certain. There can be no certainty that the current taxation regime in England and Wales or in other jurisdictions within which the Company may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have material adverse effects on the financial position of the Company.

**PART III**

**FINANCIAL INFORMATION ON PSYCH CAPITAL PLC**

**SECTION A**

**ACCOUNTANTS' REPORT ON PSYCH CAPITAL PLC  
FOR THE PERIOD ENDED 30 JUNE 2021**

Registered number: 13351629

Registered address: 17 Hanover Square, London, England, W1S 1BN

PKF Littlejohn LLP

The Directors and Proposed Directors  
Psych Capital Plc  
17 Hanover Square  
London  
W1S 1BN

The Directors  
Peterhouse Capital Ltd  
80 Cheapside  
London  
EC2V 6EE



Accountants &  
business advisers

24 May 2022

Dear Directors and Proposed Directors,

**Accountants report on the Historic Financial Information of Psych Capital Plc (the "Company")**

**Introduction**

We report on the special purpose historic financial information set out in Section B of Part III (the "Financial Information") relating to Psych Capital Plc ("the Company"), for the period from incorporation on 22 April 2021 to 30 June 2021.

**Responsibility**

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) ("IFRS"). It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, consenting to its inclusion in the Admission Document.

**Basis of Preparation**

This information has been prepared for inclusion in the AQSE Growth Market admission document dated 24 May 2022 (the "Admission Document") relating to the proposed admission to the AQSE Growth Market of Psych Capital Plc and on the basis of the accounting policies set out in note 2. This report is given for the purpose of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook published by Aquis Exchange Limited and for no other purpose.

**Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council ("FRC") in the United Kingdom. We are independent of Psych Capital Plc in accordance with the FRC's ethical code as applied to Investment Circular Reporting Engagements, and we have fulfilled our ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Company and consistently applied and adequately disclosed.

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

#### **Conclusions Relation to Going Concern**

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the Financial Information about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Information and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

We have nothing material to add or to draw attention to.

#### **Opinion**

In our opinion, the Financial Information in Section B of Part III gives, for the purpose of the Admission Document dated 24 May 2022, a true and fair view of the state of affairs of Psych Capital Plc as at 30 June 2021 and of its results, cash flows and changes in equity for the period then ended in accordance with UK-adopted IAS.

#### **Declaration**

For the purposes of Appendix 1: Information for an admission document, paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, we are responsible for this report as part of the Admission Document and we 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 that the report contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook.

Yours faithfully

**PKF Littlejohn LLP**

Reporting Accountants

## PART III

## SECTION B

## FINANCIAL INFORMATION OF PSYCH CAPITAL PLC

## STATEMENT OF COMPREHENSIVE INCOME

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

<b>Continued operations</b>	<b>Note</b>	<b>For the period from incorporation to 30 June 2021 £</b>
Administrative expenses	3	(30,142)
<b>Operating result</b>		<b>(30,142)</b>
Other gains	7	284,563
<b>Profit Before Taxation</b>		<b>254,421</b>
Income tax	5	-
<b>Profit and total comprehensive income for the period</b>		<b>254,421</b>
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	6	0.37
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	6	0.37

## STATEMENT OF FINANCIAL POSITION

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

	<b>Note</b>	<b>As at 30 June 2021 £</b>
<b>Non-current Assets</b>		
Investments	7	584,563
<b>Total Non-current Assets</b>		<b>584,563</b>
<b>Current Assets</b>		
Cash and cash equivalents	8	223,291
Other receivables	10	38,650
<b>Total Current Assets</b>		<b>261,941</b>
<b>Current Liabilities</b>		
Trade and other payables	9	42,083
<b>Total Liabilities</b>		<b>42,083</b>
<b>Net Current Assets</b>		<b>219,858</b>
<b>Net Assets</b>		<b>804,421</b>
<b>Equity</b>		
Issued share capital	11	150,000
Share premium		400,000
Retained earnings		254,421
<b>Total Equity</b>		<b>804,421</b>

The notes form an integral part of this Financial Information.

## STATEMENT OF CASH FLOWS

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

	Note	For the period from incorporation to 30 June 2021 £
<b>Cash flows from operating activities</b>		
Profit before tax		254,421
<i>Adjusted for:</i>		
Fair value gain on investments	7	(284,563)
(Increase) in trade and other receivables		(38,650)
Increase in trade and other payables		42,083
Net cash used in operating activities		<u>(26,709)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments		(240,000)
Net cash used in investing activities		<u>(240,000)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	11	490,000
Net cash generated from financing activities		<u>490,000</u>
Net increase in cash and cash equivalents		223,291
Cash and cash equivalents at beginning of period		-
<b>Cash and cash equivalents at end of period</b>		<u><b>223,291</b></u>

## STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>Transactions with equity owners</b>				
At incorporation – issue of share capital				
2 ordinary shares at £0.0001 each	-	-	-	-
Ordinary Shares issued	150,000	400,000	-	550,000
<b>Total comprehensive income</b>				
Total comprehensive income for the period ended 30 June 2021	-	-	254,421	254,421
<b>As at 30 June 2021</b>	<b>150,000</b>	<b>400,000</b>	<b>254,421</b>	<b>804,421</b>

The notes form an integral part of this Financial Information.

## **NOTES TO THE FINANCIAL INFORMATION**

### **1 General information**

The Company was incorporated on 22 April 2021 as Psych Capital Ltd in England and Wales with Registered Number 13351629 under the Companies Act 2006 and was re-registered as a public company on 8 December 2021 .

The principal activity of the business will be to identify, fund and build future leaders in psychedelic science and healthcare, with a focus in UK and Europe.

The registered address of the Company is 17 Hanover Square, London, England, W1S 1BN.

This Financial Information of the Company has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations ("IFRS") as adopted by the United Kingdom, and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information is presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

No comparative figures have been presented as the Financial Information covers the period from incorporation on 22 April 2021.

### **New and amended standards**

#### *New standards, amendments and interpretations*

The Company has adopted all the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 22 April 2021.

#### *New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted*

There are no new standards issued but not yet effective that are considered to have a material impact on the Company.

### **2 Significant accounting policies**

The financial information is based on the following policies which have been consistently applied:

#### **Critical accounting estimates and judgements**

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Going concern**

The Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Company will have to access adequate resources to continue in operational existence for the foreseeable future. The Company has not yet commenced trade from which to generate revenue. Future capital resources are expected to come from the issue of shares to private investors and the listing of the Company on the Aquis Stock Exchange Growth Market in 2022. The Company is reliant on this capital raising to pursue its investment activities.

