THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser, or any other person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This Document comprises a prospectus relating to Oxford Cannabinoid Technologies Holdings Plc ("**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("**FCA**") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Applications will be made to the FCA for all of the ordinary shares of £0.01 each in the Company (issued and to be issued pursuant to the Placing and the Share Exchange Agreement) ("**Ordinary Shares**") to be admitted to the Official List of the FCA (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time) and to the London Stock Exchange Group plc ("**London Stock Exchange**") for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities ("**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 21 May 2021 (or such later date as may be agreed by the Company, Cairn Financial Advisers LLP and States Bridge Capital Ltd being not later than 5.00 p.m. on 21 June 2021).

This prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of retained direct EU legislation (as defined in the European Union (Withdrawal) Act 2018, as amended) ("**UK Prospectus Regulation**"). The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is, or of the quality of the securities that are, the subject of this Document. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

The Directors, whose names and functions appear on page 37 of this Document, and the Company, with registered office located at Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company, the information contained in this Document is in accordance with the facts and makes no omission likely to affect its import.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.

ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.

OXFORD CANNABINOID TECHNOLOGIES HOLDINGS PLC

(Incorporated in England and Wales under company number 13179529 with Legal Entity Identifier 2138005SRWT4998BCE35)

Placing of 330 million ordinary shares of £0.01 each at a price of £0.05 per Ordinary Share and admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities

Financial Adviser

Cairn Financial Advisers LLP

Corporate Adviser

States Bridge Capital Ltd

Cairn Financial Advisers LLP, which is authorised and regulated in the United Kingdom by the FCA in the conduct of investment business, is acting as financial adviser exclusively for the Company and is not acting for any other person (including any recipient of this Document) in connection with the Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cairn Financial Advisers LLP or for providing advice in relation to the contents of this Document or any transaction, matter or arrangement referred to in it.

States Bridge Capital Ltd which is an appointed representative of City and Westminster Corporate Finance LLP which is authorised and regulated in the United Kingdom by the FCA, is acting as corporate adviser exclusively for the Company in connection with the proposed Placing and Admission and is not acting for any other person (including any recipient of this Document) or otherwise responsible to any person for providing the protections afforded to clients of States Bridge Capital Ltd or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this Document.

Neither Cairn Financial Advisers LLP nor States Bridge Capital Ltd are making any representation, express or implied, as to the contents of this Document, for which the Company and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by either Cairn Financial Advisers LLP or States Bridge Capital Ltd for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the

Company and the Directors are solely responsible. The information contained in this Document has been prepared solely for the purpose of the Placing and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Neither Cairn Financial Advisers LLP nor States Bridge Capital Ltd seek to limit or exclude their responsibilities and liabilities which may arise under FSMA or the regulatory regime established thereunder.

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

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, Japan or the Republic of South Africa.

Except pursuant to an exemption from, or in a transaction that is not subject to the registration requirements of the Securities Act, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States (or to or for the account or benefit of persons in the United States), Australia, the Republic of South Africa, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. There will be no public offer in the United States.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore 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.

None of the Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Application will be made for the Ordinary Shares, issued and to be issued pursuant to the Placing and the Share Exchange Agreement, to be admitted to the Official List by way of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with a Premium Listing on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Premium Listing Principles that the Company has indicated herein that it intends to comply with on a voluntary basis, nor will it impose sanctions in respect of any failure by the Company to so comply.

CONTENTS

SUMMARY

Section A – Introduction and Warnings

THIS SUMMARY HAS BEEN PREPARED IN ACCORDANCE WITH ARTICLE 7 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF RETAINED DIRECT EU LEGISLATION AS DEFINED IN THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("UK PROSPECTUS REGULATION") AND SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. AN INVESTOR ACQUIRING ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTED CAPITAL.

Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Name of Securities	Ordinary Shares
International Securities Identification Number (ISIN)	GB00BMVMRB86
Issuer Name	The legal and commercial name of the issuer is Oxford Cannabinoid Technologies Holdings Plc.
Issuer Contact Details	Oxford Cannabinoid Technologies Holdings Plc. Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom
Issuer LEI	2138005SRWT4998BCE35
Competent Authority and contact details	This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation, with its head office at 12 Endeavour Square, London E20 1JN and telephone number being +44 (0)20 7066 1000, in accordance with the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer that is, or of the quality of the securities that are, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.
Date of approval of Prospectus	17 May 2021

Section B – Key Information on the Issuer

Who is the issuer of the securities?

Domicile and legal form	Oxford Cannabinoid Technologies Holdings Plc ("**the Company**") was incorporated as a public limited company on 4 February 2021 with registration number 13179529 with its registered office situated in England and Wales. The Company operates under the Companies Act 2006.
LEI	2138005SRWT4998BCE35
Country of incorporation	England and Wales
Jurisdiction of incorporation and operation	English law
Principal activities	On 17 May 2021, pursuant to a share for share exchange, the Company conditionally acquired Oxford Cannabinoid Technologies Ltd ("**OCT**"), a company registered in England and Wales. The share for share exchange is conditional on the placing agreement between Cairn Financial Advisers LLP, States Bridge Capital Ltd, the Company and its directors dated on or about the date of this prospectus (the "**Placing Agreement**") becoming unconditional in all respects, save only for the admission of the ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") to the standard listing segment of the Official List maintained by the Financial Conduct Authority ("**FCA**") and to trading on the London Stock Exchange Group Plc's ("**LSE's**") main market for listed securities ("**Admission**"). On Admission, the group will comprise the Company and its wholly owned subsidiary OCT as well as OCT's wholly owned dormant subsidiary, OCT Hellas Pharmaceuticals Research & Development Laboratory S.A. (which is in the process of being dissolved although the Company expects this subsidiary to have been dissolved by the end of May 2021) (together the "**Group**"). On Admission, the Company will function as the holding company of the Group and all operational activity will be carried out by OCT. OCT was incorporated and commenced operations on 10 March 2017. OCT is a pre-revenue pharmaceutical company with an objective to develop cannabinoid-based prescription medicines approved by regulatory agencies including the Food and Drug Administration, the European Medicines Agency and the Medicines and Products Healthcare Regulatory Authority. The Group's primary market focus is the total addressable pain market, which is estimated to be worth at least £42.5 billion[(1)] by commercialisation of the first drug produced by OCT, currently anticipated to be in 2027, and as such it initially aims to develop a portfolio of four drug candidates for approval as licensed pain medicines. OCT's drug development strategy includes the development of proprietary cannabinoid derivatives, natural phytocannabinoids ("**pCBs**") and other drug compounds that interplay with the

[(1)] Figure(s) based on £/$ exchange rate as at 31 March 2021 of £1/$1.3785

endocannabinoid system. OCT owns a proprietary library of 93 cannabinoid derivatives and has in-licensed its lead drug candidate, OCT461201, under a licence agreement entered into in September 2019.

OCT's research activities are currently completed through commercial and academic partners in an outsourced model of research that allows the Group to minimise central costs.

Major shareholders

Except for the interests (within the meaning of Part 22 of the Companies Act 2006) of those persons set out in this paragraph, the directors of the Company ("**Directors**") are not aware, at the date of this Document, of any interest which immediately following Admission would amount to 3 per cent. or more of the Company's issued share capital:

Name	Existing Ordinary Shares held immediately prior to Admission	Percentage of Existing Ordinary Shares held immediately prior to Admission (%)	Ordinary Shares on Admission	Percentage of share capital as it will be on Admission
Kingsley Capital Partners LLP[1]	199,355,382	31.62	199,355,382	20.76
GHS Capital Limited[2]	78,146,151	12.40	78,146,151	8.14
Imperials Brands Ventures Limited	104,376,988	16.56	104,376,988	10.87
Tarek Khalil Tabsh	74,424,992	11.81	74,424,992	7.75
Kee Cheol Noh[3]	30,768,318	4.88	50,768,318	5.29
Casa Verde LLC[4]	21,121,678	3.35	21,121,678	2.20

1 Neil Mahapatra has a beneficial interest in up to 54.3 per cent. of Kingsley Capital Partners LLP's shareholding in the Company and also controls 100 per cent. of the voting rights of KCP in the Company. The holding detailed under Kingsley Capital Partners LLP comprises 198,466,493 Ordinary Shares held by Kingsley Capital Partners LLP and 888,889 Ordinary Shares held by Rachel Matharu (Neil Mahapatra's wife).

2 GHS Capital Limited, is a company wholly owned by Gavin Sathianathan and Lilijan Sulejmanovic (Gavin Sathianathan's wife).

3 Kee Noh's Ordinary Shares are held as to 6,667,161 through Anassa Holdings Limited, 10,000,019 through the Anassa Holdings Fund, 2,513,267 through Kingsley Private Investments (HK) Ltd and 11,587,871 in his own name and on Admission, includes 20 million Ordinary Shares subscribed for in his own name pursuant to the Placing.

4 Casa Verde LLC's holding includes 16,379,295 Ordinary Shares held by Casa Verde Capital L.P. and 4,742,383 Ordinary Shares held by Casa Verde Capital EF L.P.

As at the date of this Document there are 2 ordinary shares of £1 each in issue each of which are held by Kingsley Capital Partners LLP ("**KCP**") and which equate to 100 per cent. of the Company's issued share capital. The shareholders of OCT and the holders of the convertible loan notes ("**Convertible Loan Notes**") created pursuant to the convertible loan note instrument executed by OCT dated 2 March 2021 (collectively, the "**Sellers**") have entered into a share exchange agreement with the Company pursuant to which the Sellers have agreed to transfer the entire issued share capital of OCT to the Company conditional on the Placing Agreement becoming unconditional in all respects, save only for Admission.

Controlling shareholder, if any

At the date of Admission, KCP will be the largest shareholder in the Company. Neil Mahapatra (as the indirect majority shareholder and Managing Partner of KCP) and through his wife's holding of 888,889 Ordinary Shares will control the exercise of voting rights in respect of approximately 20.76 per cent. of the issued share capital of the Company as it will be on Admission. Neil Mahapatra (through his beneficial interest in up to 54.3 per cent. of KCP's shareholding in the Company) controls the exercise of 100 per cent. of KCP's voting rights in respect of approximately 20.66 per cent. of the issued share capital of the Company as it will be on Admission.

Key managing directors

Neil Mahapatra (Co-founder and Executive Chairman) (devoting 33 per cent. of his working time to the Company)
Dr. John Mark Lucas (Chief Executive Officer)
Clarissa Ann Sowemimo-Coker (Chief Operating Officer)
Karen Lowe (Finance Director) (devoting 20 per cent. of her working time to the Company)

Statutory Auditors

Moore Kingston Smith LLP of Devonshire House, 60 Goswell Road, London EC1M 7AD.

What is the key financial information regarding the issuer?

Key financial information for the Company and OCT is set out below:

The Company's audited balance sheet as at the date of incorporation

	As at 4 February 2020 £
Current assets	
Trade and other receivables	2
Total assets	2
Equity	
Called up share capital	2
Total equity	2

OCT – Summary income statement from incorporation to 30 November 2020

(£'000)	Audited Period ended 31 May 2018	Audited Year ended 31 May 2019	Audited Year ended 31 May 2020	Unaudited 6 months to 30 Nov 2019	Unaudited 6 months to 30 Nov 2020
Cost of sales	(396)	(1,282)	(1,244)	(1,027)	(711)
Other operating income	–	–	5	–	10
Depreciation	–	(2)	(15)	(8)	(31)
Administrative expenses	(820)	(1,490)	(1,092)	(514)	(330)
Operating loss	(1,216)	(2,774)	(2,346)	(1,549)	(1,062)
R & D tax credit	100	262	226	110	31
Other gains and losses	–	(85)	–	–	–
Interest	(17)	(20)	(20)	–	(6)
Net loss	(1,133)	(2,617)	(2,140)	(1,439)	(1,037)

OCT – Summary balance sheet

£'000	Audited As at 31 May 2018	Audited As at 31 May 2019	Audited As at 31 May 2020	Unaudited As at 30 November 2020
Fixed assets	–	73	291	245
Current assets				
Trade and other receivables	237	613	714	357
Cash and cash equivalents	13	1,647	309	71
	250	2,260	1,023	428
Current liabilities				
Trade and other payables	(633)	(546)	(727)	(803)
Net current liabilities	(383)	1,714	296	(375)
Non-current liabilities				
Trade and other payables	–	–	(53)	(28)
Net assets	(383)	1,787	534	(158)
Equity				
Called up share capital	–	–	–	–
Share premium account	750	5,537	6,287	6,287
Share-based payment reserve	–	–	137	482
Retained earnings	(1,133)	(3,750)	(5,890)	(6,927)
Total equity	(383)	1,787	534	(158)

OCT – Summary cash flow statement

(£'000)	Audited Period ended 31 May 2018	Audited Year ended 31 May 2019	Audited Year ended 31 May 2020	Unaudited 6 months to 30 Nov 2019	Unaudited 6 months to 30 Nov 2020
Profit after tax	(1,133)	(2,617)	(2,140)	(1,439)	(1,037)
R&D tax credit	(100)	(262)	(226)	(110)	(31)
Finance cost	17	20	20	–	6
Depreciation & amortisation	–	2	83	8	46
Impairment	–	86	–	–	–
Equity settled share-based payment	–	38	137	–	345
Movement in receivables	(137)	(114)	(237)	171	162
Movement in creditors	633	(88)	234	474	51
Interest paid	(17)	(20)	(20)	–	(6)
Tax received	–	–	362	–	226
Cash flows from operations	(737)	(2,955)	(1,787)	(896)	(238)
Purchase of PPE/ intangibles	–	(75)	(301)	(159)	–
Investment in subsidiaries	–	(86)	–	–	–
Cashflow from investing	–	(161)	(301)	(159)	–
Issue of shares	750	4,750	750	–	–
Cash flows from financing	750	4,750	750	–	–
Net cash flows	13	1,634	(1,338)	(1,055)	(238)
At beginning of period	–	13	1,647	1,647	309
At end of period	13	1,647	309	592	71

Unaudited pro forma financial information

The unaudited pro forma financial information has been prepared on the basis of the notes set out below, in accordance with Annex 1, Section 18, Item 18.4.1 of Commission Delegated Regulation (EU) 2019/980 as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended and in a manner consistent with the accounting policies to be adopted by the Company in its next financial statements, being those adopted in preparing the historical financial information of OCT, to illustrate the effect on the Company of the issue of 50,000 redeemable preference shares and their redemption, the Placing, the issue and redemption of the Convertible Loan Notes, a Bounce Back Loan issued to OCT under the government's Bounce Back Scheme designed to assist smaller businesses access finance more quickly during the Coronavirus outbreak ("**Bounce Back Loan**") and acquisition of OCT as if these transactions took place on 30 November 2020. These transactions do not have a significant effect on the earnings of OCT.

	Company at 4 February 2021 £ *Note 1*	**Issue of Redeemable Preference Shares £** *Note 2*	**OCT at 30 November 2020 £** *Note 3*	**Issue of Convertible Loan Note and Bounce Back Loan £** *Note 4 & 5*	**Placing net of expenses £** *Note 6*	**Redemption of Redeemable Preference Shares and redemption of Convertible Loan Notes £** *Note 7*	**Pro-form at 30 November 2020 £** *Note 8*
Non-current assets							
Intangible assets	–	–	125,132	–	–	–	125,132
Property, plant and equipment	–	–	119,524	–	–	–	119,524
	–	–	244,656	–	–	–	244,656
Current assets							
Trade and other Receivables	2	50,000	326,198	–	–	(50,000)	326,200
Current tax Recoverable	–	–	30,938	–	–	–	30,938
cash and cash equivalents	–	–	71,151	650,000	14,820,000	–	15,541,151
	2	50,000	428,287	650,000	14,820,000	(50,000)	15,898,289
Current liabilities							
Trade and other payables	–	–	802,938	–	–	–	802,938
Loans and borrowings	–	–	–	600,000	–	(600,000)	50,000
	–	–	802,938	600,000	–	(600,000)	802,938
Net current assets/ (liabilities)	2	50,000	(374,651)	50,000	14,820,000	550,000	15,095,351
Non-current liabilities							
Trade and other payables	–	–	27,881	–	–	–	27,881
Loans and borrowings	–	–	–	50,000	–	–	50,000
	–	–	27,881	50,000	–	–	77,881
Net assets/(liabilities)	2	50,000	(157,876)	–	14,820,000	550,000	15,262,126

Notes:

1. The unaudited pro forma financial information has been prepared in accordance with the Company's accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information of OCT. The financial information for the Company has been extracted, without material adjustment, from the incorporation accounts of the Company and reflects the £2 issue of share capital at incorporation. For the purposes of the unaudited pro forma financial information it has been assumed that the Company was incorporated on 30 November 2020.
2. Subsequent to incorporation the Company's initial shareholders subscribed for 50,000 redeemable voting preference shares of £1 each to satisfy the minimum share capital requirements for public companies incorporated in England and Wales. A pro-forma adjustment has been recorded to reflect the £50,000 preference share capital and related receivable. These preference shares are to be redeemed prior to Admission for cash (see note 7).
3. To illustrate the effect of the acquisition of OCT by the Company via the Share-for-Share Exchange, a pro forma adjustment has been recorded to reflect the balance sheet of OCT as at 30 November 2020, using the relevant financial information extracted from the audited historical information. The acquisition has been accounted for as a reverse acquisition utilising merger relief.
4. Subsequent to 30 November 2020, OCT issued 600,000 £1 unsecured Convertible Loan Notes which carry interest at 6 per cent. per annum.
5. In January 2021 OCT took out a £50,000 loan under the Government's Bounce Back Loan Scheme.
6. Pursuant to the Placing, the Company will issue 330 million Ordinary Shares of £0.01 each at £0.05 (the "**Placing Price**"). Consequently, pro forma adjustments have been recorded to show the £14.82 million cash proceeds to the Company from the Placing net of the Admission and Placing expenses which are expected to amount to approximately £1.68 million (exclusive of VAT).
7. An adjustment has been made to show the impact of the redemption of the redeemable preference shares at par and the redemption of the Convertible Loan Notes. The redemption will take place pursuant to the share exchange agreement entered into between the shareholders of OCT and the Company, immediately prior to the share-for-share exchange taking effect, which will result in the noteholders being issued and allotted shares in OCT which will be converted into Ordinary Shares in the Company, at the equivalent of a 10 per cent. discount to the Placing Price, immediately prior to Admission.
8. All transactions above are in relation to Admission and are one off in nature. No account has been taken of the financial performance of the Group since 30 November 2020 nor of any change in the financial position other than those noted above.

What are the key risks that are specific to the issuer?

The Directors consider that the following are the key risks specific to the Group:

- Pharmaceutical product development involves a substantial degree of risk and is a capital-intensive business. If the Group is not successful in developing its products to commercialisation, the Group will be unable to generate revenues.

- The Group is a discovery-stage pharmaceutical company with a limited operating history, has incurred losses since its incorporation and expects to continue to make losses for some time. The Group's failure to become and remain profitable would depress the value of its Ordinary Shares and other securities, and could impair its ability to raise capital, expand its business, maintain its research and development efforts, diversify its product offerings or even continue its operations.
- The Group is at an early stage of development and does not have an established trading record. There can be no guarantee that the Group will be able, or that it will be commercially advantageous for the Group, to continue to develop its drug candidates, nor is there any guarantee that any of its drug candidates will reach commercialisation.
- The Group may not be able to obtain, maintain, defend or enforce the intellectual property rights for any products it develops, which could materially adversely affect the Group's business and/or its ability to compete.
- The Group only has one drug candidate, OCT461201, which has reached the stage of pre-clinical testing. The remaining programmes are in discovery stage. If one or more programmes fail to progress through development this could have a material adverse impact on the revenues, financial performance and prospects of the Group.
- Clinical product development involves a lengthy and expensive process, with uncertain outcomes. Any termination or suspension of, or delays in the commencement or completion of, any necessary studies of drug products for any indications could result in increased costs to the Group, could delay or limit the Group's ability to generate revenue and adversely affect its commercial prospects.
- Third-parties may initiate legal proceedings alleging that the Group is infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which could be uncertain and could have a material adverse effect on the success of the Group's business.
- The Group faces competition from other biotechnology and pharmaceutical companies and its operating results will suffer if it fails to compete effectively.
- The Group is impacted by global economic trends such as inflation, interest rates, legislative changes, political decisions, industrial disruption and the ongoing global Coronavirus pandemic, which may pose additional risks and exacerbate existing risks to the Group's business. Additionally, macroeconomic conditions may have an impact on various areas within the Group's present and future business, including third-party contractors and suppliers, the Group's ability to collect any receivables and the availability of financing.
- Whilst the Group has sufficient funding available for at least the next 12 months from Admission, the Company will, in the future, need to raise additional funding to further progress its drug development programmes to commercialisation and to take advantage of potential opportunities. No assurance can be given that any such additional funding will be available or, if available, that it will be available on terms that are favourable to the Company or Shareholders. If the Company is unable to obtain additional funding as required it may be unable to bring any drug candidates to commercialisation.
- The Group is dependent on key persons to conduct its business and maintain its licences. At the date of issue of this Document, the Group's key employees consist of the Executive Directors and a senior manager who together possess the critical insight for the operation and development of the Group. There is a risk that a loss of one or more key employees would have material adverse consequences for the Group's business operations and its financial results.
- Imperial Brands Ventures Limited ("**Imperial Brands**") is a major Shareholder and as at the date of Admission will hold 10.87 per cent. of the Enlarged Share Capital. The Chancellor Masters and Scholars of the University of Oxford ("**Oxford University**"), an active research partner of the Group, has stated that it will not enter into any other projects with the Group until such time as the shareholding of Imperial Brands (or any other tobacco industry company) in the Company falls below 10 per cent. of the Company's issued share capital given its connection to the tobacco industry. Unless Imperial Brands reduces its shareholding in the Company to below 10 per cent. of the Company's issued share capital, the Group may have limited optionality to pursue research with academic institutions, or other groups, with similar restrictions.
- The Group relies on third-parties to perform clinical trials in a satisfactory manner. If such third-parties do not do so, the Group could be required to repeat, extend the duration of or increase the size of clinical trials, which could significantly delay commercialisation and require significantly greater expenditures.

Section C – Key information on the securities

What are the main features of the securities?

Type, class and ISIN of securities	The securities the subject of the Placing and Admission are Ordinary Shares with ISIN GB00BMVMRB86.
Currency, denomination and par value of securities	The Ordinary Shares are denominated in Pounds Sterling at a par value of £0.01 each.
Number of securities issued	The Company has 2 ordinary shares of £1 each in issue as at the date of this Document, 630,415,644 Ordinary Shares will be in issue following the share exchange agreement between the Company and the Shareholders of OCT becoming unconditional and (conditional on the Placing Agreement becoming unconditional in all respects, save only for Admission) 330 million new Ordinary Shares will be issued pursuant to the Placing conditional on Admission.
Rights attached to the securities	Each Ordinary Share ranks *pari passu* for voting rights, dividends and return of capital on winding up. Except as disapplied, Shareholders will have statutory pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.
Seniority of the securities in the event of insolvency	The Ordinary Shares rank behind all debts and liabilities of the Company (secured and unsecured) in the event of insolvency. On Admission, the Company will only have one class of share, being the Ordinary Shares, which rank *pari passu* on insolvency.
Details of any restrictions on free transferability of the securities	The Ordinary Shares are free from any restriction on transfer, subject to compliance with applicable securities laws.

Dividend or pay out policy, if any	The Company does not intend to pay dividends in the near future as any earnings during such time are expected to be retained for use in business operations.

Where will the securities be traded?

The securities are subject to an application for admission to trading on a regulated market.

Market(s) on which the securities will be traded, if any	London Stock Exchange Group Plc's Main Market for listed securities.

What are the key risks that are specific to the securities?

The Directors consider that the following are the key risks specific to the Company.

- The sale of a significant number of Ordinary Shares in the public market following Admission by the Company's shareholders who are not subject to a lock-in, or following expiry of such lock-ins, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.
- Admission to the standard listing segment of the Official List maintained by the FCA ("**Official List**") and to trading on the LSE's Main Market for listed securities should not be taken as implying that there will always be a liquid market in the Ordinary Shares. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover the full value of their original investment.

Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General terms and conditions of the offer	The Placing is for 330 million new Ordinary Shares ("**Placing Shares**"). The Placing Shares are being issued at £0.05 per share ("**Placing Price**"). The Placing is subject to the satisfaction of conditions contained in the Placing Agreement. These conditions include conditions which are customary for transactions of this type (including Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 21 May 2021 (or such later time and/or date as the Company, Cairn Financial Advisers LLP and States Bridge Capital Ltd may agree being not later than 5:00 p.m. on 21 June 2021)) and the Placing Agreement not having been terminated in accordance with its terms prior to Admission. An investor who has applied for Placing Shares via States Bridge Capital Ltd shall enter into a placing letter containing the terms on which it subscribes for Placing Shares. The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. Each investor has undertaken to pay the Placing Price for the Placing Shares issued to such investor. The Placing will not be underwritten.

Expected timetable of the offer	Publication of this Document	17 May 2021
	Admission and commencement of unconditional dealings in Ordinary Shares	8.00 a.m. on 21 May 2021
	Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts	8.00 a.m. on 21 May 2021
	Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than	Within 7 days of Admission

All references to time in this Document are to London time unless otherwise stated.

Each of the above dates and times are subject to change at the absolute discretion of the Company, Cairn Financial Advisers LLP and States Bridge Capital Ltd.

Details of the admission to trading on a regulated market, if any	Application has been made to the FCA for the share capital of the Company as it will be on Admission ("**Enlarged Share Capital**") to be admitted to the Standard Listing segment of the Official List and to the LSE for such shares to be admitted to trading on the LSE's main market for listed securities.
Plan for distribution	The Placing has been offered to institutional and other investors including high net worth and retail investors in the United Kingdom and (outside of the United States in offshore transactions) certain other jurisdictions through States Bridge Capital Ltd.
Amount and percentage of dilution resulting from the offer	Investors have conditionally subscribed for Placing Shares at the Placing Price, representing 34.36 per cent. of the Enlarged Share Capital. The Placing and Admission (excluding the potential impact of any exercise of warrants or options) will result in the existing Ordinary Shares held immediately prior to Admission being diluted so as to constitute 65.64 per cent. of the Enlarged Share Capital.
Estimate of total expenses of the issue and/or offer	£1.68 million (exclusive of VAT).
Details and amount of estimated expenses charged to the investor	None.

Why is this prospectus being produced?

Reasons for offer and admission to trading on a regulated market	The reason for Admission and the Placing, which is raising net proceeds of approximately £14.82 million, is to primarily fund the Group's four drug development programmes. This includes the pre-clinical development and Phase 1 clinical trials of the Group's first drug candidate, OCT461201, the pre-clinical development and Phase 1 clinical trials of the Group's second drug candidate, a natural pCB, the advancement of a third drug candidate from the Group's cannabinoid library from the discovery stage to the pre-clinical stage and the advancement of a fourth drug

candidate from discovery stage to a lead candidate. The Directors consider that a fundraising conducted concurrent with Admission will attract greater investment into the Company and, in the longer term, attract greater opportunities for the Company and for Shareholders and prospective investors, who may not be willing or able to invest in a company whose shares are either unlisted or listed on a different securities exchange.

Use of Net Proceeds

*Intended use of the net proceeds of the Placing ("**Net Proceeds**")*

	Estimated amount of the Net Proceeds (£)	**Estimated amount used in first 12 months (£)**
Staff costs and other central costs, such as legal, audit, compliance, the board of directors and scientific advisory board remunerations, marketing and general office administrative costs	4.10 million	2.40 million
Completion of pre-clinical development and Phase 1 clinical trials of OCT461201	3.50 million	2.10 million
Completion of pre-clinical development and Phase 1 clinical trials of pCB drug candidate	3.20 million	2.10 million
Advancement of third drug candidate through discovery to lead	2.00 million	1.00 million
Advancement of fourth drug candidate through discovery to pre-clinical development	0.40 million	0.40 million
Continuation of research with academic partners	0.50 million	0.50 million
General working capital purposes	1.12 million	0.75 million
Total	**14.82 million**	**9.25 million**

Estimated amount of Net Proceeds

£14.82 million

Confirmation of whether the offer underwritten on a firm commitment basis, including details of any uncovered portion

The Placing is not being underwritten.