The Directors have considered the likelihood of the raising of additional capital in conjunction with the Company's budget and remain confident that such capital financing will become available in due course. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information.

#### **Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

### **Financial assets**

The Company classifies its financial assets at fair value through profit or loss.

Financial assets designated at fair value through the profit or loss are those that have been designated by management upon initial recognition. Management designated the financial assets, comprising equity shares at fair value through profit or loss upon initial recognition due to these assets being part of the Company's financial assets, which are managed, and their performance evaluated on a fair value basis.

Financial assets at fair value through the profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in "Fair valuation movements in financial assets designated at fair value through profit or loss".

Financial assets, comprising equity shares and warrants, are valued in accordance with the International Private Equity and Venture Capital ("IPEVC") guidelines.

Quoted investments: such investments are valued using the quoted market price, discounted if the shares are subject to any particular restrictions or are significant in relation to the issued share capital of a small quoted company.

At each balance sheet date, a review of impairment in value is undertaken by reference to funding, investment or offers in progress after the balance sheet date and provisions is made accordingly where the impairment in value is recognised.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

### **Cash and cash equivalents**

In the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand and petty cash.

### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

### **Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. 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.

### **Share capital and share premium**

Ordinary shares are classified as equity in share capital. 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 provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Statement of Comprehensive Income.

### **Reserves**

The retained earnings reserve includes retained profits since the Company's incorporation on 22 April 2021.

### **Dividends**

No dividend has been declared or paid by the Company during the period ended 30 June 2021.

## **Financial risk management**

The Company's activities expose it to credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

### ***Credit Risk***

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables. The Company's exposure to credit risk is limited since it does not yet trade and does not hold trade receivables.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

### ***Liquidity Risk***

In keeping with similar sized investment companies, the Company's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed and the Board regularly manage the working capital requirements of the Company. The Company have very little committed expenditure and as such the Board are able to manage its payments to ensure adequate liquid resources are available.

### ***Price Risk***

The Company's management of price risk, which arises primarily from quoted equity instruments, is through the selection of financial assets within specified limits as approved by the Board of Directors.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 10% change in the price of those investments would have a direct impact on the statement of comprehensive income and statement of financial position. At 30 June 2021, the effect of such a change in market price would have been approximately £58,000.

### ***Foreign Exchange Risk***

The Company's holds a Canadian Dollar denominated investment to the total of CAD \$1,001,100 which exposes the Company to the risk that the exchange rate of the Canadian Dollar against the pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. A 10% increase in the Canadian Dollar exchange rate against the pound would result in an increase in fair value of the investment of approximately £53,000. A 10% decrease in exchange rates against the pound would have an equal and opposite effect.

### ***Capital risk management***

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to enable the Company to continue its investment activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the issue of shares or sell assets to reduce debts.

The Company defines capital based on the total equity of the Company. The Company monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

## **Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 United Kingdom. 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.

Current tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 3 Expenses by nature

	30 June 2021
	£
Legal and professional fees	28,590
General administration costs	1,552
<b>Total</b>	<b>30,142</b>

### 4 Employees and directors' remuneration

The average number of employees for the Company in the period was three, being the three directors. Total directors' remuneration was £2,500.

### 5 Income tax expense

	30 June 2021
	£
Current tax	-
Deferred tax	-
<b>Income tax expense</b>	<b>-</b>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate to the profits and losses of the Company as follows:

	30 June 2021
	£
Profit before tax	254,421
Tax calculated at the rate applicable to loss (19%)	(5,727)
Tax losses for which no deferred tax asset was recognised	5,727
<b>Tax charge</b>	<b>-</b>

### 6 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares. There were no dilutive equity instruments in issue during the period.

	30 June 2021
	£
Profit attributable to equity holders of the Company	254,421
Weighted average number of ordinary shares in issue	68,115,942
<b>Earnings per share ( pence)</b>	<b>0.37</b>

### 7 Investments

	30 June 2021
	£
FV movements in investments	284,563
Fair valuation movements in financial assets designated at fair value through profit or loss	<b>284,563</b>

	<b>30 June 2021</b>
	<b>£</b>
At the beginning of the period	-
Additions to level 1 investments	300,000
Net fair value (loss)/gain for the year	284,563
<b>At 30 June 2021</b>	<b>584,563</b>

On 11 June 2021, the Company purchased 426,000 shares in Awakn Life Sciences Corp, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets. The shares were purchased from the Company's directors, William Potts, Stephen Murphy and Rob Reid, in equally tranches of 142,000 shares for £100,000 each.

#### **8 Cash and cash equivalents**

	<b>30 June 2021</b>
	<b>£</b>
Cash	223,291
<b>Total</b>	<b>223,291</b>

#### **9 Trade and other payables**

	<b>30 June 2021</b>
	<b>£</b>
Accruals	42,083
<b>Total</b>	<b>42,083</b>

#### **10 Other receivables**

	<b>30 June 2021</b>
	<b>£</b>
Other receivables	38,650
<b>Total</b>	<b>38,650</b>

## 11 Share capital and share premium

	Number of ordinary shares	Share capital £	Share premium £	Total £
At incorporation of £0.0001 each	2	0.0002	-	0.0002
Ordinary shares issued at £0.0001 each	39,998	3.9998	-	3.9998
<b>Total shares at £0.0001 each</b>	<b>40,000</b>	<b>4</b>	<b>-</b>	<b>4</b>
Share consolidation:				
40,000 shares at £0.0001 each consolidated into				
4,000 shares at £0.001 each	4,000	4	-	4
<b>Total shares at £0.001 each</b>	<b>4,000</b>	<b>4</b>	<b>-</b>	<b>4</b>
Ordinary shares issued at £0.001 each	49,996,000	49,996	-	49,996
Ordinary shares issued at £0.005 (of £0.001 each)	100,000,000	100,000	400,000	500,000
<b>At 30 June 2021</b>	<b>150,000,000</b>	<b>150,000</b>	<b>400,000</b>	<b>550,000</b>

The authorised share capital of the Company is £5,000,000; being 5,000,000,000 ordinary shares at a nominal value of £0.001. On incorporation, the Company issued 2 ordinary shares of £0.0001 nominal value. On 29 April 2021, the Company issued 39,998 ordinary shares at £0.0001 nominal value, and immediately consolidated the 40,000 shares of £0.0001 in issue into 4,000 shares at £0.001 each. On 13 May 2021, the Company issued 49,996,000 new ordinary shares at £0.001 per share. On 14 June 2021, the Company issued a further 100,000,000 ordinary shares of £0.001 nominal value at £0.005. As at 30 June 2021, an amount of £1,401 was still outstanding.

## 12 Financial instruments

### Categories of financial assets and liabilities

The following tables set out the categories of financial instruments held by the Company:

Financial assets	Note	Loans and receivables	
		2021 £	
Other receivables	10	38,650	
Cash and cash equivalents	8	223,291	
		<b>261,941</b>	
		Designated upon initial recognition	
	Note	Held for trading £	Fair value through profit or loss £
		Total £	
<b>At 30 June 2021</b>			
Investments	7	-	584,563
<b>Total financial assets</b>		<b>-</b>	<b>584,563</b>

## 12 Financial instruments (continued)

Financial liabilities	Note	Financial liabilities measured at amortised cost
		2021 £
Trade and other payables	9	(42,083)
		<b>(42,083)</b>

## 13 Controlling party

At 30 June 2021, Oberon Investments Group plc is considered to be the Company's controlling party since they own more than 25% but not more than 50% of the Company's issued share capital.

## 14 Related party transactions

At 30 June 2021, William Potts a director of Psych Capital Limited, held 13,400,000 Ordinary Shares in the Company.

Stephen Murphy, directly and indirectly through Santony Limited, a company in which he also serves as a director, held 15,300,000 Ordinary Shares in the Company.

During the period, the Company was invoiced £2,500 for consulting services from RSVN Associates Limited, a company controlled by Narisha Ragoonanthun.

Robert Reid, who was a director of the Company during the period, held 13,150,000 Ordinary Shares in the Company as at 30 June 2021.

On 11 June 2021, the Company purchased 426,000 shares in Awakn Life Sciences Corp, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets. The shares were purchased from the Company's directors, William Potts, Stephen Murphy and Robert Reid, in equally tranches of 142,000 shares for £100,000 each.

## 15 Subsequent events

On 1 July 2021, the Company purchased the Psych trademark and associated assets from Prohibition Holdings Limited, a company in which Stephen Murphy also serves as a director, for a consideration of £450,000 payable in 90,000,000 Ordinary Shares to be issued on admission at a share price of £0.005.

The Company re-registered from a private company to a public limited company on 27 November 2021.

On 23 August 2021, the Company issued 33,333,335 new ordinary shares at a price of 1.5p per share.

On 12 January 2022, Psych Capital plc acquired 100% of the share capital (one Ordinary Share) of Blossom Labs Limited for £1. Blossom Labs Limited is a company registered in the United Kingdom with company number 12661129.

The Company appointed Joseph Colliver as a Non-Executive Chairman on 24 May 2022, subject to admission.

On 14 February 2022, the Company acquired the exclusive use of the Blossom Analytics Database and copyrights from Blossom ACT B.V. for €26,950.

Upon admission, the Company intends to issue 31,835,832 unapproved share options; being 13,071,668 share options to be issued to the Directors, 6,324,996 share options to the Technical Advisory Board, 4,849,168 share options to other management and employees and 5,481,668 to Founder Robert Reid.

PART III

SECTION C

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of post balance sheet events subsequent to the 30 June 2021, as set out in the Accountants Report of the of the historical financial information, in Part III, of the Company, including the acquisition through the asset purchase agreement, with Prohibition Holdings Ltd (“PHL”), to acquire certain assets from PHL, the licence agreement with Blossom to use of all copyright and database rights in the Data, primarily to develop an artificial intelligence platform, the re-valuation of the investment in Awakn, and the Fundraising conditional on Admission, as if it occurred on 30 June 2021.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of the Company.

The statement of pro forma net assets set out below is based on the audited balance sheet of the Company as at 30 June 2021 (as extracted without material adjustment from the financial information in Part III of this Document), and adjustments on the basis described in the notes below.

	Net Assets Psych Capital PLC 30-Jun-21	Pre-IPO Fundraising net of expenses	Acquisition of Prohibition Holding Assets	Acquisition of Blossom Analytics Database	Investment in Awakn	Fundraising on Admission net of expenses	Total Pro Forma at admission
	£	£	£	£	£	£	£
Notes	1	2	3	4	5	6	7
<b>Non-current assets</b>							
Intangible assets	-	-	450,000	-	-	-	450,000
Investments	584,563	-	-	-	(258,629)	-	325,934
	584,563	-	450,000	-	(258,629)	-	775,934
<b>Current Assets</b>							
Cash and cash equivalents	223,291	370,000	-	(22,932)	-	587,000	1,157,359
Other receivables	38,650	100,000	-	-	-	-	138,650
	261,941	470,000	-	(22,932)	-	587,000	1,296,009
<b>Total Assets</b>	<b>846,504</b>	<b>470,000</b>	<b>450,000</b>	<b>(22,932)</b>	<b>(258,629)</b>	<b>587,000</b>	<b>2,071,943</b>
<b>Current liabilities</b>							
Trade and other payables	(42,083)	-	-	-	-	-	(42,083)
<b>Total liabilities</b>	<b>(42,083)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,083)</b>
<b>Net Assets/ (Liabilities)</b>	<b>804,421</b>	<b>470,000</b>	<b>450,000</b>	<b>(22,932)</b>	<b>(258,629)</b>	<b>587,000</b>	<b>2,029,860</b>

Notes:

1. The financial information in respect of Psych Capital PLC as at 30 June 2021 has been extracted, without material adjustment, from the historical financial information, as set out in Part III of this Document.
2. On the 23 August 2021, the Company issued an aggregate total of 33,333,335 Ordinary Shares as part of the Pre-IPO Fundraising, receiving net proceeds of £470,000, net of £30,000 in commission.
3. On 1 July 2021, the Company acquired the assets, the contracts, the intellectual property of Psych brand which includes all trademarks, CRM database, designs, digital properties including domains of Psych IP from Prohibition Holdings Limited, a company in which Stephen Murphy also serves as a director, for a consideration of £450,000 payable in 90,000,000 Ordinary Shares to be issued on admission at a share price of £0.005.
4. On 14 February 2022, the Company acquired the exclusive use of the Blossom Analytics Database and copyrights from Blossom ACT B.V. for €26,950.
5. On 8 March 2022, the Company entered into a subscription agreement with the Conservative Drug Policy Reform Group Ltd ("CDPRG"), for a fee of £50,000. On 18 March 2022, £25,000 was paid in respect of services rendered leading up to Admission (with an additional £10,000 of VAT paid on the total fee of £50,000), with the remaining £25,000 to be settled by the payment of 500,000 Fee Shares on Admission.
6. On 11 June 2021, the Company purchased 426,000 shares in Awakn Life Sciences Corp, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets, at a share price of CAD 2.35. The share price on the 18 May 2022 decreased to CAD 1.22, which would result in a £258,629 decrease in the fair value of the investment, based on the spot rate on 18 May 2022.
7. The Fundraising receipts are estimated at £587,000, net of the cash expenses of Admission, which are expected to total £223,000 including VAT and Fundraising expenses.
8. The pro forma financial information does not constitute statutory accounts within the meaning of section 434 of the Act.