Most material conflicts of interest pertaining to the offer or admission to trading, if any

There are no material conflicts of interest pertaining to the Placing or Admission.

RISK FACTORS

The investment detailed in this Document may not be suitable for all its recipients and involves a significant degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in 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.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this Document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Group. The risk factors described below are not an exhaustive list or explanation of all risks which prospective investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Group's business. If this occurs the price of the Ordinary Shares may decline, and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this Document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.

1. RISKS RELATING TO THE SECTOR IN WHICH THE GROUP OPERATES

Pharmaceutical product development involves a substantial degree of risk and is a capital-intensive business.

The likelihood of success of the Group's business must be considered in light of the fact that the Group has not yet commenced human clinical trials. Potential investors should consider that the Group cannot guarantee that it will be able to:

- successfully identify active drug candidates from its compound library;
- receive regulatory approval of clinical trial applications ("**CTAs**") for commencing its clinical trials;
- successfully complete clinical trials and obtain regulatory approval for the marketing of its drug products;
- successfully manufacture its clinical products and establish commercial drug supply;
- secure market exclusivity and/or adequate intellectual property protection for its drug products;
- secure acceptance of its drug products in the medical community and with third-party payors and consumers;
- launch commercial sales of its drug products, whether alone or in collaboration with others; and
- raise sufficient funds in the capital markets to carry out its business plan including clinical development, regulatory approval, and commercialisation for its drug products.

If the Group cannot successfully execute any one of the foregoing, the Group's business, financial condition and results of operations may be materially adversely affected, and all or part of your investment may be lost.

Clinical product development involves a lengthy and expensive process with uncertain outcomes.

To obtain the requisite regulatory approvals to commercialise any of the Group's drug candidates, the Group must demonstrate through extensive pre-clinical studies and clinical trials that its products are safe and effective in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and the Group's future clinical trial results may not be successful. If the Group experiences delays in the completion of, or termination of, any clinical trial of its drug candidates, the commercial prospects of its drug candidates may be harmed, and the Group's ability to generate product revenues from any of these drug candidates will be delayed.

Any termination or suspension of, or delays in, the commencement or completion of any necessary studies of drug products for any indications could result in increased costs to the Group, could delay or limit the Group's ability to generate revenue and adversely affect its commercial prospects.

The Group may rely on third-parties, including contract research organisations ("CROs"), to perform clinical trials in a satisfactory manner. If such third-parties do not do so, the Group could be required to repeat, extend the duration of or increase the size of clinical trials, which could significantly delay commercialisation and require significantly greater expenditures.

The Group may rely on third-parties when conducting clinical trials for its drug products. If these third-parties do not successfully carry out their contractual duties or meet expected deadlines, this could result in significant delays and the Group may not be able to obtain regulatory approval for or commercialise its drug products to capitalise on the market potential of the drug products in a timely manner or at all. Accordingly, the Group's business could be substantially harmed. Furthermore, if any of the Group's relationships with these third-party CROs or clinical sites terminate, the Group may not be able to enter into arrangements with alternative CROs or clinical sites. If CROs fail to comply with applicable current good clinical practices ("**cGCPs**"), the clinical data generated in the Group's clinical trials may be deemed unreliable and the Food and Drug Administration ("**FDA**") or comparable foreign regulatory authorities may require the Group to perform additional clinical trials before approving the Group's marketing applications. In addition, the CROs and clinical sites may not perform all of their obligations under arrangements with the Group or in compliance with regulatory requirements. The Group cannot control the amount and timing of resources these CROs and clinical sites will devote to the Group's programmes or drug products. If the CROs or clinical sites do not perform clinical trials in a satisfactory manner, breach their obligations to the Group or fail to comply with regulatory requirements, the development and commercialisation of the Group's drug products for the subject indication may be delayed or the Group's development programme materially and irreversibly harmed. If the Group is unable to rely on clinical data collected by its CROs, the Group could be required to repeat, extend the duration of or increase the size of the Group's clinical trials, which could significantly delay commercialisation and require significantly greater expenditures. CROs may need to be replaced if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to relevant clinical protocols, regulatory requirements or for other reasons, and any such clinical trials may be extended, delayed or terminated as a result, which may hinder the Group's ability to obtain regulatory approval for or successfully commercialise drug products. As a result, the commercial prospects for drug products would be harmed, the Group's costs would increase and its ability to generate revenue would be delayed, which would have a material adverse effect on the Group's business, results of operations or financial condition.

As an early-stage pharmaceutical business with no commercialised products the Group may encounter problems, expenses, difficulties, complications and delays in connection with its ability to generate product revenues.

The Group's ability to generate product revenues, which as an early-stage business is not expected will occur for several years, if ever, will depend heavily on the successful development and eventual commercialisation of the drug candidates it develops. The research, testing, manufacturing, labelling, packaging, storage, approval, sale, marketing, advertising and promotion, pricing, export, import and distribution of the Group's drug products are subject to extensive regulation by the European Medicines Agency ("**EMA**"), the FDA and other regulatory authorities in the United States, Europe, Japan and other countries, where regulations differ from country to country. In the United States, the FDA generally requires the completion of clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical development to ensure its quality before a new drug application ("**NDA**") is approved. Regulatory authorities in other jurisdictions impose their own requirements. Of the large number of drugs in development, a small percentage results in the submission of an NDA to the FDA and even fewer are eventually approved for

commercialisation. If the Group's development efforts for its drug products, including regulatory approval, are not successful for their planned indications, or if adequate demand for the Group's drug products is not generated, the Group's business will be adversely affected. Completion of the Group's clinical trials does not assure regulatory approval and the issuance of such regulatory approvals is subject to a number of risks, including the following:

- the EMA, FDA, comparable foreign regulatory authorities, or institutional review boards, may disagree with the design or implementation of the Group's clinical trials;
- the Group may not be able to provide acceptable evidence of its drug products' safety and efficacy;
- the results of the Group's clinical trials may not be satisfactory or may not meet the level of statistical or clinical significance required by the FDA, EMA, or other comparable foreign regulatory authorities for marketing approval;
- the dosing of the Group's drug products in a particular clinical trial may not be at an optimal level;
- patients in the Group's clinical trials may suffer adverse effects for reasons that may or may not be related to its drug products;
- the data collected from clinical trials may not be sufficient to support the submission of an NDA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which the Group contracts for clinical and commercial supplies;
- the approval policies or regulations of the EMA, FDA or comparable foreign regulatory authorities may significantly change in a manner rendering the Group's clinical data insufficient for approval; and
- obtaining regulatory approval in one jurisdiction for a drug candidate does not mean that the Group will be successful in obtaining regulatory approval in another jurisdiction.

Failure to obtain regulatory approval for the Group's drug products for the foregoing, or any other reasons, will prevent the Group from commercialising its drug candidates as prescription products, and the Group's ability to generate revenue will be materially impaired. There is no guarantee that regulators will agree with the Group's assessment of the results of the clinical trials the Group intends to conduct in the future or that such trials will be successful. The FDA, EMA and comparable foreign regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that the Group's data is insufficient for approval and require additional clinical trials, or pre-clinical or other studies. In addition, varying interpretations of the data obtained from pre-clinical and clinical testing could delay, limit, or prevent regulatory approval of a drug candidate. If any of these factors materialise, the Group's business, results of operations or financial condition could be materially adversely affected.

Any termination or suspension of, or delays in the commencement or completion of, any necessary studies of drug products for any indication could result in increased costs to the Group, could delay or limit the Group's ability to generate revenue and adversely affect its commercial prospects.

The Group may face future liability in relation to its clinical trials and/or the products it develops.

The Group may be subject to various liability claims, including, among others, that the products or trials caused injury or illness or include inadequate warnings concerning possible side effects or interactions with other substances. As a result, the Group could be subject to negative publicity and enforcement action including civil and criminal penalties which may increase costs, and materially adversely impact the Group's reputation.

Legal proceedings are inherently unpredictable and any claims brought against the Group, with or without merit, could be costly to defend and could result in excessive verdicts and/or injunctive relief that may affect how the Group operates its business or result in settlement payments and adjustments not covered by or that are in excess of insurance. The legal expenses associated with defending against claims, provisioning for legal claims in the Group's financial statements, the obligation to pay a claim in excess of available insurance coverage or the inability to maintain adequate insurance coverage could increase operating expenses and could materially adversely affect the Group's business, reputation, prospects, financial condition or results of operations.

Even if the Group is successful in defending against such claims, they could nevertheless divert the time, energy and efforts of the Group's management, result in substantial costs to the Group, harm the Group's reputation, materially adversely affect the sales of the Group's products and its market share, require the Group to lower its prices or otherwise harm the Group's business.

The Group has never commercialised any drug candidates and may be dependent on third-parties to do so.

The Group has never, as an organisation, commercialised any drug candidates and there is no guarantee that it will be able to do so successfully. Of the Group's four drug development programmes, other than OCT461201, the Group does not have any other compounds in pre-clinical development. The Group cannot be certain that its drug products will prove to be sufficiently effective and safe to meet applicable regulatory standards for any indication. The Group may be dependent on third-parties to manufacture the Group's drug products and the Group's commercialisation of drug products could be halted, delayed or made less profitable if those third-parties fail to obtain manufacturing approval from the FDA, EMA or a comparable foreign regulatory authority, fail to provide the Group with sufficient quantities of drug products or fail to do so at acceptable quality levels or prices. Any manufacturing problem or the loss of a contract manufacturer could lead to a disruption in continuity of supply, be disruptive to the Group's operations and result in lost sales. Additionally, the Group relies on third-parties to supply the raw materials needed to manufacture its potential products. Any reliance on suppliers may involve several risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability, and quality. Any unanticipated disruption to a future contract manufacturer caused by problems at suppliers could delay shipment of the Group's drug products, increase the Group's cost of goods sold and result in lost sales. Further, the Group may rely on a third-party to market and sell a drug product. Any reliance on such third-parties may involve several risks, including a potential inability to successfully launch a drug product, market the drug product and gain sufficient market share. If such issues arise, the Group may fail to successfully commercialise its drug products and its business, results of operations and financial condition may be materially adversely affected.

Even if the Group receives regulatory approval for its drug products, it may be unable to commercialise them successfully.

Even if the Group receives regulatory approval for its drug products the Group still may not be able to commercialise them successfully as a treatment for any indication, whether as a stand-alone therapy or in combination with other treatments, and the revenue that the Group generates from sales, if any, may be limited. If approved for marketing, the commercial success of the Group's drug products will depend upon their acceptance by the medical community, including physicians, patients and health care payors. The degree of market acceptance of drug products will depend on a number of factors, including:

- demonstration of clinical safety and efficacy;
- relative convenience, pill burden and ease of administration;
- the prevalence and severity of any adverse effects;
- the willingness of physicians to prescribe the Group's drug products and of the target patient population to try new therapies;
- efficacy of the Group's drug products compared to competing products;
- the introduction of any new products that may in the future become available to treat indications for which the Group's drug products may be approved;
- new procedures or methods of treatment that may reduce the incidences of any of the indications in which the Group's drug products may show utility;
- pricing and cost-effectiveness;
- the inclusion or omission of the Group's drug products in applicable treatment guidelines;
- the effectiveness of the Group's or any future collaborators' sales and marketing strategies;
- limitations or warnings contained in regulatory agency-approved labelling;
- the Group's ability to obtain and maintain sufficient third-party coverage or reimbursement from government health care programmes, private health insurers and other third-party payors;

- regulatory approvals may not be sufficient to allow the Group to successfully commercialise its products, and the conditions attached to such approval may be more stringent than the Directors expect;
- if the Group obtains regulatory approval for a drug product, the Group and the product will remain subject to ongoing regulatory review;
- the Group currently has no sales and marketing organisation, which could adversely affect its efforts to commercialise drug products; or
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage or reimbursement.

If the Group's drug products are approved, but do not achieve an adequate level of acceptance by physicians, health care payors and patients, the Group may not generate sufficient revenue and the Group may not be able to achieve or sustain profitability. The Group's efforts to educate the medical community and third-party payors on the benefits of the Group's drug products may require significant resources and may never be successful. Any one of the factors set out above may impact negatively on the commercialisation of the Group's drug products, as a result of which the Group's business, results of operations or financial condition could be materially adversely affected.

The widespread acceptance of unlicensed medical cannabis may impact demand for endocannabinoid system ("ECS") licensed prescription medicines.

An increase in unlicensed medical cannabis sales may result in a decrease in any future sales of OCT's licensed prescription drug products if the Group is unable to counter any misconceptions among medical industry stakeholders and the public that unlicensed medical cannabis can have the same therapeutic benefits as drug products developed by the Group. A negative impact on demand for OCT's drug products will have an adverse effect on the Group's business, financial condition and results of operations.

2. RISKS RELATING TO THE GROUP'S BUSINESS

(A) GENERAL

OCT has incurred losses since its inception and anticipates that it will continue to incur losses for the foreseeable future.

As a discovery-stage pharmaceutical company with a limited operating history, OCT has incurred losses since its incorporation in March 2017. The unaudited total loss incurred by OCT from inception to 30 November 2020 is approximately £6.9 million. The Group expects to continue to incur substantial expenditures so that it can develop its business further and based on the amount of these expenditures, it expects to continue to make losses for some time. The Group expects to make such expenditures without offsetting revenues until it can complete its clinical trials, obtain regulatory approval, and manufacture and commercialise its drug products. The Group may never be able to complete its clinical trials, obtain regulatory approval and manufacture and commercialise its drug products for any indication in the UK, the European Union, United States or elsewhere and accordingly may never achieve or maintain profitability. Even if the Group does achieve profitability, the level of any profitability cannot be predicted. The net losses the Group incurs may fluctuate from month to month and from year to year. The Group's expenses may increase substantially.

Factors that may increase operating and other expenses include:

- increases in the rate of inflation;
- increases in regulatory charges; and
- changes in laws, regulations or government policies which could increase the costs of compliance with such laws, regulations or policies.

The Group's failure to become and remain profitable would depress the value of its Ordinary Shares and other securities, and could impair its ability to raise capital, expand its business, maintain its research and development efforts, diversify its product offerings or even continue its operations. The Group does not currently have any arrangements or credit facilities in place as a source of funds and

there can be no assurance that the Company will be able to raise sufficient additional capital on acceptable terms, or at all. A failure to obtain necessary capital could force the Group to delay, limit or terminate its activities. Debt financing, if obtained, may involve agreements that include covenants limiting or restricting the Group's ability to take specific actions, such as incurring additional debt, and could increase the Group's expenses and require that the Group's assets secure such debt.

Early stage of operations.

The Group is at an early stage of development and does not have an established trading record. There can be no guarantee that the Group will be able, or that it will be commercially advantageous for the Group, to continue to develop its drug candidates, nor is there any guarantee that any of its drug candidates will reach commercialisation.

If the Group does not generate revenue from commercialised drugs the Company will need to raise additional funds in the future (but not within the 12 months immediately following Admission) which may not be available on terms acceptable to the Company. As such Shareholders should consider the risks and difficulties frequently encountered by early-stage pharmaceutical companies when making a decision to invest in the Ordinary Shares.

The Group's reliance on early-stage drug candidates.

The Group is at an early stage of development and, as of the date of this Document, only one drug candidate, OCT461201, has reached the stage of pre-clinical development. The remaining programmes are in discovery stage. Benchmark numbers state that less than 10 per cent. of Phase 1 clinical trial molecules progress to being an approved drug. If one or more programmes fail to progress through development this could have a material adverse impact on the revenues, financial performance and prospects of the Group.

The Group faces competition from other biotechnology and pharmaceutical companies and its operating results will suffer if it fails to compete effectively.

The Group faces competition from other biotechnology and pharmaceutical companies and the Group's operating results will suffer if the Group fails to compete effectively. The biotechnology and pharmaceutical industries are intensely competitive and are subject to rapid and significant technological change. Competitive factors, including from generic manufacturers, could force the Group to reduce prices of any drugs which reach commercialisation, resulting in reduced profitability. In addition, new products developed by others could emerge as competitors to the Group's drug products. The Group's technology, products and expertise may be rendered obsolete or uneconomical by technological advances or by entirely different approaches developed by one or more of its competitors. Many other biotechnology and pharmaceutical companies have substantially greater financial, technical and other resources, such as larger research and development teams, experienced marketing and manufacturing teams as well as large sales forces. If the Group cannot compete effectively against the Group's current and future competitors, its growth will be hindered and its business, financial performance and results of operations may be materially adversely affected.

The Group is impacted by global economic trends which may pose additional risks and exacerbate existing risks to the Group's business.

Factors such as inflation, interest rates, legislative changes, political decisions, industrial disruption, the ongoing global Coronavirus pandemic and other developments may have an impact on the Group's operating costs. Any of the Group's potential future income, any asset values and the Ordinary Shares can be affected by these factors and in particular by the market price for any products that the Group may sell. Additionally, macroeconomic conditions may have an impact on various areas within the Group's present and future business, including third-party contractors and suppliers, the Group's ability to collect any receivables and the availability of financing. In particular, loss of employment and lack of health insurance by users of any of the Group's future products as a result of an economic slowdown could depress demand for the Group's products. Institutional or governmental customers may, in such circumstances, purchase lower cost and/or less profitable products. If any of these risks to the Group were to materialise, the Group's business, results of operations and financial condition may be materially adversely affected.

Future funding requirements.

Whilst the Group has sufficient funding available for at least the next 12 months from Admission, the Company will, in the future, need to raise additional funding to further progress its drug development programmes to commercialisation and to take advantage of potential opportunities. No assurance can be given that any such additional funding will be available or, if available, that it will be available on terms that are favourable to the Company or Shareholders. If the Company is unable to obtain additional funding as required, it may be unable to bring any drug candidates to commercialisation.

Dependency on key individuals.

The Group is dependent on key persons to conduct its business and maintain its licences. At the date of issue of this Document, the Group's key employees consist of the Executive Directors and the Senior Manager (which include Dr. John Lucas and Dr. Valentino Parravicini being the two key technical group employees with a scientific background) who together possess the critical insight for the operation and development of the Group. There is a risk that a loss of one or more key employees would have material adverse consequences for the Group's business, operations and financial results.

It may be difficult to find experienced and suitable personnel to fill key positions. The Group is dependent on the principal members of its scientific and management team, the loss of whose services could materially and adversely affect the Group and might impede the achievements of its research and development objectives. There can be no assurance that the Group will be able to retain sufficient qualified persons on a timely basis or retain its key scientific and management personnel. Any growth in the business may place a significant strain on the Group's management. Competition exists between companies, research entities and academic institutions for such qualified personnel. If such competition intensifies between the Group and other market players in the pharmaceutical industry, the Group may not be able to attract new or retain its existing key scientific and management personnel on conditions that are economically acceptable. In addition, the recruitment of key personnel, can be a costly process, both financially and in terms of time. The failure to retain and attract such personnel could materially adversely affect the Group's business, financial condition, prospects and ability to achieve the successful development and/or commercialisation of its drug candidates.

Conflicting position between Imperial Brands (or any other tobacco industry company) and Oxford University

Imperial Brands is a major Shareholder and as at the date of Admission will hold 10.87 per cent. of the Enlarged Share Capital. Oxford University, an active research partner of the Group, has stated that it will not enter into any new projects with the Group until such time as the shareholding of Imperial Brands (or any other tobacco industry company) in the Company falls below 10 per cent. of the Company's issued share capital given its connection to the tobacco industry. The Group is unable to control the trading in Ordinary Shares by Imperial Brands (or any other tobacco industry company) post-Admission which means that Imperial Brands and any other tobacco industry company could freely increase or decrease holdings in Ordinary Shares over time and, as such, the Group may have limited optionality to pursue research with academic institutions, or other groups with similar restrictions.

The Group's financial results could be adversely affected by changes in foreign currency exchange rates.

The Group, although UK based at present, intends to operate internationally. Any returns, and the value of any investment in the Group, may therefore be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors, each of which could negatively affect the Group's cash flow, financial condition and results of operations.

Liability and insurance.

The nature of the Group's business means that the Group may be exposed to potentially substantial liability for damages in the event of future product failures or side effects. Any such liability could have a materially adverse effect on the Group's business and financial condition. There can be no assurance that future insurance cover will be available to the Group at an acceptable cost, if at all, nor that in the event of any claim, the level of insurance carried by the Group now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the business of the Group.

The Group's suppliers may not have insurance in place or may have inadequate insurance to cover any liability which may arise from the products supplied, therefore the Group itself may become liable in whole or in part for claims resulting from the negligence of a supplier.

(B) RISKS ASSOCIATED WITH INTELLECTUAL PROPERTY

The Group may not be able to obtain, maintain, defend or enforce the intellectual property rights for any product it develops, which could materially adversely affect the Group's business and/or its ability to compete.

It is difficult and costly to protect the Group's intellectual property rights, and the Group cannot ensure the protection of these rights. The Group's commercial success will depend, in part, on obtaining and maintaining patent protection for its technologies, products and processes, successfully defending these patents against third-party challenges, and successfully enforcing these patents against third-party competitors. If the Group is unable to obtain and maintain patent protection and/or intellectual property rights for any product it develops or if the scope of such protection is not sufficiently broad, the Group's competitors could develop and commercialise products and technology similar or identical to the Group's and the Group's ability to commercialise any drug product it may develop may be adversely affected. The patent and intellectual property positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved.

Third-parties may initiate legal proceedings alleging that the Group is infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which could be uncertain and could have a material adverse effect on the success of the Group's business.

The Group's drug products may infringe the intellectual property rights of others, which could increase its costs and delay or prevent its development and commercialisation efforts. The pharmaceutical industry has been characterised by frequent litigation regarding patent and other intellectual property rights. Identification of third-party patent rights that may be relevant to the Group's proprietary technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. Many of the Group's employees, consultants and advisers are currently or previously employed at universities or pharmaceutical companies, including the Group's competitors or potential competitors, and the Group may also be subject to claims that such employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their current or former employees or claims asserting ownership of what the Group regards as the Group's own intellectual property. Any claims of patent infringement asserted by third-parties would be time-consuming and may:

- result in costly litigation;
- divert the time and attention of the Group's technical personnel and management;
- prevent the Group from commercialising a product until the asserted patent expires or is held finally invalid or not infringed in a court of law;
- require the Group to cease or modify its use of the technology and/or develop non-infringing technology; and/or
- require the Group to enter into royalty or licensing agreements.

Although no third-party has asserted a claim of infringement against the Group, others may hold proprietary rights that could prevent drug products from being marketed. Any patent-related legal action against the Group claiming damages and seeking to enjoin commercial activities relating to drug products or the Group's processes could subject them to potential liability for significant monetary damages and require them to obtain a licence to continue to manufacture or market drug products or any future drug candidates. Accordingly, an adverse determination in a judicial or administrative proceeding or the failure to obtain necessary licences could prevent the Group from developing and commercialising drug products or a future drug candidate, which could harm the Group's business, financial condition and operating results.

The degree of future protection for intellectual property rights may not adequately protect the Group's products and efforts to enforce such rights may be expensive, time consuming and unsuccessful.

Changes in either patent laws or in interpretations of patent laws may diminish the value of the Group's intellectual property. The degree of future protection for the Group's proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect the Group's rights, permit the Group to gain or keep its competitive advantage or provide it with any competitive advantage. For example, others have filed, and in the future are likely to file, patent applications covering products and technologies that are similar, identical or competitive to the Group's drug products or important to the Group's business. The Group cannot be certain that any patent application owned by a third-party will not have priority over patent applications filed by the Group, or that the Group will not be involved in interference, opposition or invalidity proceedings before United States or foreign patent offices.

Competitors may infringe the Group's patents and as a result the Group may become involved in litigation to protect or enforce its patents and other intellectual property rights, which could be expensive, time consuming and unsuccessful. An adverse result in any litigation proceeding could put one or more of the Group's owned or in-licensed patents at risk of being invalidated or interpreted narrowly. The failure to maintain patent protection and/or intellectual property rights for any product the Group develops may materially adversely impact the Group's business, financial condition and results of operations.

The Group may also rely on the trademarks it may develop to distinguish its products from the products of its competitors. The Group cannot guarantee that any trademark applications filed by the Group or its business partners will be approved. The Group trademarks may also not be protected uniformly across all jurisdictions in which the Group operates or may operate in the future. Third-parties may also oppose such trademark applications, or otherwise challenge the Group's use of the trademarks. In the event that the trademarks the Group uses are successfully challenged, the Group could be forced to rebrand its products, which could result in loss of brand recognition and could require the Group to devote resources to advertising and marketing new brands. Further, the Group cannot provide assurance that competitors will not infringe the trademarks the Group uses or that the Group will have adequate resources to enforce these trademarks.

In-licensing of drug candidates.

The Group's lead drug candidate for development, which was in-licensed by OCT under a licence agreement entered into with AskAt in September 2019, is OCT461201. Under the terms of the licence, OCT has exclusive rights to the compound on a worldwide basis, excluding Japan. OCT has certain obligations under the licence agreement. If OCT fails to perform any of its obligations under the licence agreement, it may be in breach. Upon such a breach, the licence agreement could be terminated and the intellectual property could revert to the licensor and OCT may be unable to use or further develop its products in those circumstances. Given that in-licensing of candidates for drug development forms part of the Group's strategy, any intellectual property granted to the Group as a result of such licensing arrangements will be subject to certain obligations which, if breached, will affect the Group's financial condition and results of operation.

If the Group is not able to prevent disclosure of its trade secrets, know-how or other proprietary information, the value of its products could be significantly diminished which would harm its business and competitive position.

In addition to patents, the Group also relies on trade secrets which includes unpatented know-how, technology and other proprietary information, to protect its technology, especially in cases where the Group believes patent protection is not appropriate or obtainable. Trade secrets are difficult to protect and the Group may not be able to adequately protect the Group's trade secrets or other proprietary or licensed information. Typically, research collaborators and scientific advisers have rights to publish data and information in which the Group may also have rights. If the Group cannot maintain the confidentiality of its proprietary technology and other confidential information and is unable to obtain patent protection or protect valuable information, the Group's business and competitive position would be harmed. Enforcing a claim where a third-party entity illegally obtained and is using any of the Group's trade secrets is expensive and time consuming and the outcome is unpredictable. In addition, courts

are sometimes less willing to protect trade secrets than patents. Moreover, the Group's competitors may independently develop equivalent knowledge, methods and know-how.

The Group may not be able to protect its intellectual property and proprietary rights throughout the world.

Filing, prosecuting and defending patents on drug candidates in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect the Group's rights to the same extent as the laws of the United States, the UK, European Union or Japan. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to pharmaceutical products, which could make it difficult for the Group to stop the infringement of its patents or marketing of competing products in violation of its intellectual property and proprietary rights generally. Competitors may use the Group's intellectual property and proprietary rights in jurisdictions where the Group has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Group has patent protection or licences but enforcement is not as strong as that in the United States, the UK, Europe or Japan. These products may compete with the Group's drug products, the Group's patents or other intellectual property rights may not be effective or sufficient to prevent them from competing and the Group's competitive position may be impaired and the Group's business, financial condition, results of operations and prospects may be adversely affected.

(C) TAX AND REGULATORY RISKS

Home Office licence for research purposes.

OCT imports and supplies cannabinoid derivatives to research partners at Oxford University and Roehampton University under a UK Home Office issued Schedule 1 controlled drug licence and separate importation licences in relation to what might be regarded as controlled drugs of a cannabinoid type imported from overseas. A Schedule 1 controlled drug licence can only be granted for 12 months and is therefore renewable on an annual basis. The current licence issued by the Home Office under which OCT is able to operate expires on 25 June 2021 and is subject to annual renewal. OCT has received confirmation that the licence will be renewed for a further 12 months from the date of expiry. Cannabis is a Class B controlled drug under Part II, Schedule 2, of the Misuse of Drugs Act 1971 ("**MDA**"). It is a Schedule 1 controlled drug under the Misuse of Drugs Regulations 2001 ("**MDRs**") and designated under the Misuse of Drugs (Designation) (England, Wales and Scotland) Order 2015. As a Class B controlled drug, it is an offence under the MDA to possess, supply, cultivate, produce, import or export cannabis, except under a Home Office licence.