## PART IV

### ADDITIONAL INFORMATION

#### 1. The Group

1.1 The Company was incorporated in England and Wales under Act as a private limited company with registered number 13351629 on 22 April 2021 under the name Psych Capital Ltd.

1.2 The Company was re-registered as a public limited company on 8 December 2021 under the Act with the name Psych Capital Plc.

1.3 The Company is a public limited company and accordingly the liability of its members is limited. The principal legislation under which the Company and its securities operates is the Act and the regulations made there under.

1.4 The registered office and principal business office address of the Company is 17 Hanover Square, London, W1S 1BN, United Kingdom. The Group's website is <https://psych.capital> and this will be the website through which the Company will publish information required by the AQSE Rules.

1.5 The Company has no administrative, management or supervisory bodies other than the Board and the committees which are detailed in paragraphs 9 and 12 of Part I of this Document.

1.6 The Company's telephone number is + 44 (0) 20 3838 7621.

1.7 The accounting reference date of the Company is currently 30 April.

1.8 The Company's LEI is: 213800WXCQ1C6GPLHH68. The Company's ISIN is: GB00BL6CJQ54.

#### 2. Group Structure

2.1 The Company has one subsidiary as at the date of this Document, and the details of the Company's wholly owned subsidiary is summarised below:

Company Name	Country of Incorporation	Field of Activity	Ownership (%)
Blossom Labs Limited	England	Engaged in the development of an AI platform	100

2.2 The Company does not have any other subsidiaries or branches, other than as described in paragraph 2.1 (above).

#### 3. Share Capital

3.1 As at the Last Practicable Date, the issued and fully paid up share capital of the Company was as follows:

	Issued and fully paid	
Number and Class	Nominal Amount (£)	Total Aggregate Amount (£)
183,333,335 Ordinary Shares	0.001	183,333

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

	Issued and fully paid on Admission	
Class	Nominal Amount (£)	Total Aggregate Amount (£)
290,033,335 Ordinary Shares	0.001	290,033

3.3 Since incorporation, there have been the following changes to the issued share capital of the Company:

3.3.1 The Company was incorporated with an issued share capital of 2 Ordinary Share, with a nominal value of £0.0001 each;

3.3.2 On 29 April 2021, the Company issued 39,998 Ordinary Shares of £0.0001 each and such shares were subscribed for at nominal value. Immediately following the issue and allotment of such shares, the Company undertook a consolidation of its share

capital pursuant to an ordinary resolution passed by the members of the Company on the same date. The entire issued share capital of the Company, being 40,000 Ordinary Shares of £0.0001 each, was consolidated in the ratio of one thousand Ordinary Shares of £0.0001 each into one Ordinary Share of £0.001 each (the “**Consolidation**”). Immediately following the Consolidation, the Company’s had a share capital of £4.00, divided into 4,000 Ordinary Shares of £0.001 each;

3.3.3 On 13 May 2021, the Company issued a total of 49,996,000 Ordinary Shares at nominal value. As a result of the allotment, the share capital of the Company was £50,000, divided into 50,000,000 Ordinary Shares;

3.3.4 On 14 June 2021, the Company issued a total of 100,000,000 Ordinary Shares at a subscription price of £0.005 (0.5 pence) per share. As a result of the allotment, the share capital of the Company was £150,000 divided into 150,000,000 Ordinary Shares;

3.3.5 On 23 August 2021, the Company issued a total of 33,333,335 Ordinary Shares at a subscription price of £0.015 (1.5 pence) per share. As a result of the allotment, the share capital of the Company was £183,333.34 divided into 183,333,335 Ordinary Shares; and

3.3.6 Immediately on Admission, the Pre-IPO Investors agreed to transfer the Transfer Shares to several investors participating in the Fundraising, such transfer being made for nil consideration.

3.4 On 23 May 2022, the Company convened a board meeting for the purposes of considering and approving, subject to and conditional upon Admission:

3.4.1 the issue and allotment of:

(a) 16,200,000 Placing Shares, such shares being subscribed for by Places as part of the Placing at the Issue Price. The issue and allotment of the Placing Shares raising gross proceeds of £810,000;

(b) 500,000 Fee Shares, such shares being issued to the CDPRG being issued in payment for services rendered to the Company ahead of Admission. Further details of the agreement to which this replaces is summarised at paragraph 10.2.8 of this Part; and

(c) 90,000,000 Consideration Shares required to be issued and allotted to the Prohibitions Holdings Limited as part of the consideration for the sale and purchase of assets, contracts, the Psych IP and the grant of the licence by Prohibition Holdings Limited to the Company, as more particularly described at paragraph 10.1.1 of this Part;

3.4.2 the grant of:

(a) 14,501,667 Broker Warrants, being issued to Peterhouse Capital as part of their activities related to the Fundraising. The terms of the warrant deed pursuant to which the Broker Warrants are to be issued is summarised at paragraph 10.2.2 of this Part; and

(b) 31,835,832 Options to certain directors, members of management, consultants and employees, as more particularly described at paragraph 7.1 of this Part.