In relation to its domestic activities, namely the supply of compounds containing controlled cannabinoids, OCT operates under a Schedule 1 controlled drug licence, issued by the Home Office under regulation 5 of the MDRs, for research purposes. Time-limited importation licences are applied for as and when required to facilitate the importation of compounds from OCT's partners abroad.

Law and regulation in the Group's areas of operation (including in the countries form which it imports cannabinoid derivatives or plans to sell any developed drugs) is subject to change and therefore the Group needs to continue to ensure that all of OCT's compounds, which it sources from partners, meets the threshold for being controlled substances, or whether the 'exempt product' provisions under regulations 2, 4 and 25 of the MDRs may apply. Any material adverse change in such government policies or legislation may materially adversely affect the Group's operating and financial performance. In addition, there is no guarantee that the Home Office will continue to renew OCT's licence on expiry or at all. If the Home Office does not renew OCT's licence this would have a material adverse effect on the Group's business, strategy and financial position and its ability to continue to operate in its field.

Adverse decisions of regulators, including tax authorities, or changes in tax treaties, laws, rules or interpretations thereof could adversely affect the calculation of the Group's overall tax burden along with its financial position.

The Group is exposed to risks related to taxation in the countries in which it operates or may operate in the future and consequently will need to ensure that the Group is compliant with the tax registration

requirements and tax filing requirements in, not only the UK, but also in those overseas jurisdictions. The Group organises its commercial and financial activities on the basis of various and complex legal and regulatory requirements where it operates, particularly with regards to taxation. There can be no certainty that the current taxation regime in the UK or in overseas jurisdictions, within which the Group may operate in the future, will remain in force or that the current levels of corporation taxation will remain unchanged. Changes in laws or regulations in the countries in which the Group operates, or may in the future operate, could adversely affect the calculation of the Group's overall tax burden along with its financial position.

Furthermore, the Group may be eligible for tax credits for qualifying R&D expenditures in the United Kingdom. The Group anticipates receipt of R&D tax credits for eligible expenditures for future financial years (until 2025). As a result of any changes in the laws or regulations of the United Kingdom, the Group may no longer be eligible for such R&D tax credits, which could have a negative effect on its cash flow.

Compliance with current or future laws and regulations may materially adversely affect the Group's business, financial condition and results of operations.

Compliance with current or future laws and regulations applicable to the Group's activities, may materially adversely affect its business, financial condition and results of operations. Failure to comply with such laws and regulations may result in penalties, civil and criminal sanctions and other enforcement actions being taken against the Group, which could materially adversely impact the Group's business.

Data privacy compliance breaches or failure to protect confidential information could harm the Group's reputation and expose the Group to litigation or other legal or regulatory actions.

The Group is subject to a number of laws relating to privacy and data protection, including General Data Protection Regulation (Regulation (EU) 2016/679) as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended ("**GDPR**"), the United Kingdom's Data Protection Act 2018 and certain other relevant non-EEA data protection and privacy laws. Such laws govern the Group's ability to collect, use and transfer personal data relating to employees and others and also the sensitive health data of participants in clinical trials. The Group relies on third-party service providers and its own employees to collect and process personal data and to maintain its databases. Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws, including the GDPR. Breach of such privacy or data protection laws could result in large fines or penalties being imposed upon the Group, which could have a material adverse effect on the Group's financial condition.

The withdrawal of the United Kingdom from the European Union may negatively affect the Group, whether as a result of changes to the commercial, regulatory, political or macroeconomic environment.

On 24 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement (the "**Trade and Cooperation Agreement**"), which entered into force on 1 May 2021. The Trade and Cooperation Agreement took provisional effect from 1 January 2021 and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the United Kingdom and the European Union.

Due to the size and importance of the economy of the United Kingdom, the uncertainty and unpredictability concerning the United Kingdom's future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws), as well as its legal, political and economic relationships with the rest of Europe following its exit from the European Union, may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to European Union markets. Brexit could result in adverse economic effects across the United Kingdom and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3. RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH MAJOR SHAREHOLDERS, THE DIRECTORS AND CONFLICTS OF INTEREST

Sale of Ordinary Shares by major Shareholders, Board members and the Senior Manager.

The Directors, the Senior Manager and certain major Shareholders, including GHS Capital Limited, KCP and Imperial Brands have given lock-in undertakings that, save in certain circumstances, they will not, until twelve months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them. In addition, such Shareholders, and Tarek Khalil Tabsh pursuant to an orderly market agreement, have undertaken to the Company, the Corporate Adviser and the Financial Adviser that they will not, and will use all reasonable endeavours to procure that any associated party will not dispose of any interest in any Ordinary Shares other than through the Corporate Adviser and in accordance with the reasonable requirements of the Corporate Adviser and the Financial Adviser (or if applicable any new broker/corporate adviser or financial adviser appointed by the Company) so as to ensure an orderly market for the issued share capital of the Company in the case of Tarek Khalil Tabsh, for the period of 12 months following Admission in respect of 50 per cent. of his Ordinary Shares, and in the case of the Directors and such Shareholders for the period of twelve months following the first anniversary of Admission, provided that the Corporate Adviser offers competitive terms in the event of any disposal.

Other Shareholders not subject to lock-in arrangements and, following the expiry of the first anniversary of Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales or issues of Ordinary Shares will have on the market price of the Ordinary Shares. If Shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Relationship with KCP

At the date of Admission, Neil Mahapatra (through his beneficial interest in up to 54.3 per cent. of KCP's shareholding in the Company) controls the exercise of 100 per cent. of KCP's voting rights in respect of approximately 20.66 per cent. of the issued share capital of the Company as it will be on Admission. At the date of Admission, Neil Mahapatra through his indirect holding of Ordinary Shares in KCP and through his wife's holding of 888,889 Ordinary Shares, will control the exercise of voting rights in respect of approximately 20.76 per cent. of the Enlarged Share Capital. Additionally, there is a services agreement in place between KCP and the Company, under which the Company pays KCP a fee for management and analytical services. Should KCP choose to divest of its shareholding or either party terminates the KCP Services Agreement there is a risk that the share price would be adversely affected and the overall success of the Group negatively impacted.

KCP will have a significant interest in, and will continue to exert substantial influence over the Company, and, at times, its interest may differ from or conflict with those of other Shareholders and existing or future research partners.

Accordingly, a relationship agreement has been entered into between KCP, the Company, the Financial Adviser and the Corporate Adviser to ensure that the Company is able to carry on its business independently and to regulate the relationship between them on an arm's length and normal commercial basis.

KCP has also agreed to be locked-in pursuant to the Lock-In Agreement.

The Directors will allocate their time between the Group and their other business interests leading to potential conflicts of interest in their determination as to how much time to devote to the Group's affairs, which could have a negative impact on the Group's ability to deliver its strategy.

Save for Neil Mahapatra and Karen Lowe who will devote 33 per cent. and 20 per cent. respectively of their working time to the Company, the Directors are required to commit such time as is necessary for them to fulfil their duties to the Group's affairs, which could create a conflict of interest when allocating their time between the Group's operations and their other commitments. The Directors are engaged in other business endeavours. If the Directors' other business affairs require them to devote more time to such affairs, it could limit their ability to devote time to the Group's affairs and could have a negative impact on the Company's ability to deliver its strategy.

4. RISKS RELATING TO THE ORDINARY SHARES

Realisation of Investment

Admission to the standard listing segment of the Official List and to trading on the Main Market should not be taken as implying that there will always be a liquid market in the Ordinary Shares. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover the full value of their original investment. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others of which are extraneous. On any disposal investors may realise less than the original amount invested.

A Standard Listing of the Ordinary Shares affords Shareholders a lower level of regulatory protection than a Premium Listing.

A Standard Listing affords Shareholders a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Shareholders should note that Chapter 10 of the Listing Rules does not apply to the Company and, as such, the Company is not required to seek Shareholder approval for an acquisition under this Chapter (although it may be required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).

Any further issues of Ordinary Shares will dilute the percentage ownership of a Shareholder and may adversely affect the value of its Ordinary Shares.

The Directors have been generally authorised to issue Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares up to a maximum aggregate nominal value of £3,283,382.83, of which Ordinary Shares up to a maximum aggregate nominal value of £492,507.43 may be issued for cash on a non-pre-emptive basis. If the Company offers its Ordinary Shares as consideration in the future, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the Shareholders and also dilute the value of Ordinary Shares held by such Shareholders at the time. If the issue of new Ordinary Shares results in a large Shareholder, that Shareholder may be able to exert significant influence over the Company. The pre-emption rights contained in the Articles have also been disapplied in relation to the issue of new Ordinary Shares for cash pursuant to the Placing and subsequently. The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of new Ordinary Shares or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares.

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Ordinary Shares after the

Placing may vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Psychological factors

The medical cannabis industry is still young and has seen very high growth in company sizes, capitalisation, and de-regulation. This has contributed to a hype for investors – while at the same time there is limited established historical data and limited solid sources of information about the industry. There is a risk that market projections are too high or that they are realised later than expected. There is a risk that the security markets are influenced by psychological factors such as trends, rumours and reactions to news that are not directly linked to the marketplace, etc. There is a risk that the Ordinary Shares will be affected in the same way as all other securities that are traded on different markets. There is a risk that psychological factors and their subsequent effects on price developments will adversely affect the market price of the Ordinary Shares.

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and DTRs will be financially material.

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and DTRs will be financially material due to the Group's relatively early stage and small size on Admission.

The listing of the Company's securities may be cancelled if the Company no longer satisfies its continuing obligations under the Listing Rules, which includes that a sufficient number of Ordinary Shares are in public hands, as defined in the Listing Rules, at all times.

Fluctuations and volatility in the price of Ordinary Shares.

Stock markets have from time-to-time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Group and some which affect listed companies generally, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Group's sector and other events and factors outside of the Group's control.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable.

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Placing Price.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of

Ordinary Shares are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against any of the Directors and executive officers. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil or commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries. Furthermore, English law currently limits significantly the circumstances under which shareholders may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances.

Shareholders in jurisdictions outside of the United Kingdom may not be able to participate in future equity offerings.

The Articles provide for pre-emption rights to be granted to Shareholders in the Company, unless such rights are disapplied by a Shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights, unless either the Ordinary Shares and any other securities that are offered and sold are registered under the Securities Act, or the Ordinary Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Company will use any such exemption.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Group is exposed or all those associated with an investment in the Company. In particular, the Group's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to above materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

IMPORTANT INFORMATION

In deciding whether or not to purchase Ordinary Shares, prospective investors should rely only on their own examination of the Company and/or the financial and other information contained in this Document.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company or any of its respective affiliates, officers, Directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Regulation Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this Document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information in it is correct as at any time subsequent to its date.

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any member state of the EEA (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this Document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares or Admission may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accept any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

FORWARD-LOOKING STATEMENTS

Some of the statements under "Summary", "Risk Factors", Part I Information on the Group, Investment Opportunity and Strategy" and elsewhere in this Document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Group's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Group and the sector and industry in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Group's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Group's actual results, prospects and performance are consistent with the forward-looking statements contained in this Document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to implement effective growth strategies for the Group's business;
- the Company's ability to ascertain the merits or risks of the operations of the Group's business;
- the Company's ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally (and specifically in the UK market);
- impairments in the value of the Group's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this Document headed "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Document.

Any forward-looking statements in this Document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group's future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of Part VII of this Document.

These forward-looking statements speak only as of the date of this Document. Subject to any obligations under the Prospectus Regulation Rules, the Market Abuse Regulation, the Listing Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this Document which could cause actual results to differ before making an investment decision.

NOTICE TO ALL SHAREHOLDERS AND NO INCORPORATION OF WEBSITE TERMS

Copies of this Document will be available on the Company's website, www.oxcantech.com from the date of this Document until the date which is one month from the date of Admission. Except to the extent expressly set out in this Document, neither the content of the Company's website or any other website nor the content of any website accessible from hyperlinks on the Company's website or any other website is incorporated into, or forms part of, this Document.

THIRD-PARTY INFORMATION

This Document contains information about the Company's markets, drug candidates, research and development programmes and other information concerning its operations and markets. Unless stated otherwise, such information is based on the Company's assessment of several different sources, including statistics and information from external industry or market reports, market surveys, publicly available information, and commercial publications.

Where information contained in this Document has been sourced from a third-party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information includes publicly available historical market data and industry expectations, including the size of the market in which the Group operates.

The material sources of third-party information on which basis this Document has been prepared are listed, where relevant, in this Document.

The accuracy and completeness of industry and market publications is not guaranteed and has not been verified by the Company. Market information and market statistics, by nature, are forward-looking and subject to uncertainty, could be interpreted subjectively and are not necessarily reflective of actual or future market conditions. Potential investors should be aware that the financial information, market information, forecasts and estimated market information contained in the Prospectus do not necessarily constitute reliable indicators of the Company's future results. The contents of the Company's website or any third-party websites referred to herein do not constitute part of this Document.

DEFINED TERMS AND GLOSSARY OF TECHNICAL TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms and general technical terms used in this Document, including capitalised abbreviations, are defined or explained in either Part VIII: Definitions or Part IX: Glossary of Technical Terms of this Document. In addition, certain technical terms which are not capitalised are explained in Part IX: Glossary of Technical Terms of this Document.

CURRENCY AND PRESENTATION OF FINANCIAL INFORMATION

All financial amounts are presented in Great British Pound Sterling ("**GBP**" or "**£**") unless otherwise indicated.

Unless otherwise indicated, all references in this Document to "GBP", "£", "Pounds Sterling", "pounds", "Sterling", "pence" or "p" are to the lawful currency of the United Kingdom; all references to "$", "US$" or "US Dollars" are to the lawful currency of the US; and all references to "€" or "Euro" are to the lawful currency of the Euro zone countries.

Certain financial information and other information has been rounded to make the information easily comprehensible to the reader. Accordingly, the figures contained in certain columns may not tally with the total amount specified.

MEDICAL DISCLAIMER

The descriptions in this Document are based on external sources, and the Company is not making concrete recommendations in relation to the use of any medicine in the treatment of any specific pain or illness. The benefits and risks associated with any medicine vary depending on a number of factors, including dosage, concentration and frequency of use, the patient's age, the medical conditions being treated, previous

experience with a medicine and the use of other prescription or non-prescription drugs. The use of any medicine should always be under supervision by a qualified doctor, and information in this Document cannot be used for decisions for recommending and/or commencing cannabis use in treatments.

NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from, the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

NOTICE TO EEA SHAREHOLDERS

In relation to each member state of the EEA (each a **relevant member state**) with effect from and including the date on which the Prospectus Regulation came into force in the relevant member state (**relevant date**), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;

(b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such relevant member state; or

(d) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purpose of these provisions, the expression an "offer to the public" in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against any of the Directors and executive officers of the Company. The Company is incorporated under the laws of England and Wales and the Directors and executive officers are residents of the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors or executive officers within the Overseas Shareholder's country of residence or to enforce against the Directors or executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil or commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or executive officers who are residents of the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on the foreign securities laws brought against the Company or the Directors or executive officers in a court of competent jurisdiction in England or other countries.

DATA PROTECTION

The Company may delegate certain administrative functions to third-parties and will require such third-parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third-party, functionary or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering or anti-terrorism procedures;

(b) carrying out the business of the Group and the administering of interests in the Company;

(c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and

(d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Group (or any third-party, functionary or agent appointed by the Company) to:

(a) disclose personal data to third-party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

(b) transfer personal data outside of the UK to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Group (or any third-party, functionary or agent appointed by the Company) discloses personal data to such a third-party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third-party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

GOVERNING LAW

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A of the FCA Handbook Conduct of Business; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

VALIDITY OF PROSPECTUS

This Document was approved as a prospectus on 17 May 2021 and is valid for a period of one year from that date. This Document will therefore cease to be valid as a prospectus on 16 May 2022. Should a significant new factor occur, or material mistake or inaccuracy be identified during the validity period, the Company would be required to issue a supplement in accordance with the Prospectus Regulation Rules. After the period of validity has expired, the Company is no longer under an obligation to issue such a supplement.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Enlarged Share Capital to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. As a consequence, a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA and (not withstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles set out in Chapter 7 of the Listing Rules.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25 per cent. of the shares of the class must be distributed to the public. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 25 per cent. of the shares of any listed class in public hands at all times and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to a regulatory information service authorised by the FCA ("**RIS**");
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company notes that in the case of an acquisition, the reverse takeover provisions set out in Listing Rule 5.6 may be triggered. The Company does not currently anticipate making any acquisitions.

The Company will comply with Chapter 5 of the Listing Rules (suspending, cancelling and restoring listing and Reverse Takeovers). If the Company undertakes a Reverse Takeover, the Company's existing Standard Listing will be cancelled and the Company would intend to apply for a new Standard Listing or a listing on another appropriate securities market or stock exchange. The granting of a new Standard Listing or a listing on another appropriate securities market or stock exchange following a Reverse Takeover cannot be certain. The Company may have its listing suspended in the event of a Reverse Takeover.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters;

- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions meaning any subsequent additional acquisitions by the Company, will not require Shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR7.3 relating to related party transactions. DTR7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and: to (i) make an announcement; (ii) gain Board approval; and (iii) ensure the related party or their associates do not vote on any resolution, relating to material related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO AND WILL NOT MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE PREMIUM LISTING PRINCIPLES WHICH THE COMPANY HAS INDICATED IN THIS DOCUMENT THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER, THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	**17 May 2021**
Admission and commencement of unconditional dealings in Ordinary Shares	**8:00 a.m. on 21 May 2021**
Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts	**8:00 a.m. on 21 May 2021**
Despatch of definitive share certificates for Ordinary Shares in certificated form	**Within 7 days of Admission**

All references to time in this Document are to London time unless otherwise stated

Each of the above dates and times are subject to change at the absolute discretion of the Company, Cairn Financial Advisers LLP and States Bridge Capital Ltd.

PLACING STATISTICS

Number of Existing Ordinary Shares immediately prior to Admission following completion of the Share Exchange Agreement	630,415,644
Placing Price	£0.05 per Ordinary Share
Number of Placing Shares	330 million
Enlarged Share Capital in issue following the issue of the Placing Shares and Admission	960,415,644
Percentage of Enlarged Share Capital represented by Placing Shares	34.36%
Gross proceeds of the Placing	£16.5 million
Estimated expenses of the Placing and Admission (exclusive of VAT)	£1.68 million
Net Proceeds	£14.82 million
Market Capitalisation of the Company at the Placing Price on Admission	£48,020,782
Number of Warrants	33,307,275
Percentage of share capital represented by Warrants (assuming all Warrants are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares resulting from the exercise of the Warrants only)	3.35%
Number of Vested Options	69,584,356
Percentage of share capital represented by Vested Options (assuming all Vested Options are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares resulting from the exercise of the Vested Options only)	6.76%
Number of New Options and NED Options	93,640,525
Percentage of share capital represented by New Options and NED Options (assuming all New Options and NED Options are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares resulting from the exercise of the New Options and NED Options only)	8.88%
Percentage of share capital represented by Warrants and Options (assuming all Warrants and Options are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares resulting from the exercise of the Warrants and the Options only)	16.99%

DEALING CODES AND WEBSITE

The dealing codes for the Ordinary Shares and the Company's website address are as follows:

ISIN	GB00BMVMRB86
SEDOL	BMVMRB8
TIDM	OCTP
LEI	2138005SRWT4998BCE35
Website	www.oxcantech.com

DIRECTORS, SECRETARY AND ADVISERS

Directors	Indraneil (Neil) Mahapatra *(Co-founder and Executive Chairman)* Dr. John Mark Lucas *(Chief Executive Officer)* Clarissa Ann Sowemimo-Coker (*Chief Operating Officer*) Karen Lowe (*Finance Director*) Gavin Hilary Sathianathan *(Co-founder and Non-Executive Director)* Bishrut Mukherjee *(Non-Executive Director)* Charanjit (Cheryl) Cheryl Dhillon *(Non-Executive Director)* Julie Patricia Pomeroy *(Non-Executive Director)*
Senior Manager	Dr. Valentino Parravicini *(Chief Scientific Officer)*
Company Secretary	Clarissa Ann Sowemimo-Coker
Registered Office and business address of the Directors and Senior Manager	Maddox House 1 Maddox Street London W1S 2PZ Telephone: +44 (0) 203 034 2820
Financial Adviser	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX
Corporate Adviser	States Bridge Capital Ltd Blackwell House Guildhall Yard London EC2V 5AE
Solicitors to the Company	Penningtons Manches Cooper LLP 125 Wood Street London EC2V 7AW
Solicitors to the Placing	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
Auditors and Reporting Accountants	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

PART I

INFORMATION ON THE GROUP, INVESTMENT OPPORTUNITY AND STRATEGY

1. Introduction

Oxford Cannabinoid Technologies Holdings plc was incorporated as a public limited company on 4 February 2021 with registration number 13179529.

On 17 May 2021, pursuant to a share for share exchange, the Company conditionally acquired Oxford Cannabinoid Technologies Ltd ("OCT"), a company registered in England and Wales on 10 March 2017. On Admission, the Group will comprise the Company and its wholly owned subsidiary OCT as well as OCT's wholly owned dormant subsidiary, OCT Hellas Pharmaceuticals Research & Development Laboratory S.A. (which is in the process of being dissolved although the Company expects this subsidiary to have been dissolved by the end of May 2021). The Company will function as the holding company of the Group with all operational activity being carried out by OCT.

OCT is a UK-based pharmaceutical company specialised in cannabinoid drug development. The Company's vision is to become a global leader in developing licensed prescription medicines that target the endocannabinoid system and address significant unmet medical needs. The Group's primary market focus is the total addressable pain market, which is estimated to be worth at least £42.5 billion[(1)] by commercialisation of the first drug produced by OCT, currently anticipated to be in 2027, and as such it initially aims to develop a portfolio of four drug candidates for approval as licensed pain medicines.

OCT's drug development strategy includes the development of proprietary cannabinoid derivatives, natural phytocannabinoids, and other drug compounds that interplay with the endocannabinoid system. OCT owns a proprietary library of 93 cannabinoid derivatives and has in-licensed its lead drug candidate, OCT461201 under a licence agreement entered into in September 2019. Research activities are currently completed through commercial and academic partners in an outsourced model of research that allows the Group to minimise central costs.

By working with cannabinoids, through the traditional channels of drug development, OCT is creating drug candidates that are safe and effective and can also be prescribed by the medical community. The Directors intend to achieve approvals for effective cannabinoid-based prescription medicines by regulatory agencies including the Food and Drug Administration, the European Medicines Agency and the Medicines and Products Healthcare Regulatory Authority.

Since inception, OCT has expanded its research activities and library of cannabinoid derivatives and completed four rounds of investment, raising a total of £6.85 million.

2. History and background of OCT

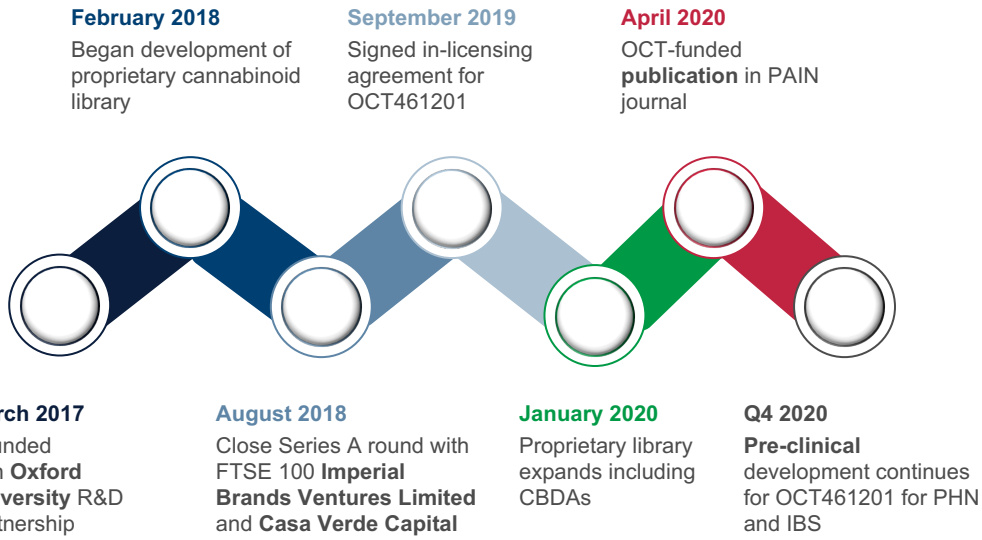
OCT was established in March 2017 by Neil Mahapatra and Gavin Sathianathan, following the signing of an umbrella research collaboration agreement between KCP and Oxford University in December 2016; such agreement being formerly novated from KCP to OCT in March 2018.

Since creation, OCT has commenced research and development activities, created and enlarged its internal compound library, in-licensed its lead compound OCT461201 and expanded its research network.

OCT has also completed four rounds of funding raising a total of £6.85 million: a Seed Funding in January 2018, a Series A Funding agreed in August 2018, led by Imperial Brands and Casa Verde Capital L.P., a Series B Funding in January 2020, led by shareholders of KCP and a fundraising via the Convertible Loan Note Instrument which completed in March 2021.

(1) Figure(s) based on £/$ exchange rate as at 31 March 2021 of £1/$1.3785

The key milestones in OCT's corporate development to date are as set out in the diagram below:



Source: Company information.

The Group's research activities are currently carried out through commercial and academic partners in an outsourced model that allows the Group to minimise central costs. Oxford University is currently the Group's lead academic partner. All researchers (principal investigators) work exclusively with the Group on cannabinoid research. Wider discussions are ongoing with academic and commercial partners about additional future activities.

3. Cannabinoid medicine

3.1. *What are cannabinoids?*

The word cannabinoid refers to molecules that interact with cannabinoid receptors. Cannabinoids are produced by human beings (endocannabinoids) and all other mammals, and also in plants of different genera (phytocannabinoids), most notably by *Cannabis sp*.

Research has found that the cannabis plant produces over 100 active cannabinoids referred to as phytocannabinoids ("**pCBs**"). The two best known cannabinoids are delta-9-tetrahydrocannabinol ("**Δ^9-THC**" or simply "**THC**") and cannabidiol ("**CBD**"). The most widely recognised is THC, the compound that is primarily responsible for the psychoactive effects of cannabis. However, a recent increase in the use of cannabis extracts has resulted in the growing popularity of CBD and also rarer cannabinoids (*e.g.* Cannabigerol or Cannabidiolic acid).

3.2. *The Endocannabinoid System ("ECS")*

The ECS is a unique biological system found in mammals, comprising signalling receptors, their ligands and enzymes involved in the synthesis and processing of such ligands. Similar to other biological systems, the ECS plays important roles in many physiological processes, particularly homeostatic functions. The receptors of the ECS are found in the brain and peripheral nervous system and in many other tissues throughout the body. Together, all the components of the ECS work to regulate a number of processes, including pain, mood, memory, sleep, appetite and the immune response to cancer and infective agents.

The ECS is fundamental for maintaining the balance of human physical and mental health and pCBs from cannabis (or their synthetic derivatives) can re-establish this balance when disrupted by disease. It is therefore unsurprising, in the Directors' opinion, that the modulation of key components and pathways involved in the ECS may be a potential channel for therapeutic intervention in pathologies where baseline physiology has been disrupted.

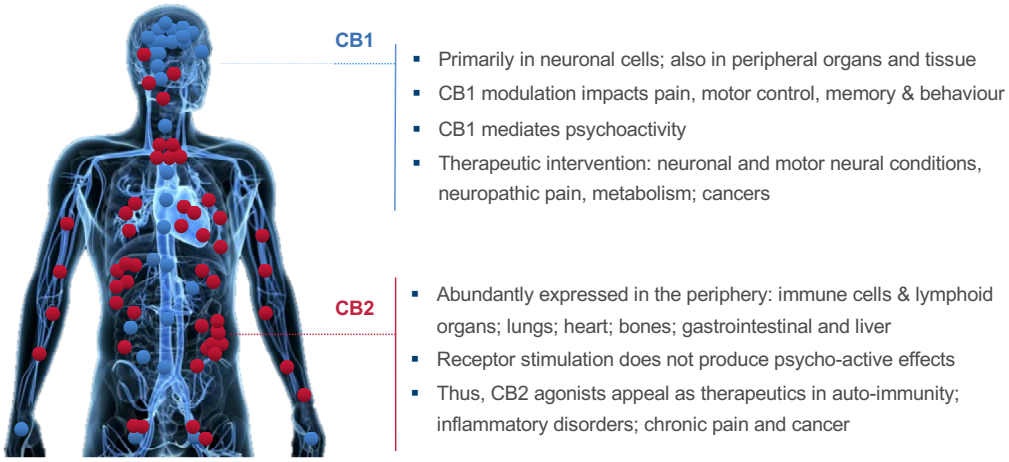
The Directors believe that the full therapeutic potential of cannabis and of individual natural pCBs remains untapped and that a key barrier to this, understanding the mechanisms by which cannabinoids act, has only recently become better understood.

3.3. *The function and use of cannabinoids*

Cannabinoids regulate how cells communicate – how they send, receive, or process messages. Similar to opioids and other molecules found in plants, pCBs produce their effects by interacting with specific ECS receptors located throughout the central nervous system and in peripheral tissues, including in the immune system, reproductive and gastrointestinal systems, heart, lung, bladder and even cancer cells. Cannabinoid receptors include Cannabinoid Receptor 1 ("**CB1**") and Cannabinoid Receptor 2 ("**CB2**"), – the two most studied receptors. These receptors are differentially expressed in the different cells of the human body. Most, if not all, cannabinoids act on more than one receptor. The expression profile of these receptors, as well as other components of the ECS, are also affected by external factors such as stress, injury, diet and intake of other drugs.

There is an increasing body of evidence supporting the potential of cannabinoids as medicines. Examples include (but are not limited to) THC and CBD for pain relief and CBD to increase survival in animal models of cancer and as a successful treatment for some forms of epilepsy.

There is often contrasting pre-clinical evidence for natural and modified pCBs, as little systematic research has been carried out using these compounds in specific therapeutic areas and much of the current knowledge base relies on anecdotal observation. However, the increasing evidence of synthetised molecules acting as partially selective agonists or inhibitors of ECS components is indicative of the full potential for therapeutic intervention.



Sources:

CB1: (1) Sharma C, Sadek B and Goyal S et al, 'Small Molecules from Nature Targeting G-Protein Coupled Cannabinoid Receptors: Potential Leads for Drug Discovery and Development', 17 November 2015; and (2) Moreira F, Grieb M and Lutz B, 'Central side-effects of therapies based on CB1 cannabinoid receptor agonists and antagonists: focus on anxiety and depression', February 2009.

CB2: Yang P, Wang L, Xie X, 'Latest advances in novel cannabinoid CB2 ligands for drug abuse and their therapeutic potential', 3 February 2012.

Around 600 clinical research studies have been carried out on cannabis and the endocannabinoid system since 1970. Many of these studies are uncontrolled or survey-based, while some focus on the social effect of the plant (*e.g.* correlation of cannabis use with depression).

The bounds of the clinical research conducted on cannabis to date has also been influenced by several factors, predominantly the legislative backdrop. Other influences include inadequate extraction capabilities and limited knowledge of other cannabinoids. As a result, the inputs that have been used in most studies are whole plant extract-based, with an increasing number of single-molecule studies occurring in later years.

Modern extraction technology and synthetic biology has allowed researchers to uncover hundreds of additional cannabinoids and other molecules in cannabis. The Directors believe that future research

should highlight the interplay between different cannabinoids and ancillary molecules such as terpenes and flavonoids, which can have modulatory effects often referred to as the "entourage effect". The true extent and potential of these ECS-modulating compounds and the extent of their effect on the molecular pathways they target remains to be seen, providing ample opportunity for the development of new drug products.

3.4. ***Therapeutic areas of use***

As more is becoming known about the endocannabinoid system and its modes of action, pCBs and their associated molecules have been suggested to have benefit across a wide range of therapeutic areas. The prevalence of CB1 and CB2 receptors across different human tissues, combined with the fundamental nature of the ECS system across different pathways, results in a web of physiological processes that, once understood more deeply, could address a large number of illnesses. Therapeutic areas where research suggests cannabinoids have medical potential include:

- pain, including neuropathic pain, migraine, visceral pain (*e.g.* IBS and IBD), fibromyalgia, lower back pain, cancer pain, musculoskeletal pain, arthritis pain, pain associated with motor neuron disease, HIV-associated sensory neuropathy and chronic therapy resistant pain;
- oncology related diseases (whether through alleviating the symptoms or curative potential);
- neurological disorders such as multiple sclerosis, epilepsy, Parkinson's and Alzheimer's;
- immunological indications such as rheumatoid arthritis and psoriasis;
- cardiovascular disorders such as hypertension, atherosclerosis, myocardial infarction and cardiac arrhythmia; and
- ophthalmological disorders such as glaucoma.

3.5. ***Whole plant, natural and synthetic cannabinoids***

"Whole plant" cannabis has been used in popular medicine for thousands of years. The overall beneficial outcome of its usage is mediated by the sum of actions of the various pCBs (sometimes acting in opposite ways) aided by hundreds of ancillary molecules present in the plants. However, despite advances in cultivation techniques allowing the selection of cultivars with high expression of specific cannabinoids, the variability of the compositions of cannabis flowers (or extracts) from plants with different genetics or grown in different conditions creates unpredictable or contradictory clinical datasets. Even where legalised, the abuse of poor-quality medical cannabis stymies the onset of further legalisation globally. Therefore, despite the potential benefits of the plant as a whole, the use of natural pCBs in isolation, or in precise quantities and combinations, creates a more predictable drug discovery process to target pain and other illnesses.

Due to their chemical and physical characteristics, unmodified pCBs have less than ideal drug-like properties. However, advances in formulation development and alternative routes of administration, have enabled the use of unmodified pCBs with initial clinical success. The investigational challenges relating to the use of combinations of different pCBs are offset by the potential benefit of synergistic effects which increase efficacy while reducing dosage and undesirable outcomes, leading to improved likelihoods of success. In addition, although natural compounds cannot be patented, the possibility of utilising different pCB combinations and marketing solutions has been, in the opinion of the Directors, exploited with some success by companies investigating pCBs' therapeutic potential in orphan diseases.

Building on the accomplishments of some companies (*e.g.* using CBD), the Group has started to modify the structure of pCBs with innovative medicinal chemistry with the aim of creating molecules that can be patented, last longer, reach tissues more efficiently, have less severe side effects and that can be tailored to target specific receptors more effectively, improving efficacy and safety.

4. Information on OCT

4.1. *Introduction*

OCT aims to become a global leader in developing licensed prescription medicines that target the ECS and address significant unmet medical needs. Using pCBs, cannabinoid derivatives and in-licensed compounds, the Group intends to develop prescription medicines for the total addressable pain market, which is estimated to be worth at least £42.5 billion[1] by commercialisation of the first drug produced by OCT, currently anticipated to be in 2027. The Group initially aims to develop a portfolio of four drug candidates for approval as licensed pain medicines.

Through its outsourced model of research, OCT intends to create a portfolio of drugs with over £20 billion of serviceable available market, targeting a serviceable obtainable market of £1.55 billion with its first two drug development programmes. The Group's lead compound OCT461201 has demonstrated promise in animal studies and is now undergoing development for primary indications of IBS-associated visceral pain and neuropathic pain conditions, including post herpetic neuralgia. The Group's second drug development programme comprises an unmodified phytocannabinoid combination that is undergoing development for orphan indications in neuropathic pain, including an undisclosed neuralgia as first intent, with the potential to expand to other indications. Orphan drug designation allows the pCB combination to retain market exclusivity through regulatory protections, with potential for accelerated clinical development. The Group aims to enter clinical trials with both OCT461201 and the pCB candidate in Q3 2022 and anticipates being ready to enter Phase 2 clinical trials in Q2 2023.

The Group owns a library of 93 cannabinoid derivatives that are an additional source of further drug compounds for development. This proprietary library delivers a third line of potential drug candidates that are unique to the Group and can be applied to a range of high-value indications, with particular focus on severe neuralgia conditions. The potential of the library is due to be supplemented by Q2 2023 by approximately 100 externally manufactured pCBs and other cannabis-derived compounds which will be tested in combinations with the existing cannabinoid derivatives.

OCT is also planning to expand its pipeline by commissioning screening on an undisclosed receptor target using a diverse library of approximately 400,000 compounds. The project forms part of a drug development programme in collaboration with a CRO and has potential to allow the Group to deliver a first-in-class drug as a fourth drug candidate for the treatment of neuralgias. The Group will have full ownership over any resulting drug candidate and expects to be able to file a patent application covering the composition of matter if deemed appropriate.

Although the Group is focused on developing drug products within the therapeutic area of pain, OCT may also screen compounds across additional therapeutic areas such as immunology, neurology and cancer, in an opportunistic manner. Drug candidates arising from such projects may be licensed to, sold to, or partnered with larger pharmaceutical companies, with subsequent revenue utilised for drug development in OCT's core pain indications.

4.2. *Market focus: Pain*

OCT is focussed on drug development to tackle the problem of the pain pandemic. Pain is a pandemic comprising a multitude of conditions that dramatically impairs quality of life. It is estimated that there are 1.5 billion chronic pain sufferers worldwide, more than cancer, heart disease and diabetes combined. In the US alone, the number of individuals suffering from chronic pain is close to 100 million. Patients' associations are calling for novel therapeutic approaches and are joined by the regulatory agencies who support efforts to address severe pain disorders classified as orphan diseases.

OCT combines the potential of cannabinoids with the scientific rigour of pharmaceutical research and development and is focused on chronic pain indications where there is a high unmet need. The Company's strategy is to develop cannabinoid pharmaceuticals for the safe, effective, and non-addictive treatment of pain conditions, through GMP manufactured and dose-consistent prescription medicines that have undergone rigorous randomised, controlled clinical trials ("**RCTs**") with regulatory marketing approval.

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[1] Figure(s) based on £/$ exchange rate as at 31 March 2021 of £1/$1.3785

Therapeutic options for patients living with pain are currently limited and consist predominantly of opioids and anti-inflammatory drugs. Opioids are associated with addiction and tolerance, leading to continuous dose escalation and toxicity. Furthermore, severe adverse effects commonly tip the risk-to-benefit balance towards common therapeutic alternatives which are repurposed from other indications, stressing the need for novel alternative solutions to neuropathic and other types of pain.

Table 2

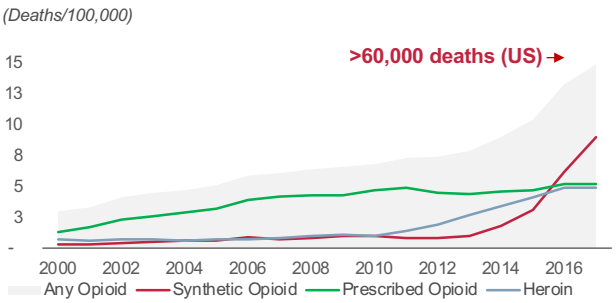
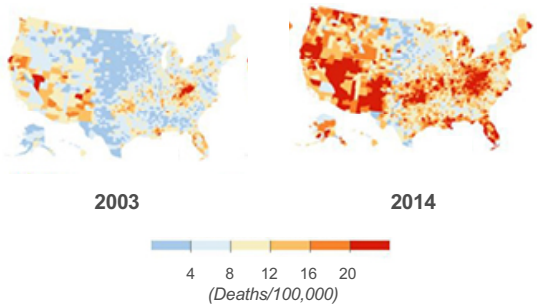


Table 2



Sources:

(1) Table 1: Hedegaard H, Miniño AM, Warner M. Drug overdose deaths in the United States, 1999–2018. NCHS Data Brief, no 356. Hyattsville, MD: National Center for Health Statistics. 2020.

(2) Table 1: Ahmad FB, Rossen LM, Sutton P. Provisional drug overdose death counts. National Center for Health Statistics. 2021.

(3) Table 1: Centers for Disease Control and Prevention, 'Opioid Data Analysis and Resources'.

(4) Table 2: Park H and Bloch M, 'How the Epidemic of Drug Overdose Deaths Rippled Across America' New York Times, 19 January 2016.

The graphics above demonstrate the extent of the opioid crisis in the US. Opioids are cheap, potent painkillers but, over the past two decades, their continued use has resulted in a medical and social crisis. Many patients are now dependent on these drugs, resulting in over 60,000 opioid-related deaths in the US in 2020, and more than half a million since 1999. This data, together with the large number of patients who do not react to any current pain treatments, demonstrates that more effective and safer pain medication must be developed.

Current scientific research indicates that cannabinoids have the potential to meet this need, and can address pain in a number of therapeutic areas, including those in the following table:

Indication	Effect
Neuropathic pain[1]	Induced analgesia and lower anxiety
Visceral pain in IBS[2]	Marked improvement in abdominal pain
Chemo-induced neuropathy[3]	Decreased mechanically allodynia
Medication overuse headache[4]	Significant improvements in pain
Rheumatoid arthritis[5]	Significant improvements in pain
HIV-associated neuropathy[6]	Relieved chronic pain (neuropathic)
Chronic therapy-resistant pain[7]	Decrease in pain intensity
Fibromyalgia[8]	Decrease and increase range of motion

Sources:

(1) Gregorio D and McLaughlin R, 'Cannabidiol modulates serotonergic transmission and reverses both allodynia and anxiety-like behavior in a model of neuropathic pain', 28 December 2018.

(2) Brugnatelli V, 'Irritable Bowel Syndrome: Manipulating the Endocannabinoid System as First-Line Treatment', 21 April 2020.

(3) Wu J, 'Cannabinoid Type 2 Receptor System Modulates Paclitaxel-Induced Microglial Dysregulation and Central Sensitization in Rats', 8 November 2018.

(4) Pini L.A, 'Nabilone for the treatment of medication overuse headache: results of a preliminary double-blind, active-controlled, randomized trial', 16 October 2012.

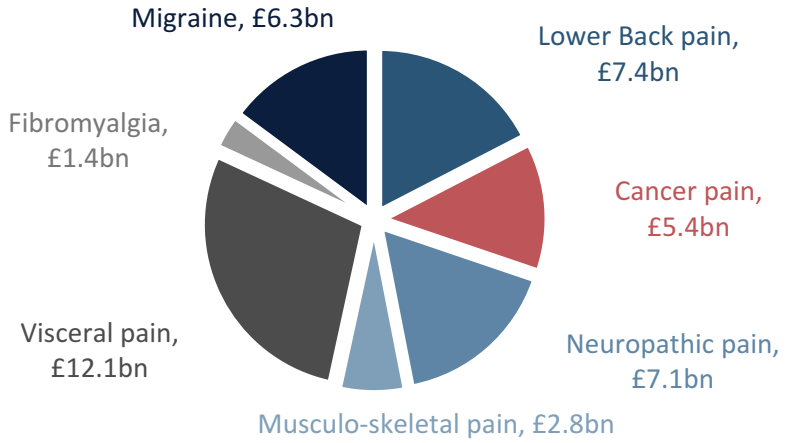
(5) Blake D.R, 'Preliminary assessment of the efficacy, tolerability and safety of a cannabis-based medicine (Sativex) in the treatment of pain caused by rheumatoid arthritis', 9 November 2005.

(6) *Abrams D.I, 'Cannabis in painful HIV-associated sensory neuropathy: a randomized placebo-controlled trial', 13 February 2007.*

(7) *Pinsger M, 'Benefits of an add-on treatment with the synthetic cannabinomimetic nabilone on patients with chronic pain—a randomized controlled trial', June 2006.*

(8) *Yassin M, 'Effect of adding medical cannabis to analgesic treatment in patients with low back pain related to fibromyalgia: an observational cross-over single centre study', 30 October 2018.*

OCT is targeting a cannabinoid pain market with a total addressable market estimated to be worth at least £42.5 billion[1] by commercialisation of the first drug produced by OCT, currently anticipated to be in 2027. The pie chart below sets out the different pain market segments by size:



Source: Company information.

Cannabinoids, in the form of medical cannabis, are already used to treat multiple forms of pain. However, this route (unlicensed medicines) is beset with problems relating to poor quality and inconsistent dosing. Furthermore, physicians remain reluctant to prescribe or recommend medical cannabis due to a lack of RCTs demonstrating safety and efficacy. Research to date shows that a better understanding of the interplay of various cannabinoids and their specificity for different pain conditions is essential to develop targeted pain medications that can effectively help patients.

OCT employs integrated drug discovery and a thorough process of testing and evaluation in order to understand cannabinoid function and, by working with cannabinoids through the traditional channels of drug development, intends to create drug candidates that are safe and effective, and, once approved, can also be prescribed by the medical community.

4.3. ***The Group's business model and strategy***

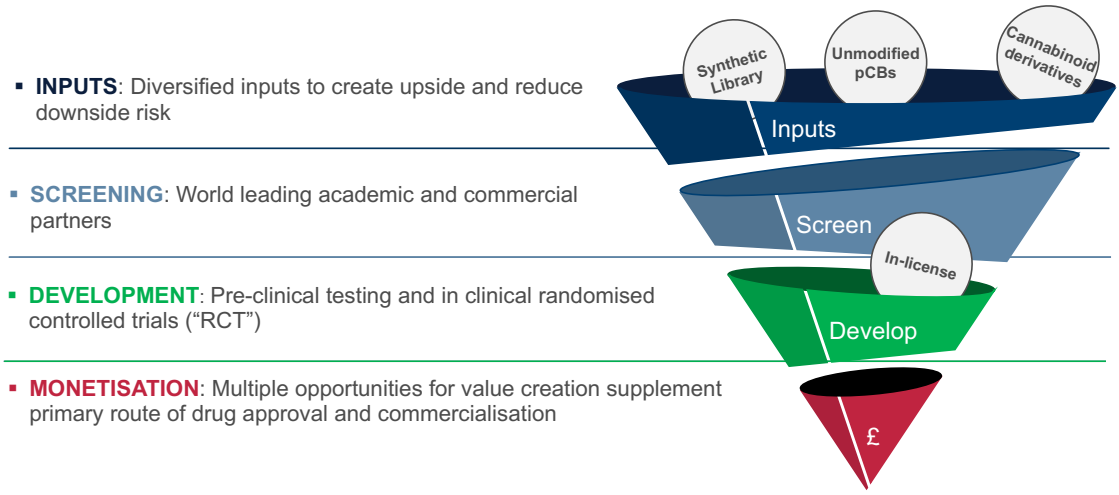
4.3.1. *Overview*

OCT has pursued a partnering model since it was established, employing a management team to manage external academic and commercial partners. This model emulates that employed by many pharmaceutical and biotech companies in their early stages of development. The model is continuously adapting, with new partners engaged across the value chain to drive further research and drug development activities.

(1) Figure(s) based on £/$ exchange rate as at 31 March 2021 of £1/$1.3785

4.3.2. *The Group's pharmaceutical model of drug development*

The diagram below illustrates the Group's pharmaceutical model of drug development:



Source: Company information.

(a) Balanced drug development strategy

OCT utilises three types of compounds for the development of its drug candidates. By utilising such compounds, the Group aims to create a drug portfolio that balances risk, value and time to market, whilst ensuring market exclusivity around all of its key activities:

1. unmodified pCBs: The Group is developing unmodified natural compounds derived from cannabis (pCBs) and other cannabis-based compounds, targeting orphan indications. An orphan drug strategy has been successfully utilised by many pharmaceutical and biotechnology companies, with estimates of over 6,000 rare indications and up to 30 million people affected in the US alone. Drug products approved for orphan indications enjoy seven years' market exclusivity in the US and 10 years' market exclusivity in the EU. This regulatory market exclusivity should allow the Group to develop natural compounds into effective drugs for rare diseases;

2. cannabinoid derivatives: Cannabinoid derivatives are pCBs that have been chemically modified through medicinal chemistry to improve physicochemical properties and drug-like characteristics. OCT owns a library of 93 cannabinoid derivatives. The library of compounds is screened by academic or commercial partners in disease model assays. The chemical modification of the cannabinoid creates a new compound with the potential for protection under composition of matter patents that the Directors believe can be used by the Group to target common indications in addition to rare diseases; and

3. synthetic cannabinoids (cannabinoid mimetics): Cannabinoid mimetics are compounds that target cannabinoid receptors, but are structurally distinct from pCBs. Advantages of cannabinoid mimetics include greatly increased potency and receptor selectivity over pCBs as well as other drug-like characteristics. The Group intends to capitalise on a collaboration with a top-tier CRO to access a large and diverse chemical library (circa 400,000 compounds) and initiate a development programme aiming to identify a novel cannabinoid mimetic drug candidate targeting the ECS via an undisclosed receptor. This target has the potential to deliver therapeutic intervention in several neuropathic disorders, and also in other neurological, immune-inflammatory and oncology conditions. The resulting drug candidate is expected to have a patentable structure which the Group intends to develop for both large market indications and orphan indications.

The Group may also in-licence any of the three types of compounds set out above. The Directors believe that in-licensing drug candidates that have passed one or more stages in development provides the Group with an opportunity to advance its drug pipeline more quickly. In-licensing can also be used to diversify a drug pipeline and to target both large

and orphan indications. The Group's lead candidate, OCT461201, is an in-licensed cannabinoid mimetic.

(b) Rationale for an orphan indication strategy

Due to the highly patentable nature of OCT's derivative compounds, the Directors believe that a wide range of pain-related indications can be targeted by the Group. However, by employing an orphan indication strategy, OCT can also utilise unmodified pCBs and other off-patent compounds to target a group of rare diseases that would not otherwise be approached, and where exclusivity can be obtained. The Directors believe that orphan indications provide the Group with a faster, less expensive path to commercialisation, and are defined by the FDA as rare disorders affecting less than 200,000 patients: with over 6,000 known indications, approximately five new indications are defined in medical literature each week. Regulatory exclusivity is granted to companies who develop drugs for these diseases. This market exclusivity allows natural unmodified pCBs to be developed as drug products. Clinical trials for orphan indications are generally smaller, faster and less expensive than trials using compounds targetting large indications and provide strong 'proof-of-concept' before expanding to larger indications. Developing pCBs also decreases safety risks given these compounds' long history of safe use. In addition, patient populations are more homogeneous in terms of causes of disease, enabling clinical trials with increased chances of success. Through its outsourced model, the Group intends to develop drug candidates for orphan indications through to marketing approval and commercialisation helping patients (who may be otherwise overlooked) benefit from a potentially life-changing new therapeutic approach.

(c) Development and route to market

Drug candidates selected for further development may originate from the Group's library or may be in-licensed, as was the case with OCT461201 which, as at the date of this Document, is in pre-clinical development. The Group also intends to introduce unmodified pCBs to its development pipeline as single molecules or in combination with each other.

Using its partnering model, the Group intends to develop drug products to approval and market them directly in (at least) the US, UK and EU. Such a strategy requires significant capital and carries risk but the Directors believe provides the highest potential return. The Directors also believe that there are a number of earlier monetisation options available to the Group as drug programmes progress through clinical development. These can be summarised as follows:

- develop to approval: the Group intends to continuously evaluate candidate drugs and, where considered economically advantageous and practicable, to develop candidate drugs, through engaging with appropriate commercial partners, to approval and commercialisation;
- out-licence/sale: including joint venture arrangements, co-development, licence or sale of the drug candidate; and
- corporate transactions: later stage programmes with clinical data will make the Group more attractive to large pharmaceutical companies. Such attractiveness should be enhanced as the Group's number of late-stage programmes increases.

The Directors believe that the potential value in such arrangements increases as the drug candidate progresses through development and clinical trials. In general, the value trajectory is non-linear and increases significantly from the completion of Phase 2 clinical trials. The Group also has the possibility to mitigate the cost of its core development programmes by out-licensing compounds showing efficacy in indications that fall outside the Group's central pain-focused strategy.

(d) Screening and testing

The screening and testing of potential drug candidates is carried out at the direction of the Group by commercial and academic partners. Whilst the Group's primary focus is in the area of pain, screening in other therapeutic areas maximises the long-term value of the library and other compounds. As such, compounds are screened across other indications

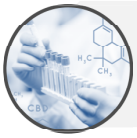
such as immunology, neurology and oncology. As detailed in the paragraph above, non-pain and large, costly indications will be out-licensed earlier in development or otherwise developed in partnerships or joint-ventures. The Group's value creation strategy for pain indications means that drug candidates will be either out-licensed/partnered at a late-stage value inflection point (*i.e.* after Phase 2 clinical trials) or developed through to marketing approval with maximum retention of upside value.

4.3.3. *Research and development, patents and licences*

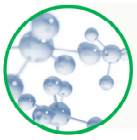
4.3.3.1. Drug development programmes

OCT has four drug development programmes in progress, which are described below. The Group's strategy aims to maximise Shareholder value by progressing multiple programmes across several value inflection points, minimising risk exposure through programme diversification. Using pCBs, cannabinoid derivatives generated through CROs and in-licensed compounds, the Company is developing prescription medicines for the total addressable pain market, which is estimated to be worth at least £42.5 billion[1] by commercialisation of the first drug produced by OCT, currently anticipated to be in 2027, across four drug development programmes.

1. OCT461201: In-licensed compound
- Pre-clinical development underway, initially targeting neuropathic and visceral pain
- Aim to begin Phase 1 in Q3 2022 and Phase 2 in Q2 2023
- Recent patent application filed; 20 years market exclusivity



2. pCBs CANDIDATE: natural cannabinoid combination
- Aim to begin Phase 1 in Q3 2022 and Phase 2 in Q2 2023
- Orphan drug designation reduces time/cost to market entry with market exclusivity
- 7 years market exclusivity in US and 10 years market exclusivity in EU



3. OCT LIBRARY: cannabinoid combinations
- Aim to begin pre-clinical in Q1 2022
- Diversified pCBs-derivatives library focusing on "drug-space"
- Expect to file patent or pursue orphan market exclusivity (7yr US/10yr EU)

4. Undisclosed Target: New target first-in-class candidate for pain
- Aim to progress to Lead Candidate by Q2 2022
- Initially targeting neuropathic pain market, with screening of c400k compounds through CRO
- Drug candidate will be owned by OCT and expect to file patent application

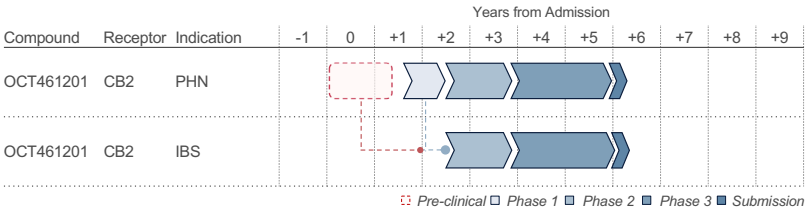
Source: Company information.

4.3.3.1.1. Drug development programme 1: OCT461201

OCT461201, the Group's lead compound, is a highly potent and selective CB2 agonist (3,980-fold over human CB1) and is being developed by OCT as a solid oral dosage form. The compound was in-licensed under an agreement entered into with Japanese pharmaceutical company AskAt in September 2019, creating a shorter development time to value inflection compared to drug candidates from the Group's cannabinoid derivative library. Through its agreements with external CROs, the Group is continuing the pre-clinical testing and development of OCT461201, which is anticipated by the Board to take up to 15 months from Admission. This will be followed by Phase 1 clinical trials. Under the terms of the licence agreement with AskAt, which is more fully described in paragraph 9.1.5 of Part VII of this Document, the Group has exclusive rights to the compound on a worldwide basis, excluding Japan.

[1] Figure(s) based on £/$ exchange rate as at 31 March 2021 of £1/$1.3785

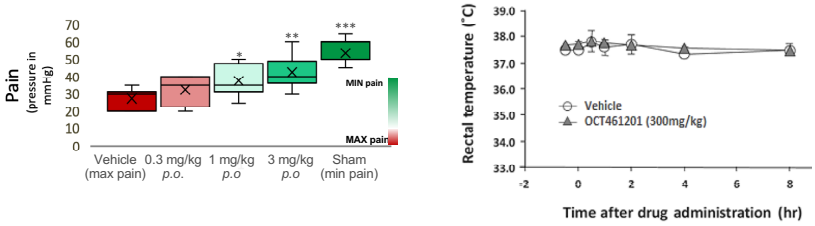
The chart below shows the indicative development timeframe for OCT461201:



Source: Company information.