3.5 At a general meeting of the Company held on 24 November 2021 it was resolved:

(a) THAT, in accordance with section 551 of the Companies Act 2006 (CA 2006) the directors of the Company be generally and unconditionally authorised to allot equity securities or to grant rights to subscribe for, or to convert equity securities into ordinary shares in the Company (as defined in section 560 of CA 2006) up to an aggregate nominal amount of £5,000,000 for such purposes as the Directors consider necessary or appropriate, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of: (a) the date falling eighteen months after the date of the passing of this resolution; or (b) the conclusion of the next Annual General Meeting of the Company; or (c) admission to the AQSE Exchange Growth Market operated by Aquis Stock Exchange Plc or such other recognised stock exchange (Admission), save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors (or any subsequently duly appointed directors) may allot shares or grant rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

(b) THAT, in accordance with section 551 of the CA 2006 the directors of the Company be generally and unconditionally authorised with effect from the first Business Day following Admission to allot equity securities or to grant rights to subscribe for, or to convert equity securities into ordinary shares in the Company (as defined in section 560 of CA 2006) up to an amount representing 75 per cent of the aggregate nominal value of the total number of ordinary shares in issue as at the close

of business on the day of Admission generally for such purposes as the Directors may think fit (including, inter alia, for the purpose of or in connection with any acquisition to be carried out by the Company), provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the later of (a) the date falling 18 months after the date of the passing of this resolution; or (b) the conclusion of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors (or any subsequently duly appointed directors) may allot shares or grant rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. For the purposes of these resolutions the term "Business Day" shall mean any day in which banks are generally open for business in the City of London and excluding any day which is a Saturday, Sunday or public holiday.

- (c) THAT, in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities or to grant rights to subscribe for, or to convert equity securities into ordinary shares in the Company (as defined in section 560 of CA 2006) pursuant to the authority conferred by Resolution 1, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of: (a) the date falling eighteen months after the date of the passing of this resolution; or (b) the conclusion of the next Annual General Meeting of the Company or (c) Admission, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever.
- (d) THAT, in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities or to grant rights to subscribe for, or to convert equity securities into ordinary shares in the Company (as defined in section 560 of CA 2006) pursuant to the authority conferred by Resolution 2, as if section 561(1) of the CA 2006 did not apply to any such allotment with effect from the close of the first Business Day following Admission, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the later of (a) the date falling 18 months after the date of the passing of this resolution; or (b) the conclusion of the next Annual General Meeting of the Company, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever

3.6 Pursuant to the approval of the shareholder resolutions described in paragraph 3.5 above of this Part, the Directors have been duly authorised to issue and allot the New Shares and to grant the Broker Warrants and the Options, subject to and conditional upon Admission.

3.7 Pursuant to the Act, with effect from 1 October 2009, the concept of authorised share capital was abolished and accordingly there is no limit on the maximum number of shares that may be allotted by the Company save for those restrictions set out in the Articles.

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

#### **4. Summary of the Articles of Association of the Company**

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law. The Articles, which were adopted by resolution passed at the general meeting of the Company held on 24 November 2021, contain, inter alia, provisions to the following effect:

##### **4.1 *Voting rights***

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

##### **4.2 *Variation of rights***

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

#### 4.3 *Transfer of shares*

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

#### 4.4 *Return of capital on a winding up*

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

#### 4.5 *Pre-emption*

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

#### 4.6 *Share capital*

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

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

#### 4.7 *Purchases and redemption*

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

#### 4.8 *Borrowing powers*

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

#### 4.9 *Dividends and other distributions*

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

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

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

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

determined by the Board) of any dividend specified by the ordinary resolution.

#### 4.10 *Directors*

At every annual general meeting any Directors:

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

The Directors may resolve to authorise a matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

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

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

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

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

#### 4.11 *Authorisation and Notification of interests*

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

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

#### 4.12 *Overseas members*

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

#### 4.13 *Meetings of Shareholders*

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

may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

#### 4.14 CREST

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

### 5. Directors' and Proposed Directors' Interests

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

Name	As at the date of this Document		As at Admission		Number of Options	% of Fully Diluted Share Capital
	Number of Ordinary Shares	Percentage of current issued share capital	Number of Ordinary Shares	Percentage of issued share capital on Admission		
William Potts	13,400,000*	7.31	10,720,000	3.70	5,481,668	1.63
Stephen Murphy	15,300,000**	8.35	12,240,000	4.22	5,481,668	1.63
Joseph Colliver	-	-	Nil	Nil	2,108,332	0.63

\* William Potts is the son of Christopher Potts. On Admission Christopher Potts will be interested in 54,780,247 Ordinary Shares, please refer to paragraph 6.1 of this Part for further details. Mr William Potts and Mr Christopher Potts will have a combined holding of 22.58 per cent of the issued share capital of the Company on Admission.

\*\*Mr Stephen Murphy has a direct holding of 1,960,000 Ordinary Shares and an indirect holding of 13,340,000 Ordinary Shares through Santony Trading Ltd of which he is the sole shareholder.

5.2 The Company, Directors nor the Proposed Director are aware of any arrangements or operations which may, at a subsequent date, result in a change in control of the Company, nor, that the Company is owned or controlled directly or indirectly by any entity.

5.3 Save as disclosed in paragraphs 5.1 above and 6.1 below, as at the date of this Document, the Directors and the Proposed Director are not aware of any interest which will immediately following Admission represent 3 per cent. Or more of the Issued Share Capital or voting rights of the Company or of any person who, directly or indirectly, jointly, or severally, exercises or could exercise control of the Company.

5.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

5.5 The Company entered into the Asset Purchase Agreement to purchase the Psych trademark and associated assets from PHL, a company in which Stephen Murphy is a director and shareholder. PHL will be a significant shareholder of the Company on Admission as described at paragraph 6 of this Part and, subject to and conditional upon Admission, the Company will issue and allot the Consideration Shares to Prohibition Holdings Limited.

5.6 No Director, other than Stephen Murphy, 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 the Last Practicable Date, in so far as known to the Company, the Directors and the Proposed Director, the following persons have, directly or indirectly, an interest in the Company's share capital or voting rights which is equal or above 3 per cent of capital or total voting rights:

Name	As at the date of this Document		As at Admission	
	Number of Ordinary Shares	Percentage of current issued share capital	Number of Ordinary Shares	Percentage of issued share capital on Admission
Christopher Potts	44,000,000*	24.00	54,780,247	18.89
Oscillate plc	30,000,000	16.36	46,843,622	16.15
Peterhouse Capital limited	17,333,333	9.45	16,042,516	5.53
Stephen Murphy	15,300,000**	8.35	12,240,000	4.22
William Potts	13,400,000	7.31	10,720,000	3.70
Robert Reid	13,150,000***	7.17	17,440,000	3.63
Prohibition Holdings Limited	-	-	90,000,000	31.03

\* Christopher Potts is the father of William Potts, and the interest of Mr William Potts are described above at paragraph 5.1 of this Part. Christopher Potts' Ordinary Shares are held through nominees, Oberon Investments Group plc.

\*\*Mr Stephen Murphy has a direct holding of 1,960,000 Ordinary Shares and an indirect holding of 13,340,000 Ordinary Shares through Santony Trading Ltd of which he is the sole shareholder.