Based on existing scientific data about CB2 selective agonists, the Group intends to progress OCT461201 through pre-clinical development, including further toxicology assessments, and into Phase 1 clinical trials for IBS and post herpetic neuralgia ("**PHN**") as primary indications and an undisclosed neuropathic pain condition as a secondary indication.

OCT461201 has a good *in vitro* safety profile, with negative results in terms of genotoxicity and cardiotoxic liabilities, as well as in a panel of potential off target liabilities. In addition to an encouraging *in vitro* safety profile in drug-to-drug interaction studies, the compound has demonstrated excellent *in vivo* pharmacokinetic characteristics in terms of maximum blood concentrations and half-life. The compound exhibited an analgesic effect at low doses (*e.g.* 1 mg/kg in a rat model of IBS) and typical CB1-related central nervous system side effects were not observed at a dose of 300 mg/kg in rats, potentially with a calculated therapeutic index of over 480-fold. This is highlighted in the charts below which demonstrate a reduction of pain in the IBS model (left) and a lack of drug related effects on body temperature at very high doses (right):



Source: Company information.

The ability to develop OCT461201 has been assessed by the Group through salt form selection and physicochemical characterisation. This increases the likelihood of being able to solve potential limitations in drug delivery thus increasing overall chances of success. A patent covering the compound is in force. A full pre-clinical *in vivo* translational, pharmacological and toxicological programme will enable transition to clinical trials, while confirming safety and efficacy in the Group's target indications.

The Group is aiming to enter clinical trials with OCT461201 in Q3 2022 and anticipates being ready to enter Phase 2 clinical trials in Q2 2023.

Through its partnering model the Group is currently developing a commercially viable method of synthesising the compound on a large-scale basis. It is anticipated by the Directors that the clinical drug development path will allow the Group to leverage the knowledge acquired by existing and newly generated efficacy, pharmacological and safety data to expand across multiple indications (beyond the three currently envisaged) and progress OCT461201 in parallel clinical

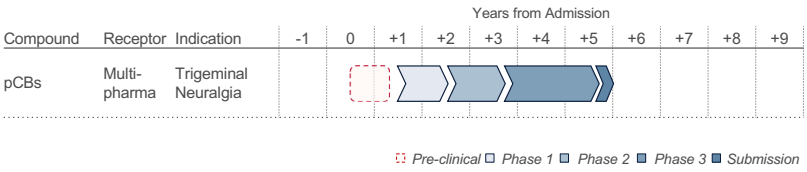
studies. The Group aims to expedite OCT461201 to smaller, faster and less expensive clinical trials focussing primarily on orphan diseases, particularly neuropathic pain conditions, while considering out-licensing for other indications (*e.g.* non-pain indications).

4.3.3.1.2. Drug development programme 2: pCB drug candidate

The Group aims to use unmodified pCBs for the effective, safe and non-addictive treatment of chronic and severe pain conditions, also with the benefit of achieving opioid use reduction. The Group intends to enter the market with licensed (prescription) pCB-based medicines that OCT has taken through clinical trials and are prescribed in a dose-consistent manner for better efficacy and more predictive therapeutic outcomes. The Group seeks to take advantage of the multi-pharmacology of combinations of pCBs for the treatment of severe pain orphan indications, with the selected primary indication being an undisclosed neuralgia.

The Group's pCB combination is intended to be delivered via inhalation, an alternative route of administration that will allow the Group to try to bypass issues highlighted by conventional routes (*e.g.* poor bioavailability and distribution of the compounds in the body due to high first-pass metabolism). The pCBs can be delivered into the lung with lower dosage and faster onset which is needed in indications where the pain is sudden and severe. This low-dosage administration should achieve therapeutic intervention while controlling side effects and managing the risks of addiction and abuse as well as the need for dose escalation.

The Group's goal is to enter clinical trial with the pCB candidate in Q3 2022, aiming to be Phase-2 ready in Q2 2023. The chart below sets out the indicative development timeline for the pCB drug candidate:



Source: Company information.

The Group intends to combine GMP-created pCBs that have been sourced with a drug master file in place. The efficacy and safety data packages required for each single component of the combination will be reduced by the knowledge accrued by existing pre-clinical and clinical data.

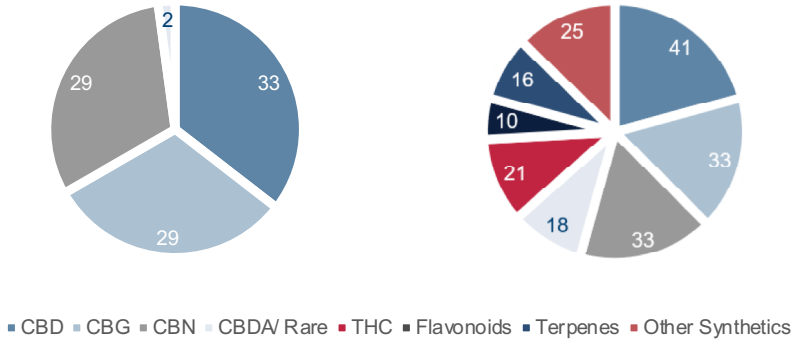
The Group's strategy aims to reduce times and costs of drug development by eliminating most of the CMC aspect, reducing the regulatory burden and accelerating the route to Phase 1 clinical trials.

Orphan drug programmes allow companies to develop drugs for rare diseases, using compounds that would not be protected under traditional pharmaceutical patents. The key advantage of orphan drug programmes is a shortened path to registration. The programmes grant regulatory exclusivity (and other incentives) to companies for a specific indication, in return for companies developing treatments for that indication. Market exclusivity is granted under 'orphan drug' status, the length of which is seven years in the US and ten years in the EU. The Directors believe that receiving orphan drug designation means that the Group will not need to make modifications to pCBs (or off patent compounds) before developing them as drug candidates. In general,

clinical trials for orphan indications also require fewer patients and have a shorter duration than non-orphan indications. The Group's comparators have also demonstrated successful therapeutic interventions and marketing strategies using this approach.

4.3.3.1.3. Drug development programme 3: Cannabinoid library drug candidate

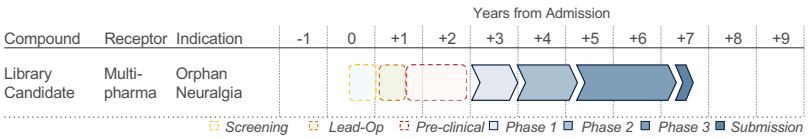
The Group holds a library of proprietary and unique cannabinoid derivatives which were developed exclusively for OCT by Oxford Antibiotics Group a drug discovery company with medicinal chemistry expertise based in Oxford and Tulln, Austria. Since 2018 the library has grown and, as at the date of this Document, comprises 93 cannabinoid derivative compounds. The medicinal chemistry strategy for this library was devised to confer advantages over pCBs including patentability and improved stability, metabolic half-life and bioavailability. The Directors believe that this strategy adds competitive advantage and value to the Group by increasing chemical and pharmacological diversity and reduces the risks associated with research and development processes by enabling subsequent patentability of compounds.



Source: Company information.

Preliminary data from a selection of the Group's derivatives suggests that this library contains compounds that are active in a pain model. OCT plans to acquire up to 100 high-grade manufactured pCBs and other ancillary molecules such as terpenes and flavonoids from commercial suppliers other than OAG. The Group plans to test these natural occurring molecules in combination with OCT's exclusive cannabinoid library, with the aim of evaluating the synergy between improved pharmacological properties of the library and the potential 'entourage effect' of unmodified molecules. Rounds of reiteration of computer-aided experiment design will be used to reduce the size and the length of the *in vitro* experimental screening, while maximising the chance of discovering synergisms in the tested combinations.

Preclinical development of a library of drug candidates is planned for 2023, with the aim of reaching the first clinical phase by the first quarter of 2024. The chart below sets out the indicative development timeline for a library candidate:

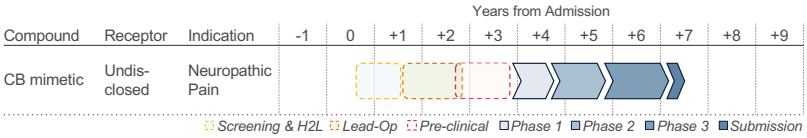


Source: Company information.

4.3.3.1.4. Drug development programme 4: Novel cannabinoid mimetic drug candidate

The Group is also planning to expand its pipeline by initiating a novel-target approach by partnering with a leading CRO. High-throughput screening ("**HTS**") of a diverse library of approximately 400,000 compounds will be performed. The Group intends to acquire full ownership over the selected compounds. The Directors believe that the programme should allow the Group to deliver a cannabinoid mimetic as a fourth candidate for the treatment of neuropathic pain and neurologic disorders by identifying a ligand for an undisclosed receptor target. HTS is one of the integrated steps of the validation, screening and pre-clinical development cascade chosen as part of a well-established process by which OCT anticipates delivering a cannabinoid mimetic into the clinic.

The indicative development timeline for the novel cannabinoid mimetic candidate is detailed below:



Source: Company information.

The target receptor was selected based on data showing a link with important pathophysiological processes. Existing research tool compounds have indicated that the pharmacology rationale behind this target has the potential to deliver therapeutic intervention in several pain disorders, as well as indications in neurology, immunology and oncology. Therefore, while the Group will initially focus on pain, aiming to identify a lead candidate by mid-2022, the target provides the Group with potential for opportunistic expansion into other therapeutic areas with unmet needs.

In addition, the availability of pharmacological probes will support the understanding of the mechanism of action of drug candidates, enabling a better understanding of structure/activity relationship ("**SAR**") and a more efficient and faster path to candidate selection.

4.3.3.2. Patents and licences

As the exclusive worldwide licensee (excluding Japan) of the patents related to OCT461201 (known formerly as AAT-730), the Group does not have any patent applications or registrations, as at the date of this Document, in its own name. However, as a pharmaceutical group, the Group has know-how, confidential information, trade secrets, compounds, compound structures, compound libraries and other proprietary material relating to the products being developed by the Group that are not yet, or cannot be, granted patent protection.

4.3.3.2.1 AskAt

OCT entered into an exclusive licence agreement in September 2019 with AskAt in respect of technology relating to a CB2 agonist called AAT-730. Pursuant to the terms of the licence agreement, AskAt granted OCT an exclusive licence under certain patents and know-how relating to AAT-730 to make, have made, use, offer for sale, sell, have sold and import any licensed products relating to AAT-730, for all human uses, worldwide (excluding Japan). OCT's exclusive licence from AskAt also includes exclusive rights to improvements, worldwide (excluding Japan), including patents arising from a salt screen. The salt screen patent also covers the composition of matter of the compound

OCT461201. Furthermore, AskAt has also granted OCT a non-exclusive licence to the rights reserved by AskAt in Japan for the purpose of doing business in the rest of the world.

OCT has an exclusive licence worldwide (except Japan) to all improvements created by AskAt to any products containing AAT-730 or any other selective CB2 agonist claimed in the licensed patents, including any improvements arising from the results of the studies for the salt screen of AAT-730. OCT granted AskAt corresponding licences in respect of improvements that OCT creates in respect of use by AskAt in Japan.

OCT has agreed to pay a royalty on payments received for the sale or transfer of licensed products in territories (excluding Japan) for a defined term. The agreement provides for annual sales royalties as well as a number of milestone payments to be made to AskAt.

OCT owns all intellectual property and know-how that OCT develops relating to any products containing AAT-730 including its improvements. AskAt owns its own improvements. The parties jointly own any jointly created improvements. Each party retains ownership of its own background intellectual property and OCT is granted a licence to such of AskAt's background intellectual property as is necessary to be able to exploit the AAT-730 products. Ownership of inventions and patents under the licence agreement will be determined in accordance with US laws of inventorship.

Further details of the licensing agreement with AskAt are set out in paragraph 9.1.5 of Part VII of this Document.

4.3.3.2.2 Oxford University

Certain intellectual property is being developed in collaboration with Oxford University. OCT will own the rights in inventions and results that are created by Oxford University through use of OCT's materials. If in the future, the Group requires the rights to practice and commercialise any Oxford University owned inventions or results or Oxford University's rights in jointly owned inventions, or if the Group needs access to Oxford University's background intellectual property to exploit OCT's owned inventions or results in the field of cannabinoid therapeutics (all highly unlikely), then OCT can exercise an option to negotiate a licence with Oxford University for those rights. In summary terms, OCT owns the rights in all inventions and results that are created by Oxford University through use of OCT's materials.

OCT grants Oxford University a worldwide, permanent, royalty-free, non-exclusive, non-sublicensable licence to use such of OCT's background IP, information and compounds or biological material provided to Oxford University, in order for Oxford University to perform the research projects and publish its results (subject to OCT's rights to redact any publication).

Oxford University will own all inventions and results it develops (excluding those that relate to OCT's IP or joint IP) and Oxford University University's pre-existing inventions and those arising from the project and relating to the Oxford University technology and severable from inventions derived from use of the materials provided by OCT. Oxford University grants OCT and its affiliates an automatic, permanent, royalty-free, non-exclusive licence to such Oxford University inventions and results for internal research purposes.

The parties cannot use jointly generated inventions and results (which do not comprise OCT's IP) and inventions and results that are a non-severable combination of OCT's IP and Oxford University's IP for commercial purposes without the written consent of the other party.

Further details of the agreement with Oxford University are set out in paragraph 9.1.2 of Part VII of this Document.

4.3.4. *Value Creation*

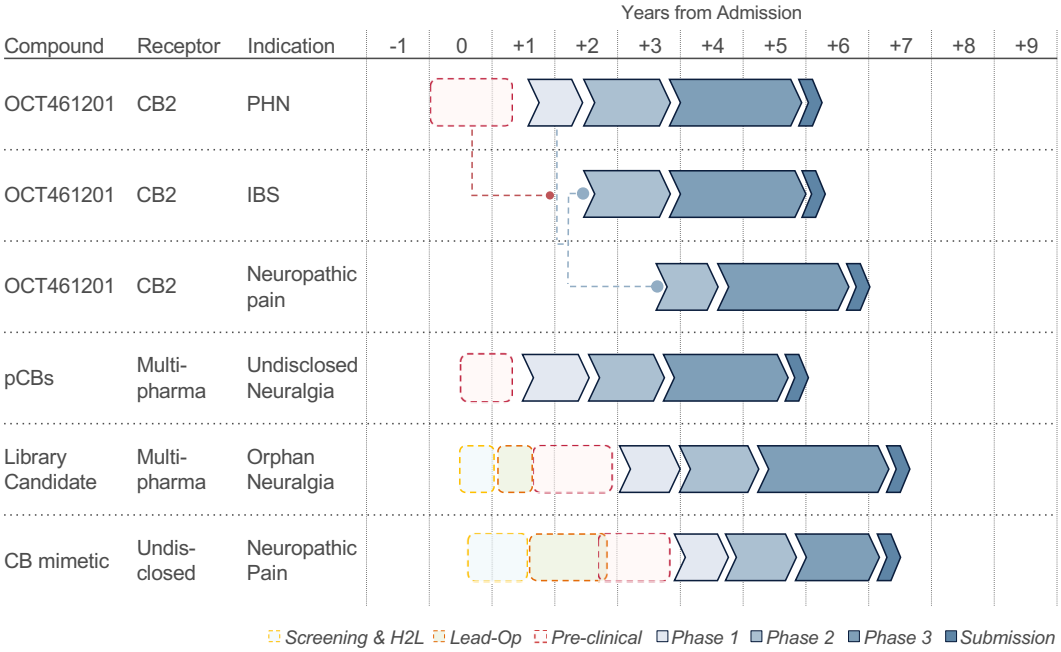
OCT's drug development strategy aims to maximise shareholder value by progressing multiple development programs across several value inflection points, minimising risk exposure through programme diversification.

It is the Group's intention that, within two years from Admission, lead compound OCT461201 will have passed Phase 1 clinical trials and reached Phase 2 readiness for its two primary pain indications: PHN and IBS. In order to achieve this goal, the Group will need to first complete its pre-clinical drug development programme and then implement clinical regulatory paths in accordance with the guidelines and advice of the relevant regulatory agencies (*e.g.* Medicines and Healthcare products Regulatory Agency ("**MHRA**") in the UK and FDA in the US).

Within two years from Admission, the Group also intends to conclude the pre-clinical development and Phase 1 clinical trials for its pCB drug candidate combination, reaching two additional milestones and value inflection points. To achieve this objective, OCT intends to contract with commercial organisations to procure active pharmaceutical ingredients and design or licence a medical inhalation device that meets regulatory guidelines. Discussions with third parties on both fronts have been ongoing for the last 12 months and a number of commercial partners have been identified.

In this same period, OCT aims to progress a novel cannabinoid mimetic drug candidate from its library of proprietary cannabinoid derivatives from discovery to completion of pre-clinical development, positioning the candidate for entry into clinical trials. OCT has identified and will implement an integrated drug discovery programme conducted by a CRO with a successful record of reaching clinical stages with drug candidates.

Given that OCT has a number of drug development programmes under development, the Directors believe that the longevity of the Company is not dependent on the successful development of any one compound, with risk diversified across four current drug development programmes and multiple indications. Should any programme encounter delays or not succeed in meeting regulatory safety standards, the Directors believe that the Group is well positioned to divert efforts and funds into the remainder of the supporting pipeline.



Source: Company information.

4.3.5. *Partners and third-party relationships*

OCT has worked with and continues to work with a range of partners in both the private sector and academic fields. Academic collaborators are selected based on their specific therapeutic area of expertise, the potential of their intramural collaborative network and their technological resources. With their complementary and interlinked research projects on the different aspects of pain (*e.g.* in neurology, immunology and oncology), the Directors believe that these collaborations not only deliver short term value in screening cannabinoid derivatives but provide novel mechanistic insights that enable indication prioritisation and research innovation, thus strengthening the Group's intellectual property landscape.

In addition to a network of well-regarded organisations with expertise in cannabinoid drug development, the Group intends to expand its global network of leading research partners to drive long-term value. Given the importance of chemistry, manufacturing and controls ("**CMC**") in the overall drug development programme, the Group has also identified and entered into agreements with organisations to support its manufacturing and development processes.

Intellectual property for a specific molecule is acquired after screening has been conducted by the screening partner, *i.e.* when there is clear value to the compound. The supporting data for the intellectual property is then generated by the partner and automatically assigned to the Group. In order to protect its intellectual property the Group does not disclose either the compound or the molecular structure to its partners, unless dictated by a drug development prerequisite.

(a) ApconiX Limited

The Group has recently entered into an agreement to collaborate with ApconiX in order to utilise their expertise in non-clinical safety toxicology and drug metabolism and pharmacokinetics ("**DMPK**"). ApconiX has become part of a European centre of excellence for pre-clinical cardiovascular safety evaluation. The Group intends to use the expertise of ApconiX to understand and reduce safety risks in the Group's pre-clinical programmes (in particular OCT461201) including drug toxicology, target safety assessment and due diligence, as well as to gather a better understanding of drug metabolism, availability and kinetics. This will inform decisions regarding dose prediction and dose optimisation.

(b) AskAt

AskAt is a bio-pharmaceutical venture company based in Nagoya, Japan. AskAt's founders launched the start-up as a spin-out from RaQualia Pharma Inc. in 2013. AskAt's research and development and business professionals bring several decades of experience having worked for leading, global pharmaceutical companies.

AskAt's compounds under development are primarily targeted at cancer, pain, dementia and autoimmune diseases. AskAt has built on a deep range of exploratory research first conducted by their scientists and colleagues together at Pfizer Nagoya Laboratories, where OCT461201 originated. OCT licensed OCT461201 under a licence agreement with AskAt in September 2019. OCT has exclusive worldwide rights to the compound, with the exception of Japan.

(c) Cerebro CMC Limited

Cerebro is a consultancy firm with expertise in the development of production processes and analytical methods. Cerebro is working alongside the Group to select and manage OCT's outsourced activities up to and including Phase 3 clinical trials, including important packages such as CMC health checks, quality assurance, due diligence, audits and regulatory submissions. Cerebro is providing advice to OCT on technical aspects of manufacturing, as well as on quality assurance of non-GMP and GMP product. Cerebro CMC Limited is also providing regulatory technical authoring for CMC of the investigational medicinal product and advising on activities involving external contracted research and manufacturing activities.

(d) Oxford Antibiotic Group

Founded in 2017, with offices in Oxford and Tulln, Austria, OAG is a biopharmaceutical development company dedicated to the discovery and development of bioactive compounds. OAG was founded by Dr. Alexander Pretsch, a leading expert in medicinal chemistry and compound optimisation with over 20 years' biotechnology experience, and Professor Mark Maloney, a professor at Oxford University for more than 30 years, whose expertise includes natural products and materials chemistry.

OCT's initial library of proprietary compounds was generated under a contract agreement with OAG, utilising the medicinal chemistry expertise found within the company. All the intellectual property generated under the agreement is owned by the Group. The activities concerning the work package covered by the agreement between OAG and OCT completed in January 2020.

(e) Oxford University

Oxford University is ranked as a leading global academic institution and is the Group's original lead research partner. The partnership was established as a part of the long-term foundation of OCT by KCP which continues for the benefit of the Group.

OCT has secured exclusive collaboration in the cannabinoid fields with key academic researchers. All the intellectual property generated under the agreement is owned by the Group. Well-established collaborations with specialists in the fields of migraine and neuralgia have already provided interesting findings, with additional extensions to these projects now under discussion. While highlighting the potential function of cannabinoids in the activity of the cells of the nervous system in the context of neuronal pain, research has shown that cannabinoids can affect cancer cell growth, as well as the effector function of the cells of the immune system, in the pathology of cancer pain.

The agreement in place between OCT and Oxford University is an agreement for the performance of research projects by Oxford University in return for funding by OCT. The initial term of the agreement, which acts as an umbrella agreement under which discreet projects are agreed, expires on 1 December 2021. The agreement may be renewed if deemed commercially necessary by the Group, and on agreement by both parties. Oxford University has, however, stated that it will not enter into any other projects with the Group until such time as the shareholding of Imperial Brands (or any other tobacco industry

company) in the Company falls below 10 per cent. of the issued share capital given its connection to the tobacco industry. On Admission Imperial Brands will hold 10.87 per cent. of the Enlarged Share Capital and 9.02 per cent. of the fully diluted share capital as it would be immediately following Admission assuming all Warrants and Options are exercised and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares resulting from the exercise of the Warrants and the Options. The Group is unable to control the trading in Ordinary Shares by Imperial Brands or indeed any other tobacco industry company which means that Imperial Brands and any other tobacco industry company may freely increase or decrease holdings in Ordinary Shares over time. Oxford University remains engaged on two projects which are due to complete by 31 March 2022 (and no extension to the umbrella agreement is required), but unless Imperial Brands reduces its shareholding in the Company to below 10 per cent. of the Company's issued share capital, the Group may have limited optionality to pursue research with academic institutions, or other groups, with similar restrictions. The Directors are confident that they would be able to source suitable research partners elsewhere, if this is required.

As mentioned above, Oxford University is engaged on the following two projects which are due to complete by 31 March 2022:

1. the first project, in the general area of cannabinoid molecular networks and signalling in pain has been initiated to identify the cannabinoid 'fingerprint' in human cells relevant for pain. The testing of different OCT derivatives and natural cannabinoids on these cells and analysing the effect on gene expression will enable the identification of a cannabinoid fingerprinting to be compared with gene expression patterns in chronic pain models. The recognition of gene networks that are important for analgesic efficacy may inform mechanistical approaches to evaluate the therapeutic potential of novel, natural or synthetic cannabinoids and identify candidate biomarkers; and
2. the second project, in the general area of cannabinoids in musculoskeletal disease and pain, has been initiated to understand the double role of cannabinoids in influencing both cancer cell growth and migration and the consequent pain within the musculoskeletal system, with the potential of combating disease development and spread, while relieving cancer-induced bone pain.

OCT's partnership with Oxford University also has the potential to expedite clinical trials by allowing quicker access to pain clinic patients and those enrolled in the existing research programmes at the university hospitals.

(f) Roehampton Corporate Initiatives Ltd

OCT has a research agreement with Roehampton Corporate Initiatives Ltd which expired in September 2020 but remains ongoing due, in part, to delays caused by the global Coronavirus pandemic. OCT has confirmed that it intends to enter into discussions with RCIL following Admission, with a view either to terminating this agreement, or to continuing the research.

The ongoing project assesses the effects of the Group's cannabinoid derivatives in the regulation of the cells of the immune system. Results from this research will be available on completion of the project.

(g) Symeres (formerly MercachemSyncom)

Symeres is a mid-sized European CRO which is supporting the Group's manufacturing and development process for OCT461201. The Group is collaborating with Symeres to identify a medicinal chemistry development process from tech-transfer to scale-up, aiming to establish a developmental path that is scalable and can be transferred to other research and manufacturing partners as needed. The purpose of the project is also to identify a robust manufacturing process that can guarantee the transition from non-GMP to GMP production, while maintaining the requirements of the regulatory authorities in terms of purity, stability and contaminant thresholds. The collaboration is structured in discreet

project packages that allows the Group to optimise flexibility and trackability. To date, Symeres has produced an initial batch of OCT461201 and made improvements to the synthesis process steps which facilitate purification and crystallisation of OCT461201 in preparation for large-scale manufacturing.

As and when the Group requires further advice and guidance in this area of operation the Group will look to engage with a relevant firm such as Symeres.

(h) Voisin Consulting SARL (trading as Voisin Consulting Life Sciences)

In order to optimise the route to first time in human ("**FTiH**") the Group has partnered with Voisin Consulting Life Science, a consulting team with more than 200 professionals in the UK, Europe, US and India, with expertise in medical devices, cannabinoids, neurological disorders and addiction. Voisin Consulting Life Science has significant experience in the regulatory obligations requested at all stages of drug and device development through regulatory pathways on effective strategies and operations covering the full range of activities. Regulatory aspects in drug discovery are not only necessary to safeguard patients, but also an important component of the scientific strategic plan to generate exhaustive safety, efficacy, quality and compliance packages. The Directors believe that the relationship will help the Group define a regulatory strategy and roadmap for both the EU and the US needed to drive tangible results in-line with the Group's objectives.

Further details of the agreements with AskAt, Oxford University, Roehamption Corporate Initiatives Ltd and OAG are set out in paragraph 9.1.5, 9.1.2, 9.1.4 and 9.1.3 respectively of Part VII of this Document.

4.3.6. *OCT laboratory*

The Group's current plans are to continue conducting its research activities through academic and commercial partners. However, the Group may consider opening a UK based laboratory at some point in the future as part of the expansion of its portfolio and operational activities. OCT would require additional funds to open this lab which the Group would raise if deemed appropriate. If opened, it is intended that the laboratory would facilitate the Groups' discovery engine plan, where an internal research programme will complement, support and coordinate the global research activities of cannabinoid drug discovery and the progress of further clinical trials.

4.4. ***Competition***

In most cases, the Directors believe that cannabinoid-based companies are medical cannabis companies and use a different approach to the Group, focusing predominantly on the manufacturing and marketing of unlicensed medical products that do not undergo the drug development and approval process, cannot make any claims to treat or prevent any disease or condition, are unlikely to be prescribed and are not reimbursed.

The Directors believe that there are a small number of pharmaceutical comparators with cannabinoid medicinal products in development and one with marketed products. Furthermore, the Directors believe that direct competition to the Group comes from these companies as well as larger pharmaceutical companies with single programmes targeting the ECS.

4.4.1. *Medical cannabis organisations (producers of unlicensed medicines)*

The sector of the industry occupied by the Group is, in the Directors' opinion, distinct and separate from the vast majority of medical cannabis firms. OCT operates in the licensed medicines market (usually referred to as prescription medicines, where patients receive drug products upon receiving a prescription from a physician). Medical cannabis firms operate in the unlicensed medicines market. Aside from the increased confidence licensed medicines receive amongst the medical community, there are other important distinctions worth noting these confer several advantages to the Group when compared to medical cannabis firms:

- medical cannabis cannot be marketed for the prevention or treatment of any disease or condition. Licensed medicines, on the other hand, are approved for specific indications and can be marketed accordingly;
- in the US physicians can only prescribe medicines that are licensed by the FDA and cannot prescribe medical cannabis. Legalisation of cannabis in the US would have no impact on this. The FDA requires identical standards from all licensed prescription medicines;
- being unlicensed, there is no assurance that a patient purchasing medical cannabis is receiving the same product each time in a quality and dose consistent manner;
- only natural pCBs can be used as medical cannabis. Licensed medicines can use improved versions of cannabinoids, altered using medicinal chemistry and other processes, to create cannabinoid derivatives or cannabinoid mimetics with improved efficacy;
- medical cannabis products are all generic by nature. Natural compounds generally cannot be patent protected. Licensed medicines with new chemical structures can be patent protected;
- the FDA / EMA grants market exclusivity when new medicines are approved. This includes pCBs approved as a licensed medicine, but not unlicensed medical cannabis; and
- patients pay out of pocket for medical cannabis. Insurance companies (and the National Health Service) will only reimburse for licensed medicines.