\*\*\*5,720,000 Ordinary Shares are held by Danielle Mac Innes, wife of Robert Reid and 1,200,000 Ordinary Shares are held by Marcus Mac Innes, brother of Danielle Mac Innes.

## 7. Share Incentives, Options and Warrants

### 7.1 Options

Pursuant to the Board Meeting of the Company held on 23 May 2022, and subject to Admission, the Company has approved the grant of the following options over Ordinary Shares. The Company will therefore have in issue a total of 31,835,832 Options over Ordinary Shares in issued on Admission, such Options representing approximately 9.46 of the expected fully diluted share capital of the Company on Admission. All Options summarised below are subject to the vesting conditions described below.

Name of Person	Position	Total Number of Options	Exercise Period	Exercise Price per Option
William Potts	Director	5,481,668	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Stephen Murphy	Director	5,481,668	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Joseph Colliver	Proposed Director	2,108,332	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Robert Reid	Founder	5,481,668	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Stephen O'Hara	Member of Technical Advisory Board	2,108,332	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Dr. Anne Schlag	Member of Technical Advisory Board	2,108,332	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I

Peter Reitano	Member of Technical Advisory Board	2,108,332	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Russell Cafferty	Head of Content	1,054,168	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Christina Lundberg	Managing Director	3,795,000	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I
Narisha Ragoonanthun	Pre-IPO Consultant	2,108,332	Up to the 2 <sup>nd</sup> anniversary of Admission	See paragraph 14 of Part I

7.2 The Company will, following Admission, consider issuing further options to employees, consultants, management and advisers for the purposes of retaining and incentivising such persons. The Directors expect to issue up to approximately 5,060,000 options during the first anniversary of Admission, representing approximately 1.5 per cent of the fully enlarged share capital of the Company on Admission.

7.2 The option awards described in this Part are unapproved share options and the Company has not established a formal share option scheme. The Board will consider following Admission, in consultation with its advisers, the adoption of a formal share option scheme for the benefit of the Directors and management.

#### **Warrants**

7.3 In connection with Admission, the Company is proposing to grant Broker Warrants to Peterhouse, in connection with the Fundraising activities undertaken by them and in accordance with the terms of their engagement letter described at paragraph 10.2.1 of this Part. On Admission, there will be a total of 14,501,667 Broker Warrants in issue, representing approximately 5 per cent. of the enlarged ordinary share capital of the Company on Admission.

7.4 Set out below is a summary of the terms of the Broker Warrants in issues as at Admission:

Warrant Holder	Total No. of Warrants	Exercise Price	Exercise Period
Peterhouse Capital	14,501,667	Issue Price	up to the 5 <sup>th</sup> anniversary of Admission

7.5 Further details of the agreements pursuant to which the Broker Warrants will be issued are summarised below at paragraphs 10.2.2 of this Part.

#### **8. Service Agreements and Letters of Appointment**

8.1 Other than as description in this paragraph, there are no service agreements or letters of appointment in existence between any of the Directors, the Proposed Director and the Company.

8.2 The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 30 June 2021 was £Nil.

The key terms of the service agreements and letter(s) of appointment between the Company and each of the Directors and Proposed Directors are summarised below.

#### **8.3 Service Agreement of William Potts (Chief Investment Officer)**

On 22 April 2021, William Christopher Potts entered into a service agreement with the Company, under the terms which William Christopher Potts has agreed to act as Chief Investment Officer of the Company. The service agreement will be for a fixed term of one year effective from Admission unless terminated by either party giving to the other not less than three months' notice in writing or otherwise agreed. The fee payable is a gross salary at the rate of £24,000 per annum, which shall accrue day-to-day and be payable in monthly arrears (subject to all relevant statutory deductions). The director's fees will be reviewed on the first anniversary from the date of Admission.

#### **8.4 Service Agreement of Mr Stephen Murphy (Executive Director)**

On 21 June 2021, Mr Stephen Murphy entered into a service agreement with the Company, under the terms of which

Stephen Murphy agreed to act as Executive Director of the Company. The service agreement is for an initial period of one year, effective from 21 June 2021 unless terminated by either party giving to the other not less than three months' notice in writing. The fee payable is £24,000 per annum payable in monthly arrears and will be reviewed annually.

#### 8.5 **Appointment Letter of Joseph Colliver (Non-executive Chairman)**

On 24 May 2022, Joseph Colliver entered into a letter of appointment with the Company, pursuant to which he agreed to act as a non-executive chairman of the Company with effect from Admission. Joseph Colliver will be appointed for an initial term of twelve months' from Admission and thereafter his appointment will continue unless terminated by either party giving to the other of not less than three months' notice in writing. The fee payable to Joseph Colliver is £21,000 per annum and this fee covers all duties, including services on any board committee or Company subsidiary, and the Company shall reimburse Joseph Colliver for all reasonable expenses which must be properly documented that are incurred in performing the duties. This fee is subject to annual review, with the first review due to take place in Q3 of 2022. Under the letter of appointment, Joseph Colliver is also eligible to participate in the Company's share option scheme for 2,180,332 Options. Joseph Colliver is expected to devote two full days per month on work for the Company, including, attendance at board meetings and at general meetings.

#### 9. **Additional Information on the Directors and the Proposed Director**

9.1 In addition to directorships of the Company, the Directors and the Proposed Director 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:

<b>Directors and Proposed Directors</b>	<b>Current Directorships/Partnerships</b>	<b>Past Directorships/Partnerships</b>
<b>William Christopher Potts</b>	W C Potts Consultants Limited Goodplant Management Limited Goodplant Ventures Plc Goodplant Nominees Ltd Park Lane Asset Finance Ltd WCP Property Management Ltd 91 Hazlebury Road London RTM Company Ltd Blossom Labs Limited	Goodplant Management Limited Goodplant Ventures Plc Potts London Ltd
<b>Stephen Murphy</b>	PP Intelligence Limited PP Live Limited Prohibition Holdings Limited Pistol Studio Limited PP Tech Limited Blossom Labs Limited	ECH Limited ECH Trustees Limited Happ Events Limited Nooro Limited The MC Clinic Limited PP Europe LLP Taomc Limited Nobl Subco Limited Company
<b>Joseph Tregonning Colliver</b>	Colliver Advisory Ltd	Sativa Wellness Group Inc. Sativa Germany GmbH Sativa Cultivation and Extraction Limited Olimax nt sp. z o.o Borganic Consulting Inc. Blood Matters Ltd. Sativa Wellness Ltd Phytovista Laboratories Ltd. GoodBody Botanicals Ltd. Tessellate Collective Ltd GoodBody and Blunt Ltd Sativa Investments Ltd GoodBody Wellness Limited George Botanicals Ltd Goodbody Health Ltd Headlight Vision Ltd Henley Centre Headlight Vision Ltd Goodbody Group Ltd

9.3 Save as set out above, none of the Directors nor any Proposed Director has:

9.3.1 had any previous names;

9.3.2 any convictions in relation to fraudulent offences;

- 9.3.3 had any bankruptcy order made against him or entered into any voluntary arrangements;
- 9.3.4 been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- 9.3.5 been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 9.3.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 9.3.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- 9.3.8 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.
- 9.4 None of the Directors nor any Proposed Director has, or has had, any conflict of interest between any duties to the Company and their private interests or any duties they owe. Should the Company make investments which involve related parties, any such investments will comply with the requirements related to such transactions under the AQSE Rules.

## **10. Material Contracts**

### **10.1 Material Contracts relating to the Group**

#### **10.1.1 Prohibition Holdings Limited – Asset Purchase Agreement (as amended)**

On 11 June 2021 the Company entered into an asset purchase agreement (the “APA”) pursuant to which it had agreed to acquire certain assets from PHL. On 28 September 2021, the Company and PHL entered into a deed of amendment in respect of the provisions of the PHL APA.

The Company acquired from PHL the assets, the contracts, the intellectual property of Psych brand (which includes all trademarks, CRM database, designs, digital properties including domains of Psych IP) on 21 June 2021, and PHL agreed to grant such rights and licences to the Company. A part of the acquisition was the satisfaction of the sale and transfer or assignment by Mr. Robert Reid of the ‘PSYCH’ trademark to PHL which was successfully reregistered at the Intellectual Property Office in the name of the Company on 1 July 2021.

The Company is to pay £450,000 to PHL payable in 90,000,000 of Ordinary Shares (the “**Consideration Shares**”) at a share price of £0.005 per Ordinary Share, in consideration for the acquisition under the PHL APA. The Consideration Shares shall be issued to PHL immediately on Admission, in addition to delivering to PHL the Lock-In Agreements executed by the Company and the Corporate Adviser in respect of the Admission.

#### **10.1.2 Blossom Labs Limited – Licence Agreement**

Dated 14 February 2022, the Company entered into a Licence Agreement with Blossom which owns the copyright and database rights in relation to the Data within the Blossom Database and agreed to licence to the Company use of all copyright and database rights in the Data primarily to develop an artificial intelligence platform that will provide biotech companies advanced clinical data that will be able to fast-track drug development and loop back the real-world data, in a centralized database, to provide feedback on molecules and associated therapy programs. Access is granted under the Licence Agreement for a period of 24 months from the 14 February 2022 and also allows for any subsidiary of the Company to be sub-licensed the Licence Agreement without the need for prior written consent from Blossom.

Blossom is not permitted during the Licence Agreement to use the Data or the intellectual property rights in respect of the data other than in connection with providing to the Company a service by way of consulting, research and report preparation by Blossom to be agreed no later than 1 March 2022. The fee payable by the Company to Blossom is in the sum of €26,950 paid at the date of the Licence Agreement.

The Licence Agreement also provides for the Company to receive support by way of defence by Blossom in the event of any claim or action in relation to the Data or Material which infringes any intellectual property rights of a third party. Warranties are provided by Blossom.

On 10 June 2020, the Company acquired the entire issued share capital of Blossom Labs Limited (formerly named, RPO Technology Limited), a private limited company incorporated in England with company registration number 12661129.

Blossom Labs Limited is the only subsidiary of the Company and it is intended that Blossom Labs Limited will be responsible for further the development of Blossom Database.

### **10.1.3 PP Intelligence Ltd t/a Prohibition Partners Limited – Marketing Partner**

On 1 July 2021, the Company entered into a marketing agreement with Prohibition Partners Ltd, a company controlled by Stephen Murphy, whereby the Company has agreed to pay £5,000 per month in monthly arrears for marketing services including virtual & physical event production and programming, website and paid marketing support, lead generation & digital sales support and report production and project management.

## **10.2 Material Contracts relating to Admission**

### **10.2.1 Engagement Letter - Peterhouse Capital**

In accordance with an engagement letter with the Company dated 10 June 2021, Peterhouse Capital agreed to act as the Company's corporate advisers in connection with the Admission and the Company's corporate adviser for the purposes of the for the purposes of the AQSE Rules. In consideration for providing the services specified in the engagement letter, the Company agreed to pay Peterhouse Capital a fee of £50,000, payable as to £20,000 on signature of the engagement letter and the balance being payable on Admission. The Company also agreed to grant Peterhouse Capital the right to options over five per cent of the Company's share capital with an exercise price at Admission contained within a warrant instrument as detailed at paragraph 10.2.2 of this Part (below) and commission at the rate of six per cent of the gross amount of any funds raised by Peterhouse Capital, and commission at a rate of one per cent of the gross amount of any funds raised by the Company or third parties.

### **10.2.2 Warrant Deed – Peterhouse Capital**

The Company entered into a warrant deed with Peterhouse Capital Limited on 23 May 2022, pursuant to which the Company agreed to grant to Peterhouse Capital a total of 14,501,667 warrants over Ordinary Shares, representing five per cent. of the Company's issued share capital on Admission in accordance with the terms of the Engagement Letter described at paragraph 10.2.1, above. Peterhouse Capital may exercise the warrants granted at the Issue Price and are capable of being exercised for a term of five years from the date of Admission.

### **10.2.3 Lock-In Agreements**

The Locked-in Parties have each individually entered into Lock-In Agreements between 25 April 2022 and 24 May 2022, as amended by variation letters entered into on 24 May 2022, pursuant to which they have agreed to provide certain undertakings to the Company and Peterhouse Capital not to dispose of their Locked-in Shares for a period of 5 months from Admission in respect of the Group A Locked-in Persons and for a period of 12 months in respect of the Group B Locked-in Persons (the "Lock-In Period"). In addition, each of the Locked-in Parties have undertaken to the Company and Peterhouse Capital not to dispose of their Locked-in Shares for a period of 12 months after the end of the relevant Lock-In Period, unless brokered through the Company's broker so as to maintain an orderly market for the Shares.

The Lock-In Agreements are entered into under English Law and certain disposals are excluded including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order or in the event of the death of a Locked-in Party. The Lock-In Agreements also contains covenants given by the Locked-in Parties to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Lock-In Agreements.