4.4.2. *Pharmaceutical and biotechnology firms*

Cannabinoid research is a growing area of interest within the pharmaceutical industry and the Group will compete with multinational pharmaceutical as well as specialised pharmaceutical companies. Despite the approach targeting the ECS, competitor companies are not focusing on the Group's target indications, although THC and THC derivative drug products are sometimes prescribed off-label for pain. Currently, there are four main approved drugs containing cannabinoids:

(1) an oral solution of CBD (extracted from plants) prescribed for forms of child epilepsy, mainly Dravet's Syndrome and Lennox Gastaut Syndrome;

(2) an oromucosal spray containing THC and CBD approved for the treatment of spasticity due to multiple sclerosis;

(3) an oral dosage form of THC for chemotherapy-induced nausea and vomiting; and

(4) a derivative of THC, also prescribed for chemotherapy-induced nausea and vomiting.

Another competitor is developing a synthetic derivative of THC for fibrotic disorders.

The Directors believe that competitive therapeutic treatments may arise from some small molecule drug discovery approaches not involving ECS targeted medicines, but targeting diseases shared with indications in the Group's portfolio, particularly in the pain therapeutic area. Such competition may include products that have already been approved and accepted by private or public health providers, often as an off-label prescription, but also new products under development or which are about to enter the market. The Group's strategy of addressing indications where there is a significant unmet medical need, particularly disorders with orphan designation, should help to mitigate such risk.

The Group will continuously progress and renew its drug development pipeline with new candidates and target indications, also shortening the time to marketing approval and commercialisation by in-licensing. In this fashion, the Group will diversify risk exposure across different indications through taking a number of drug candidates into clinical trials and will explore opportunistic partnerships with pharmaceutical companies relating to research and monetisation, creating downside protection for the Group.

5. Regulation and licences

5.1. *Cannabis as a controlled drug*

Cannabis is a Class B controlled drug under Part II, Schedule 2, of the Misuse of Drugs Act 1971 ("**MDA**"). It is a Schedule 1 controlled drug under the Misuse of Drugs Regulations 2001 ("**MDRs**") and designated under the Misuse of Drugs (Designation) (England, Wales and Scotland) Order 2015. As a Class B controlled drug, it is an offence under the MDA to possess, supply, cultivate, produce, import, or export cannabis, except under a Home Office licence.

Section 7(1)(b) of the MDA provides that the Secretary of State may. by regulation, make it lawful to do things which would otherwise be unlawful under the MDA.

Regulation 5 of the MDRs provides that where any person is authorised by a licence issued by the Secretary of State to produce, supply, offer to supply or have in his possession any controlled drug, it shall not by virtue of section 4(1) or 5(1) of the MDA be unlawful for that person to carry out any of those activities, provided that they are done in accordance with the terms of the licence and any conditions attached to it.

All controlled drugs are listed in Schedules 1-5 of the MDRs. These span from those listed under Schedule 1, which by definition have little or no therapeutic value and are subject to the tightest controls, to those listed under Schedule 5, which can be obtained without prescription. As Schedule 1 controlled drugs, a Home Office issued licence may only be issued authorising the actions permitted under regulations 5 and 12 in relation to cannabis, cannabis resin and cannabinol and its derivatives, for 'research or other special purpose'. This does not include Cannabis-based Products for Medicinal Use, which fall under Schedule 2, and although still subject to tight controls, may be prescribed in certain circumstances.

Section 18(2) of the MDA provides that it is an offence for a person to contravene a condition or other term of a licence issued under section 3 of the MDA or of a licence or other authority issued under regulations made under the MDA.

In relation to its domestic activities, namely the supply of compounds containing controlled cannabinoids, OCT operates under a Schedule 1 controlled drug licence, issued by the Home Office under regulation 5 of the MDRs, for research purposes.

A Schedule 1 controlled drug licence can only be granted for 12 months and is therefore renewable on an annual basis. The Home Office licence under which OCT operates is due to expire on 25 June 2021, however, OCT has received confirmation of renewal for a further 12 months from the date of expiry. Time limited importation licences (which are valid for three months from issue) are applied for from the Home Office as and when required to facilitate the importation of compounds to the UK from OCT's partners abroad. This is an administrative process which all licence holders must abide by and is required in order that the Home Office has a contemporaneous record of the compounds imported to the UK by a licensee in addition to the details provided in a licensee's annual return. Provided that the compounds listed on the import licence align with a licensee's possession and supply licence there is no mechanism for an import licence to be refused. To date, the Home Office has granted every import licence request made by OCT, facilitating transportation of its proprietary compounds to its research partners in the UK.

OCT, like any licence-holder requires an import licence from the Home Office whenever it seeks to import compounds requiring such a licence into the UK. To date, OCT's imports have all come from Austria. The Directors do not envisage imports from other countries will be required in the foreseeable future.

5.2. *The Proceeds of Crime Act 2002*

The Proceeds of Crime Act 2002 ("**POCA**") creates several offences arising from an individual's or corporate entity's dealing with criminal property which represents the proceeds of criminal conduct, including the offence of acquisition, use or possession of criminal property under section 329(1).

Section 340(2) provides that 'criminal conduct' is conduct which:

(a) constitutes an offence in any part of the United Kingdom; or

(b) would constitute an offence in any part of the United Kingdom if it occurred there.

Section 340(3) provides that property is 'criminal property' if:

(a) it constitutes a person's benefit from criminal conduct or it represents such a benefit (in whole or part and whether directly or indirectly); and

(b) the alleged offender knows or suspects that it constitutes or represents such a benefit.

Position of the Financial Conduct Authority

On 18 September 2020, the FCA published a statement on the listing of cannabis-related business. The statement was made in response to queries from cannabis-related companies interested in listing in the UK, prompting the FCA to set out its approach to assessing these applications. This is pending a guidance consultation which the FCA has announced will follow in due course.

The statement is made against the backdrop of the rescheduling of cannabis-based products for medical use, further to The Misuse of Drugs (amendments) (Cannabis and Licence Fees) (England, Wales and Scotland) Regulations 2018.

The FCA statement states that it considers that there remains a risk that the proceeds from overseas medicinal cannabis business may constitute 'criminal property' for the purpose of the POCA. This includes where the company possesses a licence issued by an overseas medicines or pharmaceuticals licensing authority.

In relation to 'UK-based companies', however, the statement confirms that UK-based medicinal cannabis companies can be admitted to the Official List if the company has the appropriate Home Office licences for their activities where they are required.

As OCT is UK-based and operates under the appropriate Home Office licences, OCT falls into this category of business. Consequently, OCT's business activities in the UK (as set out in this Document) do not amount to 'criminal conduct', or the proceeds of any such business activities amounting to the proceeds of crime.

Given that all operating activities are conducted by OCT, as a holding company, the Company is not required to hold a Home Office licence in addition to that held by OCT.

Therefore, the FCA statement does not impact on the Group's operations within the UK based on the law as it currently stands.

Law and regulation in the Group's areas of operation (including in the countries form which it imports cannabinoid derivatives or plans to sell any developed drugs) is subject to change and therefore the Group needs to continue to ensure that all of OCT's compounds meet the threshold for being controlled substances, or whether the 'exempt product' provisions under regulations 2, 4 and 25 of the MDRs may apply. In order to achieve this the Group monitors laws and regulations in its areas of operation and, where appropriate, seeks advice from legal and regulatory experts in the field.

6. Further information

Before making a decision to invest in the Company, you should read the whole of this Document which provides additional information on the Company and OCT and not rely on summaries or individual parts only.

Your attention is drawn, in particular, to the Risk Factors set out in the section entitled 'Risk Factors' of this Document and the Additional Information set out in Part VII of this Document.

PART II

DIRECTORS, SENIOR MANAGER AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises eight Directors of which four are Non-Executive and four are Executive. Of the Non-Executives, two are considered to be independent. The Directors collectively have extensive experience and a proven track record in the areas of pharmaceuticals, biotechnology, corporate finance and business growth and development and are well-placed to implement the Company's business objectives and strategy. The Company will be reliant on the Board along with the Senior Manager to deliver the Company's business strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed, and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

Neil Mahapatra (Executive Chairman), age 41 (devoting 33 per cent. of his working time to the Company)

Neil Mahapatra is a Co-founder of OCT and serves as Executive Chairman of the Company, having conceptualised the business and directly hired the other Executive Directors. Neil has nearly two decades of experience in business and the investment industry. He began his career in investment banking at Morgan Stanley International plc, in healthcare corporate finance and UK equity capital markets before becoming a private equity executive at J. Rothschild Capital Management Limited, where he led private investments for the family office of Lord Rothschild and RIT Capital Partners plc.

In 2013, Neil founded London-based multi-family private investment firm Kingsley Capital Partners LLP, where he is Managing Partner. Neil currently is a non-executive director for a number of companies, including telecoms businesses Atlas Tower Group Limited and Spring Fibre Limited, and consumer businesses McQueens Flowers Limited and Equinox International Holdings Limited. When at J. Rothschild Capital Management Limited, Neil was a non-executive director of UK data centre company Infinity SDC Limited and a UK subsidiary of African telecom towers firm Helios Towers Plc, now listed on the Official List.

Neil is a known and respected leader in the European cannabis industry. Through KCP, Neil sponsored and launched the *End our Pain* campaign, a prominent campaign that was instrumental in effecting the UK government reforms to medical cannabis legislation in 2018. Outside of business, Neil serves as Chair of the board of a leading global architecture and design non-profit firm, the MASS Design Group, where he also sits on the finance and governance committees. Neil is also a trustee of the Oxford Union Literary and Debating Trust.

Neil holds a BA in Biological Sciences from the University of Oxford, where he was President of the Oxford Union, and an MBA from the Harvard Business School, where he was a Fulbright Scholar. Before starting his undergraduate degree at the University of Oxford, Neil spent a year performing genetic research at Cold Spring Harbor Laboratory, New York, where he was chosen by Professor James D Watson, Nobel Laureate for elucidating the structure of DNA.

Dr. John Lucas (Chief Executive Officer), age 54

Dr. John Lucas brings over 20 years of experience in the pharmaceutical industry. John joined the Group in May 2018. He took on the role of Chief Commercial Officer in August 2018, becoming Chief Executive Officer in January 2021.

John began his career in biopharma at Genset S.A. (Paris) and Genset Corporation (San Diego, California) where he served as Vice President, Worldwide Intellectual Property. He also held the position of Vice President, Intellectual Property at Transform Pharmaceuticals Inc. of Lexington Massachusetts, a company specialising in small molecule drug form and formulation and at Metabasis Therapeutics Inc., a biopharmaceutical company in California.

John moved to the United Kingdom at the end of 2007 as General Counsel and Vice President of Intellectual Property at Silence Therapeutics plc where he was responsible for a wide range of legal and business matters and played a key role in the corporate transaction with Intradigm Corporation.

After the merger, John became Chief Executive Officer of Cizzle Biotechnology Limited, a company developing diagnostic tests for the detection of lung cancer. Other roles include: Head of Patents, Biosimilars, at Boehringer Ingelheim Pharma GmbH & Co. KG, Head of New Product Development at Venture Life Group plc, and Vice President, Intellectual Property at Ilika plc.

John holds a law degree (JD) from George Washington University and a PhD in molecular genetics from The Ohio State University. He also holds a Master's in microbiology and a Bachelor of Education from Ohio University. In addition to his graduate studies, other experience includes a post-doctoral fellowship in cancer research at the National Cancer Institute, National Institutes of Health in Bethesda, Maryland and working as a patent examiner with the United States Patent and Trademark Office.

Clarissa Sowemimo-Coker (Chief Operating Officer and General Counsel), age 40

Clarissa Sowemimo-Coker has worked for many years as a solicitor and commercial consultant to companies in the retail, telecoms, and pharmaceutical sectors. Following an early career with Penningtons Manches Cooper LLP in London, where she spent time seconded to a range of clients including London Underground Limited and All Saints Retail Limited, she held posts as senior in-house counsel in established corporations including Hutchison 3G UK Limited (Three) and Virgin Media Limited, a subsidiary of Liberty Global plc.

Clarissa joined the Group's executive team in December 2018 as General Counsel and Company Secretary, with ultimate responsibility for all legal aspects of the business as well as compliance and regulation, diversity and inclusion, people, culture and communications. On 4 February 2021 she became Chief Operating Officer, and is now also responsible for the operational side of the Group in addition to inputting on the Company's strategic goals. Clarissa is a qualified solicitor in England and Wales and is a student member of ICSA, The Chartered Governance Institute where she is studying for an advanced certificate in corporate governance.

Clarissa is also a management coach and regularly delivers compliance training and management coaching to blue chip clients including Google LLC, Biogen Inc. and McDonald's Corporation across the EMEA and APAC regions.

Clarissa holds a BA in philosophy and literature from Warwick University and PGDL and LPC from BBP Law School in London. After completing her undergraduate degree, Clarissa spent two years working as a project manager in the residential construction industry before retraining as a solicitor. She was selected as a 2021 mentor by Legal Geek, which connects mentors and mentees across the legal industry, with a particular focus on supporting underrepresented groups. She is also an elected member of the Parochial Church Council of St John the Evangelist, Notting Hill.

Karen Lowe (Finance Director), age 51 (devoting 20 per cent. of her working time to the Company)

Karen Lowe started her career in accountancy, qualifying as a chartered accountant with KPMG before moving into industry. Karen has over 25 years' experience in both the private and public sector, advising organisations on operational controls and financial risk management. She has worked internationally for the majority of her career at firms including Johnson & Johnson and DHL International GmbH. Whilst at Mazars LLP, she was the outsourced Head of Internal Audit for several listed companies as well as providing advisory services on risk management.

Karen is an Accredited Counter Fraud Specialist and has been a member of the Association of Certified Fraud Examiners for the last 20 years. In 2000, Karen re-joined KPMG in the forensic accounting division, specialising in fraud risk management and investigation for UK and global firms. For the past six years, she has been at International Personal Finance PLC where she was responsible for the global risk management of financial crime, information security, safety and business continuity.

Karen sits on the board of a housing development company, and also on the audit committee of a north west housing association. She runs her own risk management consultancy firm and is training to become an executive coach.

Karen holds a BA in European Finance and Accounting from Leeds Beckett University, and a similar German qualification from the Hochschule Bremen in north Germany.

Gavin Sathianathan (Non-Executive Director), age 43

Gavin Sathianathan is Co-founder of OCT and Non-Executive Director. Mr Sathianathan is widely recognised as a leader in the European cannabis industry. He began his career in management consulting at Bain & Company Holdings Limited, spending four years in London before moving to Delhi as part of the founding team of Bain's India operation. Gavin then pursued a career in the technology industry, where he was part of the early team at Facebook UK Ltd, driving adoption of the Facebook platform with the start-up ecosystem and building the Facebook profit and loss through relationships with some of the largest advertisers in the world. Gavin has also held senior executive roles at Endemol Shine Group Limited where he was Director of Business Development and Tesco Plc, where he was a managing director focused on data and digital media.

In 2018, Mr Sathianathan founded Alta Flora Ltd, a digital health platform focused on novel therapeutics including medical cannabis where he is currently the CEO. The company has developed a series of digital tools to capture data on the consumption of medicines and the resulting changes in symptomatology. Mr Sathianathan has been an advisor to the All-Party Parliamentary Group on Medical Cannabis; regularly works with institutional investors on the evolution of the cannabis market and is an adviser to multiple FTSE 100 consumer packaged goods companies. Mr Sathianathan is also a co-founder and non-executive director of Product Earth Expo UK Ltd, a sustainability focused hemp brand.

Mr Sathianathan holds a MEng in Chemical Engineering from Imperial College and an MBA from Harvard Business School where he was a Sainsbury Management Fellow.

Bishrut Mukherjee (Non-Executive Director), age 33

Bishrut Mukherjee is a Corporate Development Manager at Imperial Brands plc. Bishrut has a wide range of experience within operational delivery, mergers and acquisitions and investment analysis, principally across regulated industries including those of manufacturing, energy and fast-moving consumer goods.

Prior to joining Imperial Brands plc, Bishrut was a portfolio manager at VAR Capital Limited, a multi-family office with over £500 million of assets under management. Bishrut trained as a chartered engineer at BP Plc including holding multiple operational delivery roles across BP's global assets.

Bishrut holds a Master's in Chemical Engineering from Imperial College London, where he was awarded a BP scholarship and an MBA from the London Business School, where he was the recipient of a scholarship funded by the Gatsby Foundation.

Cheryl Dhillon (Non-Executive Director), age 62

Cheryl Dhillon is a senior executive with extensive experience in a variety of sectors and demonstrable achievements in business strategy and profit and loss account optimisation in start-up, growth phase and major transformations. The last 29 years have been focused on pharmaceuticals in companies including Ares Serono Group, Elan Corporation Plc, Lorantis Ltd and a tenure of over 15 years with Otsuka Pharmaceutical Europe Ltd; part of the Otsuka family of companies.

Through her long career Cheryl has proven expertise in finance, procurement, IT, supply chain, quality, business development, corporate governance and alliance management; using these varied skills to maximise business value.

Cheryl has a keen interest in the development of people and to this end has trained as an executive coach with the University of Strathclyde. Cheryl is a fellow of the Association of Chartered Certified Accountants and holds an MBA from the University of Hertfordshire.

Julie Pomeroy (Non-Executive Director), age 65

Julie Pomeroy is an experienced finance director of quoted and private companies. Julie graduated with an honours degree in physics from Birmingham University and is a Chartered Accountant and Chartered Director. She also holds tax and treasury qualifications.

Julie currently works for Dillistone Group Plc, an AIM quoted software business, as group finance director and company secretary where she has been since 2010. She was finance director of AIM quoted Biofutures International plc until July 2010 having joined in 2006.

Julie was group finance director of Carter & Carter Group plc until October 2005, having joined in 2002 to help grow and float the business. She was previously chief financial officer of Weston Medical Group plc and was instrumental in its flotation in 2000. Prior to this, Julie worked at East Midlands Electricity plc as director of corporate finance. She also spent over 12 years as a non-executive director of Nottingham University Hospitals NHS Trust and Nottinghamshire Healthcare NHS Trust. She is currently also an IOD ambassador for Derbyshire and Nottinghamshire region.

Further details of Directors' service agreements and letters of appointments (as applicable) are set out in paragraph 7.5 of Part VII of this Document.

2. Senior Manager

Dr. Valentino Parravicini (Chief Scientific Officer), age 52

Dr. Valentino Parravicini joined the Group as Chief Scientific Officer in July 2020, and as such he is responsible for the designing, planning and delivering of the scientific strategies in alignment with corporate objectives set by the Board, by internal activities and liaising with key academic and business partners.

Valentino has over 10 years of experience in drug discovery and development accrued while working in Big Pharma and SMEs. He started his research and development career as a scientist at Roche S.p.A in Italy, before joining GlaxoSmithKline plc as investigator in the Epigenetic Drug Performance Unit of the Immune-Inflammation Therapeutic Area in the UK. He was also involved in setting up two start-up biotechnology companies at Kesios Therapeutics Limited and at GammaDelta Therapeutics Ltd.

Valentino has spent his academic career at the National Institute of Arthritis and Musculoskeletal and Skin Diseases at the National Institute of Health (USA) and at the National Institute for Medical Research – Medical Research Council, Mill Hill, now part of the Francis Crick Institute (UK), where his research in inflammation and autoimmunity led to the discovery of previously unknown signalling pathway and to high impact publications. He has lead research teams and programmes in the fields of immune-inflammation, oncology, and virology, both in small molecules and cell therapy, acquiring a wide breadth of knowledge in *in vitro* and *in vivo* models applied to early research and drug discovery and development, working in three different countries.

Valentino holds a Doctoral Degree in Medicinal Chemistry from the University of Milan (Italy), where he has also obtained the professional habilitation as a pharmacist. He has PRINCE2 accreditation in project management and he obtained a Home Office Personal Licence (PIL-AB). He became a Fogarty Fellow at the National Institute of Health, and, as part of his national service, he worked in a non-governmental organisation to support education, prevention and treatment of cancer.

3. Independence of the Board

The Board has determined that Cheryl Dhillon should be considered "independent" (using the definition set out in the UK Corporate Governance Code) notwithstanding the 2,401,039 NED Options being granted to her conditional on Admission. The Board has also determined that Julie Pomeroy should be considered "independent" (using the definition set out in the UK Corporate Governance Code) notwithstanding her interests in 200,000 Ordinary Shares (representing approximately 0.02 per cent. of the Enlarged Share Capital) on Admission and the 2,401,039 NED Options being granted to her conditional on Admission.

4. Strategic decisions

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisitions, divestments and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall

responsibility for setting the Company's strategic aims, defining its business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business.

5. Corporate governance and the Listing Rules

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code published by the Financial Reporting Council. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and will, so far as is practicable given the Company's size and nature, adopt and comply with the QCA Code on a comply or explain basis.

The Company will report to its Shareholders as to its compliance with the QCA Code on an ongoing basis and will publish an updated corporate governance statement from time to time. As at the date of this Document the Company has adopted all of the provisions of 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 Group, 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 at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

As a company with a Standard Listing, the Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Premium Listing Principles which the Company has indicated that it intends to comply with on a voluntary basis, nor impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements in this Document are themselves misleading, false or deceptive.

6. Committee terms of reference

The Board has established an Audit Committee and a Remuneration Committee which will be comprised of at least two independent Non-Executive Directors. From Admission both the Audit Committee and Remuneration Committee will comprise Cheryl Dhillon and Julie Pomeroy and will be chaired by Julie Pomeroy.

The Company has adopted terms of reference for the following committees:

Audit Committee terms of reference

From Admission, the Audit Committee, which will also encompass the monitoring of risks posed to the Group on an ongoing basis, will have responsibility for, among other things, the monitoring of the financial integrity of the Company's financial statements and the involvement of its auditors in that process. It will focus in particular on compliance with accounting policies and ensuring that an effective system of internal financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and half-yearly reports remains with the Board.

The Audit Committee will meet no less than twice a year at the appropriate times in the reporting and audit cycle. It will also meet on an 'as necessary' basis. The responsibilities of the committee covered in its terms of reference include external audit, internal audit, financial reporting and internal controls.

Remuneration Committee terms of reference

From Admission, the Remuneration Committee will have responsibility, subject to any necessary Shareholder approval, for the determination of the terms and conditions of employment, remuneration and benefits of each of the Executive Directors and certain other senior executives, including pension rights and any compensation payments. It will also recommend and monitor the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes.

The Remuneration Committee will meet at least twice a year. The responsibilities of the committee covered in its terms of reference include determining and monitoring policy on and setting levels of remuneration, termination, performance-related pay, pension arrangements, reporting and disclosure, share incentive plans and the appointment of remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its responsibilities.

7. Market Abuse Regulation, share dealing code and social media policy

The Company has adopted policies and procedures so as to manage and control inside information and to avoid the unlawful disclosure of inside information. The Company, the Directors and senior management are aware of their obligations under the Market Abuse Regulation, and the Company has adopted a share dealing code consistent with the provisions of the Market Abuse Regulation and a social media policy which has been communicated to all employees.

The Company has included confidentiality obligations within its contracts with its Directors, the Senior Manager and employees, and has ensured that each person is aware of their responsibilities under the Market Abuse Regulation. In addition, the Company has taken practical steps to prevent the unauthorised access to information, primarily through restricting access to inside information to those required to have knowledge of it and by seeking to ensure the security of its information technology systems. Where the Company deals with a third-party, and such third-party will have access to inside information, the Company will require the third-party to adhere to confidentiality obligations in relation to inside information and will make such party aware of their obligations under the Market Abuse Regulation.

The Company has retained professional advisers to assist it with marketing and communications, and all marketing and communications will be approved by the Company prior to release. Where inside information is to be disclosed, the Company will seek such professional advice as it considers is required in all circumstances to ensure that inside information is correctly managed and released to the market.

The Company is aware that, in the course of their duties, those individuals engaged by the Group may come to possess inside information. Where such individuals are no longer engaged by the Group, the inside information to which they are or have been privy remains confidential under the terms of their engagement, in addition to their obligations under the Market Abuse Regulation.

8. Conflicts of interest

General

Potential areas for Directors' and Senior Manager's conflicts of interest in relation to the Group include:

- certain of the Executive Directors are contractually required to commit only a limited amount of time to the Group's affairs, namely Neil Mahapatra (committed to 33 per cent. of a standard working week) and Karen Lowe (committed to 20 per cent. of a standard working week), and, accordingly, they may have conflicts of interest in allocating management time among various business activities. Further details of the Directors' time commitment are set out in paragraph 7.5 of Part VII of this Document;
- in the course of their other business activities, the Directors or the Senior Manager may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- the relationship between Neil Mahapatra, KCP and the Company by virtue of the KCP Services Agreement, as summarised in paragraph 9.1.7 of Part VII of this Document; and
- the Directors and the Senior Manager are or may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by the Group.

Accordingly, Directors with multiple business affiliations may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

These conflicts and any other conflicts which may arise in the future between any of the Directors' private interests and/or other duties, will be managed in accordance with the Articles. Details of the conflict provisions contained in the Articles are set out at paragraph 4.13 up to and including paragraph 4.14 of Part VII of this Document.

9. Arrangement with major Shareholders

Aside from the KCP Services Agreement (summarised at paragraph 9.1.7 of Part VII of this Document) and the Relationship Agreement (summarised below and at paragraph 9.1.13 of Part VII of this Document), there are no existing arrangements with major Shareholders that will survive following Admission.

Bishrut Mukherjee was appointed as a Director of OCT by Imperial Brands pursuant to the provisions of the OCT Shareholders' Agreement, more particularly described at paragraph 9.1.6 of Part VII of this Document, however, the OCT Shareholders' Agreement will terminate on Admission and no such right will subsist although the Company has confirmed that should Bishrut Mukherjee resign or his appointment be terminated within 12 months of Admission, Imperial Brands will be asked to nominate a suitable replacement (subject always to the consent of the Company).

10. Relationship Agreement

At the date of Admission, Neil Mahapatra (through his beneficial interest in up to 54.3 per cent. of KCP's shareholding in the Company) controls the exercise of 100 per cent. of KCP's voting rights in respect of approximately 20.66 per cent. of the issued share capital of the Company as it will be on Admission. At the date of Admission, Neil Mahapatra through his indirect holding of Ordinary Shares in KCP and through his wife's holding of 888,889 Ordinary Shares will control the exercise of voting rights in respect of approximately 20.76 per cent. of the Enlarged Share Capital. Accordingly, a relationship agreement has been entered into between KCP, the Company, the Financial Adviser and the Corporate Adviser to ensure that the Company is able to carry on its business independently and to regulate the relationship between them on an arm's length and normal commercial basis.

Further details of the Relationship Agreement are set out in paragraph 9.1.13 of Part VII of this Document.

11. New Share Option Scheme and NED Options

The Directors believe that the recruitment, motivation and retention of key employees is vital for the successful growth of the Company. The Directors consider that an important element in achieving the Company's objectives is the ability to incentivise and reward staff, including Directors, through the grant of options. As a result the Company has established and will adopt the New Share Option Scheme on Admission.

Excluding the impact of the Vested Options, under which options have been granted over a number of Ordinary Shares equivalent to 8 per cent. of the Enlarged Share Capital, the total number of Ordinary Shares that may be committed under any share option scheme established by the Company will represent a maximum of 12 per cent. of the Company's issued share capital from time to time.

As at the date of this Document, the Company has one on going incentive-based Share Option Scheme in place, being the New Option Scheme.

Conditional on Admission, as more particularly set out in paragraph 7.2 of Part VII of this Document, the Company will issue 86,437,408 New Options, pursuant to the rules of the New Option Scheme, over a total of 86,437,408 Ordinary Shares, all of which have been issued to the Executive Directors and the Senior Manager. The options have an exercise price equal to 30 per cent. above the Placing Price being £0.065 and are exercisable with a staggered vesting period over three years, with one third of the options vesting each year commencing on the first anniversary of the date of grant.

Assuming exercise of all of the outstanding New Options in full, the Ordinary Shares resulting from the exercise of the New Options would represent 8.26 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the New Options and such exercise would result in the Enlarged Share Capital being diluted so as to constitute 91.74 per cent. of the further enlarged share capital of the Company.

Further details of the New Option Scheme are set out at paragraph 8 of Part VII of this Document.

In addition, conditional on Admission, the Company will issue the NED Options, pursuant to standalone option agreements, to certain of the Non-Executive Directors, over a total of 7,203,117 Ordinary Shares. The options have an exercise price equal to 30 per cent. above the Placing Price, being £0.065 and are exercisable with a staggered vesting period over three years, with one third of the options vesting each year commencing on the first anniversary of the date of grant.

12. Replacement Option Scheme and Vested Options

On 14 May 2021, the Board adopted the Company's Replacement Option Scheme to facilitate the grant of replacement options by the Company to option holders who hold options over shares of OCT. No new grants of options will take place under the Replacement Option Scheme after Admission and all of the Vested Options (incorporating the top-up options) will vest immediately on Admission. As a consequence, there will be no options held over the share capital of OCT on Admission.

The Vested Options have been granted to two Executive Directors (Clarissa Sowemimo-Coker and Dr. John Lucas), and two current employees and one former employee of OCT. The Vested Options have an exercise price between £0.0416 and £0.05 per Ordinary Share and have an exercise period of 10 years from the original date of grant.

Assuming exercise of all of all the outstanding Vested Options in full, the Vested Options would represent 6.76 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the Vested Options and such exercise would result in the Enlarged Share Capital being diluted so as to constitute 93.24 per cent. of the further enlarged share capital of the Company.

Further details of the Replacement Option Scheme and the Vested Options are set out at paragraph 8 of Part VII of this Document.

13. Warrants

The Company has, conditional on Admission, issued a total of 33,307,275 Warrants split as to 7,203,118 Warrants to the Financial Adviser, 16,500,000 Warrants to the Corporate Adviser and 9,604,157 Warrants to Gemstone (a former financial adviser of OCT) pursuant to the Warrant Instrument. The Warrants have an exercise price equal to the Placing Price and have a five year exercise period.

Assuming exercise of all of the outstanding warrants in full, the warrants would represent approximately 3.35 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the Warrants and such exercise would result in the Enlarged Share Capital being diluted so as to constitute 96.65 per cent. of the further enlarged share capital of the Company.

Further details of the Warrant Instrument are set out at paragraph 9.1.12 of Part VII of this Document.

14. City Code

The City Code applies to the Company and the Shareholders will be entitled to the protections afforded by the City Code. The City Code operates principally to ensure that the Shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code also provides an orderly framework within which takeovers are conducted.

Rule 9 of the City Code is designed to prevent the acquisition or consolidation of control of a company subject to the City Code without a general offer being made to all shareholders. Rule 9 states that when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of the company,

such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company. Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company subject to the City Code, but does not hold shares carrying more than 50 per cent. of such voting rights, must normally make a general offer for the balance of the issued share capital if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested. An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and be at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Takeover Panel that there will be three distinct concert parties as follows:

14.1. ***KCP Mahapatra concert party***

The KCP Mahapatra concert party consists of Neil Mahapatra, KCP, Anthony Marshall (an investor in KCP (in his own name and through Priory Woodfield Limited)), Priory Woodfield Limited (controlled by Anthony Marshall), Anassa Holdings Limited (an investor in KCP), the Anassa Holdings Fund (wholly owned by Kee Cheol Noh), Kee Cheol Noh (an investor in KCP), Kingsley Private Investments (HK) Ltd (controlled by Kee Cheol Noh), Rishi Kansagra (an investor in KCP), Ronak Ramesh Kansagra (Rishi Kansagra's brother), Rachel Matharu (Neil Mahapatra's wife), Gurmeet Matharu (Neil Mahapatra's father-in-law), Stephen Winkler (an investor in KCP) and Hee-Dong Kim (an investor in KCP), who together hold in aggregate 275,990,379 Ordinary Shares (representing approximately 28.74 per cent. of the Enlarged Share Capital). As set out in paragraph 8.2M of this Part VII, Neil Mahapatra will be granted an option over 2,401,039 Ordinary Shares on Admission which will represent approximately 0.25 per cent. of the Enlarged Share Capital. Assuming exercise of this option only, and no other changes to the Company's existing share capital, the maximum shareholding of the KCP Mahapatra concert party would be 28.91 per cent. (being 278,391,418 Ordinary Shares).

14.2. ***Sathianathan concert party***

The Sathianathan concert party consists of Gavin Sathianathan, Lilijan Sulejmanovic (Gavin Sathianathan's wife), GHS Capital Limited, Viv Sathianathan (Gavin Sathianathan's brother), Emily Ruth Sathianathan (Gavin Sathianathan's sister-in-law) and Merima Filipovic (employee of Alta Flora, a company which Gavin Sathianathan founded and of which he is a director), who together hold in aggregate 79,035,039 Ordinary Shares (representing approximately 8.23 per cent. of the Enlarged Share Capital). As set out in paragraph 8.2M of this Part VII, Gavin Sathianathan will be granted an option over 2,401,039 Ordinary Shares on Admission which will represent approximately 0.25 per cent. of the Enlarged Share Capital. Assuming exercise of this option only, and no other changes to the Company's existing share capital, the maximum shareholding of the Sathianathan concert party would be 8.46 per cent. (being 81,436,078 Ordinary Shares).

14.3 ***Imperial Brands concert party***

The Imperial Brands concert party consists of Imperial Brands Ventures Limited and Bishrut Mukherjee (given his appointment as a Director of OCT by Imperial Brands pursuant to the provisions of the OCT Shareholders' Agreement, more particularly described at paragraph 9.1.6 of Part VII of this Document) who together hold in aggregate 104,488,099 Ordinary Shares (representing approximately 10.88 per cent. of the Enlarged Share Capital).

If any of the members of the three concert parties listed above were to increase the percentage of the voting rights that they hold with the result that their concert party is interested in aggregate in 30 per cent. or more of the Ordinary Shares in issue at the time, then the members of such concert party would be obliged, except with the consent of the Takeover Panel, to make a mandatory offer as referred to in this paragraph 14 and paragraph 16.5 of Part VII of this Document.

PART III

THE PLACING

1. Description of the Placing

Conditional on: (i) Admission; and (ii) the Placing Agreement becoming unconditional in all respects, under the Placing, gross proceeds of £16.5 million before expenses have been raised as follows:

(i) 330 million Placing Shares have been subscribed by, and will be issued to, Placees at the Placing Price of £0.05 per Ordinary Share.

Proceeds of the Placing net of the cash expenses relating to the Admission and the Placing (expected to be approximately £1.68 million exclusive of VAT), will be approximately £14.82 million. Placees have entered into binding commitments to participate in the Placing, and the gross proceeds will be released to the Company upon, and subject to, Admission. To the fullest extent permitted by law, the Placees will not be entitled to rescind their agreements to subscribe for Ordinary Shares at any time.

In respect of the Placing, each Placee has signed and returned a binding confirmation that they will subscribe for the amounts payable under the Placing for their respective Placing Shares and settlement will be on a delivery versus payment basis within CREST. Liability (if any) for stamp duty and stamp duty reserve tax on subsequent transactions is as described in paragraph 5 of Part V of this Document. No expenses will be charged to investors under the Placing.

The Placing has been offered to institutional and other investors including high net worth and retail investors in the United Kingdom and certain other jurisdictions introduced through the Company's corporate adviser, States Bridge Capital Ltd. The Placing Agreement is conditional on, amongst other things, Admission occurring on or prior to 8.00 a.m. on 21 May 2021 (or such later time and/or date as may be agreed by the Company, the Financial Adviser and the Corporate Adviser, being not later than 5.00 p.m. on 21 June 2021) and the Placing Agreement not having been terminated prior to Admission. Subject to those conditions, each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter. Each investor is required to undertake to pay the Placing Price for the Placing Shares issued to such investor in such manner as is directed by the Corporate Adviser.

Completion of the Placing is conditional on: (i) Admission taking place; and (ii) the Placing Agreement becoming unconditional. If the Placing Agreement does not become unconditional or Admission does not occur for any reason, any monies received will be returned without interest. The Placing is not being underwritten, and no entities have given a firm commitment to act as intermediaries in secondary trading or to provide liquidity through bid and offer rates nor are any stabilisation mechanisms in place in respect of the Ordinary Shares. There are no over-allotment facilities or 'green shoe' in existence in respect of the Placing and Admission. Where there are multiple subscriptions from one party they will be aggregated and considered one subscription.

Confirmation of the completion of the Placing will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 21 May 2021 (or such later date as may be agreed by the Company, the Financial Adviser and the Corporate Adviser being not later than 5.00 p.m. on 21 June 2021).

In accordance with Listing Rule 14.2.2, at Admission at least 25 per cent. of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

All Placing Shares issued pursuant to the Placing will be issued, payable in full, at the Placing Price.

2. Reasons for Admission and use of the proceeds

Reasons for Admission

The reason for Admission and the Placing, which is raising net proceeds of approximately £14.82 million, is to primarily fund the Group's four drug development programmes. This includes the pre-clinical development and Phase 1 clinical trial of the Group's first drug candidate, OCT461201, the pre-clinical development and Phase 1 clinical trials of the Group's second drug candidate, a natural pCB combination, advancement of

a third drug candidate from the Group's cannabinoid library from discovery stage to the pre-clinical stage and the advancement of a fourth drug candidate from discovery stage to a lead candidate. The Directors consider that a fundraising conducted concurrent with Admission will attract greater investment into the Company and, in the longer term, attract greater opportunities for the Company and for Shareholders and prospective investors who may not be willing or able to invest in a company whose shares are either unlisted or listed on a different securities exchange.

Use of proceeds

Through the Placing the Company is raising gross proceeds of £16.50 million. Expenses relating to the Placing and Admission are estimated to be approximately £1.68 million (exclusive of VAT). The Company intends to use the Net Proceeds of £14.82 million as set out below:

Intended use of the Net Proceeds	**Estimated amount of the Net Proceeds (£)**	**Estimated amount used in first 12 months (£)**
Staff costs and other central costs, such as legal, audit, compliance, the board of directors and scientific advisory board remunerations, marketing and general office administrative costs	4.10 million	2.40 million
Completion of pre-clinical development and Phase 1 clinical trials of OCT461201	3.50 million	2.10 million
Completion of pre-clinical development and Phase 1 clinical trials of a pCB drug candidate.	3.20 million	2.10 million
Advancement of third drug candidate through discovery to lead	2.00 million	1.00 million
Advancement of fourth drug candidate through discovery to pre-clinical development	0.40 million	0.40 million
Continuation of research with academic partners	0.50 million	0.50 million
General working capital purposes	1.12 million	0.75 million
Total	**14.82 million**	**9.25 million**

It is the intention of the Directors that within the next 12 months the Group will be active in all four drug development programmes set out in paragraph 4.3.3.1 of Part I of this Document. The Directors intend to consolidate existing collaborations and sign new strategic partnerships to progress existing undertakings and initiate new research and clinical activities, while strengthening scientific advisory support within and to the Group.

The Group's first priority will be completing the pre-clinical development of OCT461201 (drug development programme 1), followed by entry into Phase 1 clinical trials. The Group will work with a manufacturing partner to finalise the optimisation of the manufacturing, crystallisation and purification processes before initiating non-GMP scale up and formulation work, which is a necessary step for the first large scale GMP batch, leading then to the initiation of clinical-grade GMP grade manufacturing. *In vivo* efficacy work for neuralgias will precede safety dose range finding experiments in two species, to prepare for the long-term *in vivo* toxicology. OCT461201 will then enter Phase 1 clinical trials with a leading teaching hospital.

The Group's second drug development programme (a pCB drug candidate combination) will require the Group to enter into relationships with manufacturers of high purity GMP pCB active pharmaceutical ingredients ("**APIs**") that have existing drug master files in place and licence or create a pulmonary delivery device. This will also enable initial formulation testing and final drug form optimisation for the drug/device combination. Pre-clinical development will then continue (including proof-of-concept efficacy studies) followed by Phase 1 clinical trials.

Additional screening of OCT's proprietary synthetic cannabinoids library will continue (drug development programme 3) with activities that explore the optimal combinations of synthetic, natural cannabinoids and ancillary molecules through a statistical aided experimental design ("**DoE**") that optimises data robustness and identifies multi-pharmacology synergisms. A preliminary efficacy *in vivo* pain model to test initial leads will be conducted followed by the selection of a lead candidate to take into pre-clinical development.

Finally, an HTS programme using a circa 400,000 compound library to identify an antagonist of a key receptor in the ECS (drug development programme 4) will be conducted. The HTS work should result in lead-identification, with results feeding into the lead-optimisation before candidate selection and initiation of full pre-clinical development.

Further details of the Company's research and development activities are set out in Part I of this Document.

3. Equity commitment of the Directors, major Shareholders and significant investors and dilution of Existing OCT Shareholders

The Company has conditionally raised gross proceeds of £16.5 million through the Placing. The following table sets out, to the extent known to the Company, commitments under the Placing made by major Shareholders and members of the Company's management, supervisory or administrative bodies and investor commitments for more than 5 per cent. of the Placing Shares:

Name	Ordinary Shares being subscribed for in the Placing	Percentage of Placing Shares being subscribed for	Placing Shares as a percentage of the Enlarged Share Capital
Kee Cheol Noh	20,000,000	6.06%	2.08%
Samsung Securities Co., Ltd	20,000,000	6.06%	2.08%

The Placing and Admission (not taking account of the potential dilutionary effect of the New Options, the NED Options, the Vested Options and the Warrants) will result in the Existing Ordinary Shares held immediately prior to Admission being diluted so as to constitute 65.64 per cent. of the Enlarged Share Capital. Therefore, Existing OCT Shareholders who do not participate in the Placing will suffer a dilution in their percentage shareholding of Ordinary Shares of approximately 34.36 per cent.

4. Lock-In and Orderly Market Agreements

Under the Lock-In Agreements, the Directors and certain Shareholders have undertaken to the Company, the Corporate Adviser and the Financial Adviser that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in their respective Ordinary Shares for one year. The Locked-In Persons and their holdings in Ordinary Shares are set out below:

Shareholder	Number of Ordinary Shares	Percentage of Ordinary Shares on Admission
KCP	198,466,493	20.66
Neil Mahapatra in respect of the holding of Rachel Matharu (Neil Mahapatra's wife)	888,889	0.09
GHS Capital Limited and Gavin Sathianathan	78,146,151	8.14
Imperial Brands	104,376,988	10.87
Julie Pomeroy	200,000	0.02
Bishrut Mukherjee	111,111	0.01

All Directors who do not hold Ordinary Shares on Admission are also Locked-In Persons in respect of any Ordinary Shares which they may acquire in the next two years from the date of Admission.

In addition, the Directors and Shareholders set out above in this paragraph 4, and Tarek Khalil Tabsh pursuant to the Orderly Market Agreement, have undertaken to the Company, the Corporate Adviser and the Financial Adviser that they will not, and will use all reasonable endeavours to procure that any associated party will not dispose of any interest in any Ordinary Shares other than through the Corporate Adviser and in accordance with the reasonable requirements of the Corporate Adviser and the Financial Adviser (or if applicable any new corporate adviser/broker or financial adviser appointed by the Company) so as to ensure an orderly market for the issued share capital of the Company, in the case of Tarek Khalil Tabsh, for the period of 12 months from Admission in respect of 50 per cent. of his Ordinary Shares, and in the case of the Directors and Shareholders set out above for a period of twelve months following the first anniversary of Admission, provided that the Corporate Adviser offers competitive terms in the event of any disposal.

These lock-in and orderly market provisions will not apply in the event of an intervening court order, a takeover becoming or being declared unconditional, in the case of certain intra-group transfers or the death of the Locked-In Person. Further details of the Lock-In Agreements and the Orderly Market Agreement are set out in paragraph 9.1.11 of Part VII of this Document.

5. Admission, dealings and CREST

The Placing Shares issued pursuant to the Placing will be issued in registered form. It is expected that the Placing Shares will be issued pursuant to the Placing on 21 May 2021.

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 21 May 2021 (or such later date as may be agreed by the Company, the Financial Adviser and the Corporate Adviser being not later than 5.00 p.m. on 21 June 2021). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. It is anticipated that the Placing Shares allotted under the Placing will be delivered in uncertificated form and settlement and dealings will take place through CREST on Admission. No temporary documents of title will be issued.

Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

6. Withdrawal rights in the event of the publication of a supplementary prospectus

If the Company is required to publish a supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear Business Days, following publication of the relevant supplementary prospectus, to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

7. Selling and transfer restrictions

The distribution of this Document and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions, including those described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Document nor any other offering material in relation to the Ordinary Shares may be circulated in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

8. European Economic Area (other than the UK)

In relation to each member state of the EEA (each a "**relevant member state**") with effect from and including the date on which the Prospectus Regulation came into force in the relevant member state ("**relevant date**"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;

(b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such relevant member state; or

(d) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purpose of these provisions, the expression an "offer to the public" in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

9. United Kingdom

No Ordinary Shares have been or will be offered pursuant to the Placing to the public in the United Kingdom prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the Financial Conduct Authority, except that the Ordinary Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2(e) of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or

(c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Section 85 of the FSMA or supplemental prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of these provisions the expression "an offer of Shares to the public" in relation to any Ordinary Shares in the United Kingdom means the communication in any form and by any means of sufficient

information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares.

10. US and other jurisdictions

The Placing is not a public offering (within the meaning of the Securities Act) of securities in the US. The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold in the US except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Company may offer Ordinary Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S.

Investors in jurisdictions other than the UK should consult their professional advisers as to whether they require any governmental or other consent or need to observe any formalities to enable them to subscribe for or buy any Placing Shares under the Placing.

PART IV

SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES, OPERATING AND FINANCIAL REVIEW AND ACCOUNTING POLICIES

1. Share capital

Details of the current issued share capital of the Company are set out in paragraph 3 of Part VII of this Document. On Admission, the share capital of the Company is expected to be £9,604,156.44, divided into 960,415,644 issued Ordinary Shares of £0.01 each.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BMVMRB86. The SEDOL of the Ordinary Shares is BMVMRB8.

2. Financial position

The financial information in respect of the Company and OCT is set out in Section B, Section D and Section F of Part VI of this Document and comprises:

- an audited balance sheet of the Company as at the date of incorporation on 4 February 2021;
- audited historical financial information in respect of OCT for the period from incorporation to 31 May 2020; and
- unaudited interim financial information for the six month period to 30 November 2020.

If the Placing and Admission had taken place on 30 November 2020 (being the date at which the unaudited historical financial information contained in Section F of Part VI is presented) the net assets of the Company would have been significantly increased (due to the receipt of the Net Proceeds and the proceeds raised through the Convertible Loan Note Instrument).

3. Liquidity and capital resources

Sources of cash and liquidity

To date, the Group has been funded by £6.85 million which it raised through the Seed Funding, the Series A Funding, the Series B Funding and the Convertible Loan Note Instrument. The Seed Funding, which raised a total of £750,000, was raised by OCT between November 2017 and January 2018, the Series A Funding, which raised a total of £4.75 million, was raised by OCT between June 2018 and August 2018, the Series B Funding, which raised a total of £750,000, was raised by OCT in January 2020 and the fundraising by means of the Convertible Loan Note Instrument raised a total of £600,000 in March 2021.

Subject to Admission, the Company has raised gross proceeds of £16.5 million through the Placing. The gross proceeds will be used to fund the expenses of Admission and the Placing, including the expenses of the initial listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Company projects these costs to be approximately £1.68 million (exclusive of VAT). The remaining Net Proceeds will be used by the Company to continue to build its business in line with its strategy in accordance with Part I of this Document. The Net Proceeds will be held in cash in the Company's bank account and available for deployment as necessary shortly following Admission. There are no restrictions on the use of the Company's capital resources that have materially affected, or could materially affect, directly or indirectly, the Company's operations.

The Company may raise additional capital following expiry of the Working Capital Period, for example, in connection with further research and development, the opening of a laboratory as further detailed in paragraph 4.3.6 of Part I of this Document, bringing a drug to market, organic growth or acquisitions by the Company of future equipment, premises and/or businesses that the Directors believe would be value accretive to the Company. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this Document, the Group has £50,000 in borrowings, being the Bounce Back Loan with a 2.5 per cent. interest rate and a 72 month term as well as

the Convertible Loan Notes (which, pursuant to the Share Exchange Agreement, will convert into equity in OCT prior to Admission, and further into Ordinary Shares immediately prior to Admission, at the equivalent of a 10 per cent. discount to the Placing Price subject only to the Placing Agreement becoming unconditional in all respects save for Admission). The forms of debt financing to be used by the Company in due course are expected to be limited to bank financing, although no such financing arrangements will be in place at Admission.

Any debt financing utilised by the Company will incur additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with the development and expansion of the Company's business, the Company's future liquidity will depend in the medium to longer term primarily on: (i) the Company's implementation of its strategy; (ii) the Company's management of available cash; and (iii) the use of borrowings, if required, to fund short-term liquidity needs.

Treasury policies and objectives

The Group is not exposed to any significant interest rate or foreign exchange risks and therefore it does not require any formal hedging policies to be in place. Should the Group's situation change, an appropriate hedging strategy will be formulated by the Board. Given the stage of the Group's activities, the Board seeks to maintain cash on reserve, which can be drawn down at short notice, to finance its research and development activities.

Ongoing costs and expenses

The Company's principal use of the Net Proceeds in both the long-term and the short-term will be to develop and expand the Group's business by progressing the research and development of its four primary drug programmes, including OCT461201, a pCB combination, cannabinoid derivative molecules from the Company's proprietary library and molecules from a library of circa 400,000 compounds (in collaboration with a CRO) that are antagonistic to a receptor in the ECS, with the aim of bringing successful drug candidates to market. In addition, the Net Proceeds will be used to fund day-to-day expenses incurred by the Group.

The Directors expect that it may be necessary to raise further funds in the future to enable the Group to increase the pace at which it develops its business.

Over time, and in accordance with the Company's business strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy, as adopted from time to time. The Company does not anticipate making any distributions in the foreseeable future.

The expenses that the Company expects to fund through the Net Proceeds in the 12 months following Admission will include ongoing operating expenses and expenses associated with the progression of the Group's research and development of cannabinoid-based drug development, in line with its strategy detailed in Part I of this Document.

The Group's day-to-day expenses will be paid from the Net Proceeds and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to affect such borrowings).

A summary of the Group's cash inflows and outflows for the period covered by the historical financial information is set out in paragraph 4(c) of this Part IV. Save for the receipt of funds from the Placing, the funds raised under the Convertible Loan Note Instrument and the costs associated with the Admission, there have been no material changes in the cash flows of the Group since 30 November 2020.

Capitalisation and Indebtedness

As at the date of this Document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness. The Company issued £2 of ordinary share capital and

£50,000 of Redeemable Preference Shares which will be redeemed prior to Admission. The information below relates to OCT which will be acquired by the Company before Admission via the Share-for-Share Exchange and will be included in the consolidated financial statements of the Company. The only other change to the Company's capitalisation prior to Admission is described in note (2) below.

The capitalisation information has been derived from the Group's unaudited financial information, included in Section F of Part VI of this Document, dated as at 30 November 2020. The indebtedness information has been derived from the Group's unaudited management information and accounting books and records as at 31 March 2021.

Capitalisation and indebtedness statement

Indebtedness	**As at 31 March 2021 £'000**
Current debt (including current portion of long-term debt)	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total current debt	–
Non-current debt (excluding current portion of non-current debt)	
Guaranteed	–
Secured (3)	50
Unguaranteed/Unsecured (2)	–
Total non-current debt	50
Total indebtedness	50

	As at 30 November 2020 £'000
Capitalisation	
Share capital	–
Share premium	6,287
Other reserves (1)	70
Total capitalisation	6,357

Notes:

(1) Other reserves comprise the share-based payment reserve.

(2) OCT issued 600,000 £1 convertible loan notes which, pursuant to the Share Exchange Agreement, will result in the noteholders being issued and allotted shares in OCT prior to Admission and which will be converted into Ordinary Shares in the Company at the equivalent of a 10 per cent. discount to the Placing Price immediately prior to Admission. These have therefore not been included in indebtedness but will be included in the equity of the Company on Admission.

(3) In January 2021, OCT took out a £50,000 Bounce Back Loan.

(4) This statement of capitalisation has been extracted without material adjustment from the Group's accounting records.

(5) Statutory and other reserves exclude the retained earnings.

As at 14 May 2021, being the latest practicable date prior to the publication of this Document, there has been no material change in the capitalisation of the Group since 30 November 2020, with the exception of the conversion of the loan note into equity as described in note (2) above.

The following table sets out the unaudited net financial indebtedness of the Group as at Admission and has been extracted without material adjustment from OCT's unaudited management information as at 31 March 2021.

	Net financial indebtedness	31 March 2021 £'000
A	Cash	418
B	Cash equivalents	–
C	Trading securities	–
D	**Liquidity**	418
E	**Current financial receivable**	–
F	Current bank debt	–
G	Current portion of non-current debt	–
H	Other current financial debt (1)	67
I	**Current financial debt (F)+(G)+(H)**	67
J	**Net current financial indebtedness (I)-I-(D)**	(351)
K	Non-current bank loans	50
L	Bonds issued	–
M	Other non-current loans (2)	–
N	**Non-current financial indebtedness (k)+(L)+(M)**	50
O	**Net financial indebtedness (J)+(N)**	(301)

(1) Other current financial debt comprises short-term lease liabilities as of 31 March 2021.

(2) OCT issued 600,000 £1 convertible loan notes which, pursuant to the Share Exchange Agreement, will result in the noteholders being issued and allotted shares in OCT prior to Admission and which will be converted into Ordinary Shares in the Company at the equivalent of a 10 per cent. discount to the Placing Price immediately prior to Admission. These have therefore not been included in indebtedness but will be included in the equity of the Company on Admission.

As at 31 March 2021, the Group had no indirect or contingent indebtedness.

As at 14 May 2021, being the latest practicable date prior to the publication of this Document, there has been no material change in the indebtedness of the Group since 31 March 2021.

Accounting policies and financial reporting

The Company's financial year end is 31 May and the first set of financial statements following Admission will be for the period to 31 May 2021. The Company will present its financial statements in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

4. Operating and financial review for the Group for the period covered by the historical financial information set out in Part VI of this Document

OCT is a pharmaceutical company focused on cannabinoid drug development. Since incorporation, OCT has, through its contractual relationship with OAG, created and optimised a library of patentable cannabinoid derivatives (with 93 compounds developed as at the date of this Document) to further the drug development and use of cannabinoids in mainstream medicine. In September 2019, OCT signed an agreement with AskAt, a Japanese pharmaceutical company, to licence the OCT461201 compound. This has been identified as a potential treatment for IBS, PHN and neuropathic pain.

All R&D that has been undertaken by OCT to date has been funded by several rounds of funding since incorporation in March 2017. By 30 November 2020, a total of £6.25 million had been invested in the business. Following closure of the period covered by the historical financial information set out in Section F of Part IV of this Document, in March 2021 OCT raised a further £600,000 pursuant to the Convertible Loan Note Instrument.

(a) ***Profit and loss account***

OCT has operated each year at a loss, with no revenue being generated since incorporation. Given OCT is an early-stage pharmaceutical company, there is no immediate anticipation of revenue in the near-term. OCT relies on investment funding to continue its research and development activities and has undertaken three rounds of funding from incorporation to 30 November 2020, raising a total of £6.25 million.