### **10.2.4 Corporate Adviser Agreement - Peterhouse Capital**

An AQSE Growth Market Corporate Adviser agreement dated 25 February 2022 between the Company and Peterhouse Capital pursuant to which the Company has appointed Peterhouse Capital to act as corporate adviser to the Company on an on-going basis following Admission for which the Company agreed to pay a fee of £25,000 plus VAT per annum. The agreement contains certain undertakings and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one (1) year from the date of Admission and thereafter is subject to termination by either party giving twelve (12) months' prior written notice.

### **10.2.5 Consultancy Agreement with Mrs Christina Lundberg**

A Consultancy Agreement with Mrs Christina Lundberg was entered into on 2 January 2022 under the terms of which Mrs Lundberg has agreed to act as a consultant of the Company. The fee payable is £6,250 per month. The Consultancy Agreement may be terminated by either party giving to the other not less than four weeks' notice in writing.

### **10.2.6 Consultancy Agreement with Colliver Advisory Ltd**

The Company entered into a consultancy agreement with Colliver Advisory Ltd (the “Consultant”) on 26 January 2022 in which the Consultant has agreed to provide certain services to the Company including input into the vision, values and strategy of the Company, and the effective allocation of resources, oversight of the Company’s regulatory and corporate governance matters, attendance at board meetings and oversight of the management of portfolio companies. Under the terms of the consultancy arrangement, the Consultant provides the services of Mr Joseph Colliver to the Company, who is a Proposed Director. Either party may terminate the agreement by providing 2 week’s written notice and may be terminated immediately in certain circumstances. The Company has given notice to terminate this arrangement and the agreement will terminate with effect from Admission.

Pursuant to the terms of the consultancy agreement, the Company has agreed to pay the Consultant £1,750 per month, such fees shall be paid monthly in arrears. The Consultant is also eligible for 2,108,332 share options under the Share Option Scheme. The Consultant will devote two days per month for the proper performance of the services.

#### **10.2.7 Awakn Share Purchase**

On 11 June 2021, the Company purchased 426,000 shares in Awakn Life Sciences Corp, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets. The consideration paid was £300,000.

#### **10.2.8 Agreement with Conservative Drug Policy Reform Group Ltd**

The Company entered into an agreement with the CDPRG on 8 March 2022. The CDPRG is concerned with evidence-based drug policy reform. Under the terms of the agreement, the CDPRG will, amongst other things, provide consultancy services to the Company. In consideration for the services provided by CDPRG, the Company has agreed to satisfy £25,000 of their fees by using such sums to subscribe for the Fee Shares and £25,000 will be payable in cash. The agreement is governed by English Law.

### **11. Related Party Transactions**

Save as disclosed in paragraph 14 of Part III (Part B), and this paragraph 11, 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.

On 11 June 2021, the Company purchased 426,000 shares in Awakn Life Sciences Corp, a Canadian biotechnology company listed on the NEO Exchange and OTCQB markets. The shares were purchased from the Company’s directors, William Potts, Stephen Murphy and Robert Reid, in equal tranches of 142,000 shares for £100,000 each.

On 1 July 2021, the Company entered into a marketing agreement with Prohibition Partners Ltd, a company controlled by Stephen Murphy, a Director of the Company, whereby the Company has agreed to pay £5,000 per month in monthly arrears for marketing services.

### **12. Litigation**

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

### **13. United Kingdom Taxation**

#### **General**

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

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

subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares.

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

#### Taxation of dividends

##### United Kingdom resident shareholders

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 8.75 per cent up to the limit of the basic rate income tax band. Dividends received in excess of the basic rate income tax band will be taxed at 33.75% up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 39.35% being at the additional rate of income tax.

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

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

##### Companies

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

##### Non-residents

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

#### Taxation of chargeable gains

##### United Kingdom resident shareholders

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

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2023 is £12,300. Generally speaking, where the individual's taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year to 5 April 2023 the allowance is £6,150. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

##### Non-residents

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

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

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

##### Companies

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19%. From 1 April 2023, the Corporation Tax main rate will be increased to 25% applying to profits over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

## Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

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

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

### Inheritance tax

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

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

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

## **14. General**

- 14.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £198,000 (excluding VAT) and Fundraising commission of approximately 25,000.
- 14.2 Except as disclosed in this Document and for the advisers named on page 11 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after the start of trading on the AQSE Growth Market, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.
- 14.3 Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2021, the date to which the Financial Information in Part III of this Document was prepared.
- 14.4 PKF Littlejohn LLP has been appointed as the auditors of the Company for the financial year ending 30 April 2022. PKF Littlejohn LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. PKF Littlejohn LLP’s business address is at 15 Westferry Circus, Canary Wharf, London, E14 4HD.
- 14.5 PKF Littlejohn LLP has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and the references thereto. PKF Littlejohn LLP also accepts responsibility for its report.
- 14.6 Peterhouse Capital Limited, which is authorised and regulated by the FCA, has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears. Peterhouse Capital Limited is acting exclusively for the Company in connection with Admission and not for any other persons. Peterhouse Capital Limited will not be responsible to any other persons other than the Company for providing the protections afforded to customers of Peterhouse Capital Limited or for advising any such person in connection with Admission. Peterhouse Capital Limited is registered in England and Wales under company number: 02075091 and with registered address at 3rd Floor 80 Cheapside, London, United Kingdom, EC2V 6EE.
- 14.7 There are no investments in progress and there are no future investments in respect of which the Directors have already made firm commitments which are significant to the Company.
- 14.8 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.
- 14.9 The Directors accept responsibility for the financial information contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.

- 14.10 On Admission, the Company will have cash resources of approximately £872,000 after expenses. The current funds are sufficient to fund the proposed uses stated in Part I of this Document.
- 14.11 Save for the Company's website at <https://psych.global/> as disclosed in this Document and specifically at paragraph 10.1 of this part, there are no other patents or intellectual property rights, licences or particular contracts, which are of material importance to the Company's business or profitability.
- 14.12 Save as disclosed in this Document, as far as the Directors are aware there are no environmental issues that may affect Company's utilisation of any tangible fixed assets.
- 14.13 The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in connection with the application for Admission.

**15. Working Capital**

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

**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 and shall remain available for at least one month after the date of Admission. The Document is also available on the Company's website (<https://psych.global/>) (please note that information on the website does not form part of the Admission Document unless that information is incorporated by reference into the Admission Document)

Dated: 24 May 2022