Summary profit and loss (£'000)	**Audited Period ended 31 May 2018 (FY18)**	**Audited Year ended 31 May 2019 (FY19)**	**Audited Year ended 31 May 2020 (FY20)**	**Unaudited 6 months to 30 Nov 2019 (PE20)**	**Unaudited 6 months to 30 Nov 2020 (PE21)**
Cost of sales	(396)	(1,282)	(1,244)	(1,027)	(711)
Other operating income	–	–	5	–	10
Depreciation	–	(2)	(15)	(8)	(31)
Administrative Expenses	(820)	(1,490)	(1,092)	(514)	(330)
Operating loss	(1,216)	(2,774)	(2,346)	(1,549)	(1,062)
R & D tax credit	100	262	226	110	31
Other gains and losses	–	(85)	–	–	–
Interest	(17)	(20)	(20)	–	(6)
Net loss	(1,133)	(2,617)	(2,140)	(1,439)	(1,037)

Cost of sales consist of all wages and external costs that have been incurred in relation to the development of cannabinoid-based prescription drugs. In FY18, £166k of fees related to Oxford University whilst £161k related to OAG. These amounts increased to £583k in FY19 for Oxford University and £175k for OAG.

Increased R&D activity was driven by the Series A Funding completed in August 2018. R&D decreased slightly between FY19 and FY20 due to the reduced ability to undertake research due to Coronavirus. In FY20, R&D undertaken with Oxford University decreased to £313k. OCT also established a research relationship with Roehampton Corporate Initiatives Ltd incurring costs of £344k. OCT also incurred £220k of costs with AskAt to licence the OCT461201 compound.

Wages increased throughout the period since incorporation. In FY18, OCT only employed one member of staff, with a further four members recruited in FY19 and an additional member in FY20. PE21 wages also included £345k in relation to a share-based payment charge for EMI share options which have been recognised as an expense under IFRS.

Administration expenses primarily relate to management charges, rent, legal and professional fees and public relations. Management charges throughout the period were an agreed fee as part of a service agreement with Kingsley Capital Partners LLP of £150k per annum plus expenses. Charges were £133k in FY18, £197k in FY19 £200k in FY20 and £75k in PE21). A full year management charge was not incurred in FY18 and therefore is below £150k. PE21 charges (£75k) were in line with the management charge agreement with no additional expenses incurred.

Rent has increased from £nil in FY18 to £32k in FY19 and £149k in FY20. The large increase in FY20 was due to a full year rent (£65k) being incurred at Maddox House, which has been rented from April 2019 plus costs incurred in relation to proposed laboratory facilities (which were not established).

Legal and professional fees increased from £197k, mainly costs incurred for investment documentation production and consultancy fees, in FY18 to £441k in FY19. This was driven by costs incurred in relation to the Series A Funding which commenced in June 2018. Legal and professional fees reduced to £132k in FY20 and £62k in PE20. Included within these fees are Series B Funding costs and preparation costs in relation to the Admission.

Advertising fees have decreased from £128k in FY18 to £23k in PE21 (FY19: £124k and FY20: £76k).

Staff costs included in administration expenses which include social security costs, pension costs and staff recruitment costs are reflective of growth in staff numbers over the period covered by the historical financial information.

In FY19, other costs include an unrecoverable external fraud in November 2019 (£267k) and writing off the investment in subsidiary, OCT Hellas (£85k), which is now in the process of being dissolved. Other costs for FY20 include depreciation (£68k). This increase from £2k in FY19 is due to recognition of the lease for Maddox House as an asset in use under IFRS 16.

R&D tax credits relate to research and development claims made each year in relation to research and development related costs incurred by the Company and the costs of subcontractors carrying out research and development on behalf of OCT.

(b) ***Balance sheet***

Summary balance sheet £'000	**Audited As at 31 May-18**	**Audited As at 31 May-19**	**Audited As at 31 May-20**	**Unaudited As at 30 Nov-20**
Fixed assets	–	73	291	245
Current assets				
Trade and other receivables	237	613	714	357
Cash and cash equivalents	13	1,647	309	71
	250	2,260	1,023	428
Current liabilities				
Trade and other payables	(633)	(546)	(727)	(803)
Net current liabilities	(383)	1,714	296	(375)
Non-current liabilities				
Trade and other payables	–	–	(53)	(28)
Net assets	(383)	1,787	534	(158)
Equity				
Called up share capital	–	–	–	–
Share premium account	750	5,537	6,287	6,287
Share-based payment reserve	–	–	137	482
Retained earnings	(1,133)	(3,750)	(5,890)	(6,927)
Total equity	(383)	1,787	534	(158)

Intangible fixed assets relate to a licence agreement with AskAt for the exclusive use of OCT461201. This was licensed in FY20 with further development milestone payments due on reaching various stages of development of the drug compound. These further payments will also be capitalised on the balance sheet.

The lease taken out for offices at Maddox House in FY19 accounts for the majority of tangible fixed assets (£129k in FY20). This lease is due to expire in April 2024, with an initial break clause in April 2022.

Research and development receivables relate to tax credits receivable from HMRC in relation to the annual research and development claim made by OCT.

Prepayments in November 2020 relate to a rental deposit for Maddox House (£16k). Research grants provided in advance of research being carried out are also included within prepayments at May 2019 (£49k) and May 2020 (£95k).

Trade creditors as at 30 November 2020 (and which are also included as at 31 May 2020) relate to transaction services provided in FY20 (£216k) which will be settled on Admission and fees payable for research carried out by an external firm which is not yet complete due to delays caused by Coronavirus (£225k). As at 31 May 2019 and 31 May 2018 trade creditors primarily related to outstanding research and development fees owing to external parties (FY19: £257k and FY18: £239k).

Accruals increased to £241k as at 31 May 2019 due to legal fees incurred in relation to the Series B Funding.

Recoverable input VAT of £56k is outstanding as at 30 November 2020. Input VAT is recoverable on costs incurred by OCT whilst no output VAT is incurred as the Company is not generating revenue.

Other creditors at 30 November 2020 include the recognition of the Maddox House lease liability (£81k) and outstanding share capital for OCT Hellas (£79k).

Other debtors as at 31 May 2020 and 30 November 2020 included the outstanding final instalment for the Series B Funding from Anassa Holdings Limited of £250k. £500k was paid upon issue in January 2020. Other debtors as at 31 May 2019 relate to OCT's investment in OCT Hellas, a Greek subsidiary that was to hold a proposed laboratory. This laboratory was never developed and the subsidiary is now in the process of being dissolved.

(c) ***Cash flows***

Summary cash flows £'000s	**Audited Period ended 31 May 2018 (FY18)**	**Audited Year ended 31 May 2019 (FY19)**	**Audited Year ended 31 May 2020 (FY20)**	**Unaudited 6 months to 30 Nov 2019 (PE20)**	**Unaudited 6 months to 30 Nov 2020 (PE21)**
Profit after tax	(1,133)	(2,617)	(2,140)	(1,439)	(1,037)
R&D tax credit	(100)	(262)	(226)	(110)	(31)
Finance cost	17	20	20	–	6
Depreciation & amortisation	–	2	83	8	46
Impairment	–	86	–	–	–
Equity settled share-based payment	–	38	137	–	345
Movement in receivables	(137)	(114)	(237)	171	162
Movement in creditors	633	(88)	234	474	51
Interest paid	(17)	(20)	(20)	–	(6)
Tax received	–	–	362	–	226
Cash flows from operations	(737)	(2,955)	(1,787)	(896)	(238)
Purchase of PPE/intangibles	–	(75)	(301)	(159)	–
Investment in subsidiaries	–	(86)	–	–	–
Cash flows from investing	–	(161)	(301)	(159)	–
Issue of shares	750	4,750	750	–	–
Cash flows from financing	750	4,750	750	–	–
Net cash flows	13	1,634	(1,338)	(1,055)	(238)
At beginning of period	–	13	1,647	1,647	309
At end of period	13	1,647	309	592	71

Cash flows from operations have remained negative throughout the period covered by the historical financial information set out in Part VI of this Document with increases in losses in FY19 and FY20 in line with increased levels of investment and research and development undertaken. As research and development expenditure has increased, the research and development tax credit received has increased proportionately.

Finance costs incurred in FY18 and FY19 relate to interest charged on a loan held between OCT and KCP. This was repaid in full in April 2019. In FY20 and PE21, finance cost is incurred on the lease liability for Maddox House.

Impairment of the subsidiary OCT Hellas in FY19 (£86k) is included as a non-cash transaction.

Equity settled share-based payments relate to the recognition of the EMI options to the management team under IFRS 25 in PE21. In FY19, the £38k share-based payment relates to fees for the Series A Funding that were issued in shares instead of cash.

Cash flows from investing relate to the purchase of the recognition of Maddox House lease as an asset in use (£141k in FY20) and the capitalisation of the OCT461201 compound (£155k in FY20) licensed from AskAt as an intangible asset, whilst FY19 relates to the office refurbishment and equipment for Maddox House (£75k).

Investment in subsidiaries related to OCT Hellas, a Greek subsidiary established by OCT when considering the establishment of a laboratory in Greece. This laboratory was not established and the subsidiary is now in the process of being dissolved.

Cash flows from financing relate to cash generated from the funding rounds. Details of these funding rounds have been included in the profit and loss summary in paragraph (a) above.

(d) ***Factors affecting the future development of the Group***

There has been a growing interest in the medical potential of cannabinoids that is beneficial to the Group in numerous ways, such as more strategic partnership opportunities, growing investor interest and deeper scientific insight resulting from new research being completed around the world. However, it should also be noted that whilst increased awareness of the medical potential of cannabinoids is advantageous to the Group, OCT operates within traditional channels of drug development and, as such, no advancement in cannabis legislation is required in order for the business to develop and grow.

The main factors affecting the future development of the Group are the outcomes of its drug development programmes and the ability to attract further capital funding (beyond the Admission) for later clinical trials (*e.g.* Phase 2 clinical trials) in Q3 2023. The Group is pursuing a pharmaceutical approach to cannabinoid medicines which will require regulatory approvals for subsequent commercialisation and cash flow generation to maintain the Group's operations and launch new research programmes. Regulatory approval relies on both pre-clinical and clinical activities, including randomised controlled trials ("**RCTs**"). Whilst the success of the Group is tied to development of its four drug development programmes (further details of which are set out in paragraph 4.3.3.1 of Part I of this Document), the existence of multiple programmes reduces the reliance on any one programme in particular.

The Group's commercial success will rely on obtaining and maintaining patent and regulatory protection for its drug compounds. The Group has performed and will perform freedom-to-operate analysis but cannot guarantee that undisclosed activities by competitors will not impact the possibility of obtaining and successfully defending against third-party challenges or successfully enforcing patents against third-party competitors.

In addition, a successful regulatory path leading to initiation and completion of clinical trials relies on the ability of the Group to maintain an open interaction with key stakeholders including regulatory agencies (MHRA/FDA/EMA), CROs and clinical consultants acting on behalf of the Group and patients' association which contribute to the success of clinical trial recruitment and design. The Group will have to carefully and pro-actively manage interactions with such stakeholders to reach milestones in a timely manner, creating value inflection points for the business.

Other important factors affecting the Group's ability to operate its drug development programmes are the outsourcing of research, manufacturing and regulatory activities, as well as the manufacturing and supply chain of material in the forms of reagents, devices and APIs. The Group's success will depend on its capability to de-risk each of these factors by implementing plans to minimise the impact of unforeseen delays, suspensions and cancellations. Management of such factors or activities is a key aspect of the Group's operations and failing to retain and/or attract qualified personnel may negatively impact future development.

The Group is aiming to progress programme development to reach inflection points which will result in increased scientific and financial value. However, the long-term success of the Group will rely on the ability to secure additional funding to finance the later stages of developments of its programmes and,

eventually, the successful commercialisation of OCT's licensed medical products. Such funding will depend on the Group's capability to liaise with new and existing investors, to sign outsourcing or partnership agreements with other pharmaceutical companies and/or to reach a commercial stage which will generate revenues. These sources of working capital will be influenced by external factors such as general economic conditions or conditions affecting the markets in which the Group operates.

The Directors have identified the following financial key performance indicators ("**KPIs**"). KPIs 1 and 2 are extracted from unaudited management information and KPIs 3 and 4 are extracted from the audited and unaudited financial information contained in Part VI of this Document:

		Period ended 31 May 2018	**Year ended 31 May 2019**	**Year ended 31 May 2020**	**Unaudited 6 months ended 30 November**	
					2019	**2020**
1.	No. of lead compounds	–	–	1	–	1
2.	Cannabinoid derivatives	5	52	93	78	93
3.	R&D expense (£'000)	334	895	813	822	150
4.	Funds raised in year (£'000)	750	4,750	750	–	–

5. Dividend policy

The Company intends that its cash resources will be used for the operation and development of its business following Admission. As such, no dividends are intended to be paid in the foreseeable future. Any earnings in the short to medium-term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Group's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. Neither OCT nor the Company has paid any dividends to date.

PART V

TAXATION

1. United Kingdom Taxation

The comments set out below are based on current UK tax law and what is understood to be current HMRC published practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account ("**ISA**")) only and not as securities to be realised in the course of a trade, and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below are a summary only to certain aspects of tax in the UK and do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

The tax legislation of the investor's Member State and of the issuer's country of incorporation, being the United Kingdom, may have an impact on the income received from the Ordinary Shares. Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Taxation of dividends

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to income tax. Each individual has a tax-free dividend allowance which exempts the first £2,000 ("**Nil Rate Amount**") of dividend income in the 2020-21 tax year. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals at the rate of 7.5 per cent. to the extent that it is within the basic rate band, 32.5 per cent. to the extent that it is within the higher rate band and 38.1 per cent. to the extent it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

3. Disposals of Ordinary Shares

A disposal of Ordinary Shares by a Shareholder (other than those holding Ordinary Shares as dealing stock, who are subject to separate rules) who is resident in the UK for tax purposes or who is not so resident in the UK but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Such an individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20 per cent..

Such an individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10 per cent. and at a rate of 20 per cent. on the gains above the basic rate band.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £12,300 of gains from tax for the tax year 2020-21).

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at a rate of 19 per cent. on any chargeable gain realised on a disposal of Ordinary Shares.

4. Inheritance tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

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

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. They do not apply to certain categories of person who are not liable to Stamp Duty or SDRT or to persons connected with depository arrangements or clearance services, who may be liable at a higher rate. Special rules apply to agreements made by, amongst others, intermediaries, broker dealers and market makers in the ordinary course of their business.

Issue of Ordinary Shares

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares. However Stamp Duty or SDRT may be payable on subsequent transactions as explained below.

Transfer of certificated Ordinary Shares

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5 per cent. of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Ordinary Shares transferred through CREST

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

PART VI

FINANCIAL INFORMATION ON THE GROUP

SECTION A	**REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**
SECTION B	**HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**
SECTION C	**REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED**
SECTION D	**HISTORICAL FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED**
SECTION E	**REPORTING ACCOUNTANT'S REVIEW REPORT ON THE UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED**
SECTION F	**UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED**
SECTION G	**REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS**
SECTION H	**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS**

SECTION A: REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

MOORE Kingston Smith

The Board of Directors

Oxford Cannabinoid Technologies Holdings Plc
Maddox House
1 Maddox Street
London
W1S 2PZ

The Members

Cairn Financial Advisers LLP
Cheyne House
Crown Court
62–63 Cheapside
London
EC2V 6AX

17 May 2021

Dear Sirs,

Oxford Cannabinoid Technologies Holdings Plc ("the Company")

We report on the financial information set out in Section B of this Part VI as at 4 February 2021. This financial information has been prepared for inclusion in the prospectus dated 17 May 2021 ("**the Prospectus**") of the Company on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by item 18.3.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council which are part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (EUWA) and as amended by the relevant statutory instruments (the **"UK Prospectus Regulation**") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The directors of the Company ("**the Directors**") are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any 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 item 1.3 of Annex 1 of the UK Prospectus Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 4 February 2021 in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

Moore Kingston Smith LLP
Chartered Accountants & Registered Auditors

Moore Kingston Smith LLP

Chartered Accountants and Business Advisers
Devonshire House, 60 Goswell Road, London EC1M 7AD
020 7566 4000 www.mooreks.co.uk

A list of partners is available for inspection at the registered office
Registered in England and Wales as a Limited Liability Partnership:No 0C317343
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

SECTION B: HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Oxford Cannabinoid Technologies Holdings Plc

Statement of Financial Position

	Notes	2021 £
Current assets		
Trade and other receivables	3	2
Total assets		2
Equity		
Called up share capital	4	2
Total equity		2

Oxford Cannabinoid Technologies Holdings Plc

Statement of Changes in Equity

	Notes	Share capital £	Total £
Issue of share capital on incorporation	4	2	2
Balance at 4 February 2021		2	2

Authorisation of Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc and statement of compliance with IFRS

Oxford Cannabinoid Technologies Holdings Plc was incorporated as a public limited company on 4 February 2021 in the United Kingdom under the Companies Act 2006 primarily to act as the future parent company to Oxford Cannabinoid Technologies Ltd. The address of the registered office is Maddox House, 1 Maddox Street, London, United Kingdom, W1S 2PZ.

The Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc has been prepared by the Company under applicable International Financial Reporting Standards adopted by the European Union ("**IFRS**").

A summary of the Company's significant accounting policies under IFRS is presented in note 2. These policies have been consistently applied.

This Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc has been approved and authorised on for issuance by the Directors on 17 May 2021. This Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc is presented as at the date of incorporation on 4 February 2021 for which there were no transactions requiring presentation of a statement of profit and loss and other comprehensive income or a statement of cash flows. Therefore, the statement of financial position, statement of changes in equity accompanying financial policies and explanatory notes comprise the only Oxford Cannabinoid Technologies Holdings Plc financial information available at the date of the Prospectus.

1 Accounting policies

(a) ***Basis of preparation***

The Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc is presented in Sterling (GBP £) which is the presentational currency of the Company. The Company's functional currency is also Sterling (GBP £) being the primary economic environment in which the Company operates.

The Historical Financial Information for Oxford Cannabinoid Technologies Holdings Plc has been prepared on a historical cost basis.

(b) ***Going concern***

The Historical Financial Information for the Company has been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence based on the fact that the Company has no liabilities and has not generated any between the period end date and date of authorisation. The Company is only currently expected to assume liabilities as a consequence of the acquisition and consolidation of OCT immediately prior to completion of the standard listing. The Historical Financial Information has been prepared on a going concern basis as set out therein.

(c) ***Use of estimates and judgement***

The preparation of the Historical Financial Information for the Company in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In preparing the Historical Financial Information for the Company there are no significant estimates or judgements applicable.

2 Significant accounting policies

The accounting policies set out below have been applied consistently in this Historical Financial Information.

(a) ***Financial instruments***

Equity instruments issued by the Company are recorded at the proceeds receivable, net of direct issue costs.

(b) ***Standards and interpretations issued but not yet effective***

At the date of authorisation of the Historical Financial Information, there are no standards or interpretations issued, which are not yet effective that are expected to have a material impact upon the Historical Financial Information.

3 Other receivables

	£
Share capital not paid	2
Other receivables	2

4 Share capital

	£
Ordinary Share capital (2 shares of £1 each)	2

5 Ultimate Controlling Party

At the balance sheet date, the Controlling Party was Kingsley Capital Partners LLP by virtue of their 100 per cent. shareholding and Neil Mahapatra (as the indirect majority shareholder and Managing Partner of Kingsley Capital Partners LLP) was the ultimate controlling party.

On Admission, following the Placing, there was no controlling party.

6 Subsequent events

On 17 May 2021, the Company announced its intention to apply for the admission of its ordinary shares to the Official List of the Financial Conduct Authority (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange Group plc ("**Admission**").

In connection with the Admission the Company will acquire the entire issued share capital of OCT via a share-for-share exchange which is expected to take place immediately prior to Admission.

On 23 April 2021 the Company issued £50,000 Redeemable Preference Shares to its existing shareholder for cash which will be redeemed immediately prior to Admission.

On Admission the Company will issue 330 million Ordinary Shares of £0.01 each at £0.05, raising £16.5 million gross of costs.

SECTION C

REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED

MOORE Kingston Smith

The Board of Directors
Oxford Cannabinoid Technologies Holdings Plc
Maddox House
1 Maddox Street
London
W1S 2PZ

The Members
Cairn Financial Advisers LLP
Cheyne House
Crown Court
62–63 Cheapside
London
EC2V 6AX

17 May 2021

Dear Sirs,

Oxford Cannabinoid Technologies Ltd ("OCT")

We report on the financial information set out in Section D of this Part VI for the period ended 31 May 2018 and the years ended 31 May 2019, and 31 May 2020. This financial information has been prepared for inclusion in the prospectus dated 17 May 2021 ("**the Prospectus**") of Oxford Cannabinoid Technologies Holdings Plc ("**the Company**") on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by item 18.3.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council which are part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (EUWA) and as amended by the relevant statutory instruments (the "**UK Prospectus Regulation**") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The directors of the Company ("**the Directors**") are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law, we do not assume any 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 item 1.3 of Annex 1 of the UK Prospectus Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 31 May 2018, 31 May 2019 and 31 May 2020 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

Moore Kingston Smith LLP

Chartered Accountants & Registered Auditors

Moore Kingston Smith LLP

Chartered Accountants and Business Advisers
Devonshire House, 60 Goswell Road, London EC1M 7AD
020 7566 4000 www.mooreks.co.uk

A list of partners is available for inspection at the registered office
Registered in England and Wales as a Limited Liability Partnership: No 0C317343
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

SECTION D

HISTORICAL FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LTD

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

Consolidated Statement of Comprehensive Income

	Notes	2018 £	2019 £	2020 £
Cost of sales		(396,323)	(1,281,954)	(1,244,196)
Gross loss		(396,323)	(1,281,954)	(1,244,196)
Other operating income		–	–	5,436
Depreciation		–	(1,695)	(15,101)
Administrative expenses		(819,356)	(1,489,714)	(1,091,700)
Operating loss	4	(1,215,679)	(2,773,363)	(2,345,561)
Finance costs	7	(17,157)	(19,843)	(20,488)
Other gains and losses	8	–	(85,607)	(1)
Loss before taxation		(1,232,836)	(2,878,813)	(2,366,050)
Income tax credit	9	99,770	261,873	225,725
Loss and total comprehensive income for the year	21	(1,133,066)	(2,616,940)	(2,140,325)

The income statement has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Financial Position

	Notes	2018 £	2019 £	2020 £
Non-current assets				
Intangible assets	10	–	–	140,699
Property, plant and equipment	11	–	73,335	149,985
Investments	12	–	1	–
		–	73,336	290,684
Current assets				
Trade and other receivables	14	237,343	612,923	714,110
Cash and cash equivalents		12,663	1,647,045	309,152
		250,006	2,259,968	1,023,262
Total assets		250,006	2,333,304	1,313,946
Current liabilities				
Trade and other payables	17	632,971	545,702	727,294
Net current assets		(382,965)	1,714,266	295,968
Non-current liabilities				
Trade and other payables	17	–	–	52,840
Total liabilities		632,971	545,702	780,134
Net assets		(382,965)	1,787,602	533,812
Equity				
Called up share capital	19	105	132	133
Share premium account	20	749,996	5,537,476	6,287,476
Share-based payment reserve	24	–	–	136,534
Retained earnings	21	(1,133,066)	(3,750,006)	(5,890,331)
Total equity		(382,965)	1,787,602	533,812

Consolidated Statement of Changes in Equity

	Notes	Share capital £	Share premium account £	Share-based payment reserve £	Retained earnings £	Total £
Balance at 10 March 2017		–	–	–	–	–
Loss and total comprehensive income for the period		–	–	–	(1,133,066)	(1,133,066)
Issue of share capital		105	749,996	–	–	750,101
Balance at 31 May 2018		105	749,996	–	(1,133,066)	(382,965)
Year ended 31 May 2019						
Loss and total comprehensive income for the period		–	–	–	(2,616,940)	(2,616,940)
Issue of share capital	19	27	4,750,000	–	–	4,750,027
Other movements		–	37,480	–	–	37,480
Balance at 31 May 2019		132	5,537,476	–	(3,750,006)	1,787,602
Year ended 31 May 2020						
Loss and total comprehensive income for the year		–	–	–	(2,140,325)	(2,140,325)
Issue of share capital	19	1	750,000	–	–	750,001
Share-based payment charge	24	–	–	136,534	–	136,534
Balance at 31 May 2020		133	6,287,476	136,534	(5,890,331)	533,812

Consolidated Statement of Cash Flows

	Notes	2018 £	2019 £	2020 £
Cash flows from operating activities				
Cash absorbed by operations	26	(720,281)	(2,935,137)	(2,128,691)
Interest paid		(17,157)	(19,843)	(20,488)
Tax refunded/(paid)		–	–	361,643
Net cash outflow from operating activities		(737,438)	(2,954,980)	(1,787,536)
Investing activities				
Purchase of intangible assets			–	(155,245)
Purchase of property, plant and equipment		–	(75,030)	(145,113)
Investment in subsidiaries		–	(85,608)	–
Net cash used in investing activities		–	(160,638)	(300,358)
Financing activities				
Proceeds from issue of shares		750,101	4,750,000	750,001
Net cash generated from financing activities		750,101	4,750,000	750,001
Net (decrease)/increase in cash and cash equivalents		12,663	1,634,382	(1,337,893)
Cash and cash equivalents at beginning of year		–	12,663	1,647,045
Cash and cash equivalents at end of year		12,663	1,647,045	309,152

1 Accounting policies

Company information

Oxford Cannabinoid Technologies Ltd ("**OCT**") is a private company limited by shares incorporated in England and Wales. The registered office is Maddox House, 1 Maddox Street, London, W1S 2PZ.

OCT's financial statements are presented in Pound Sterling (£), which is also the Company's functional currency, and all values are rounded to the nearest pound (£) except when otherwise indicated.

1.1 *Accounting convention*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis, except for the revaluation of the principal accounting policies adopted are set out below.

1.2 *Going concern*

The financial statements have been prepared on a going concern basis. OCT incurred a net loss during the year ended 31 May 2020 of £2,140,325 (2019: loss of £2,616,940, period ended 31 May 2018: loss of £1,133,066), and as of 31 May 2020, OCT had net assets of £533,812.

The recent outbreak of the novel Coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. As OCT's principal activity is that of developing safe and effective prescription medicines with a focus on cannabinoid drug development, it relies on funding from potential investors for these activities as it is not trading any goods or services.

As part of the Company's proposed admission of the Company's issued and to be issued share capital to the standard listing segment of the Official List of the Financial Conduct Authority it has, conditional on Admission, raised £14.82 million (net of costs), which will enable the Company to continue with its Research and Development strategy and provide sufficient funds for the foreseeable future.

Given the unpredictability of the potential impact of the novel Coronavirus outbreak, the Directors considered whether there were material uncertainties that cast significant doubt on the entity's ability to operate under the going concern basis.

In concluding that adequate financial resources will be available to OCT to discharge its liabilities as and when they fall due, the Directors have considered:

- the current and projected levels of available cash; and
- the nature and term of outstanding liabilities.

On the basis of the above, the Directors are satisfied that it is appropriate to prepare the financial statements of OCT on a going concern basis.

1.3 *Intangible assets other than goodwill*

Intangible assets comprise of licence fees paid in advance for the use of trademarks on compounds being developed. Such assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over their estimated useful lives of 5 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.4 ***Property, plant and equipment***

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements		**over the length of the lease**
Fixtures and fittings	–	25% straight-line
Computers	–	25% straight-line
Right of use asset	–	over the length of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.5 ***Non-current investments***

A subsidiary is an entity controlled by OCT. Control is the power to govern the financial and operating policies of the entity to obtain benefits from its activities.

1.6 ***Impairment of tangible and intangible assets***

At each reporting end date, OCT reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, OCT estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 ***Financial assets***

Financial assets are recognised in OCT's statement of financial position when OCT becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 ***Financial liabilities***

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, OCT's obligations are discharged, cancelled, or they expire.

1.10 ***Equity instruments***

Equity instruments issued by OCT are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of OCT.

1.11 ***Taxation***

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when OCT has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when OCT is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 ***Retirement benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 ***Leases***

As explained in note 2, OCT has changed its accounting policy for leases during the year to meet the requirements of IFRS 16 "Leases", which has been adopted from 1 June 2019.

Until 31 May 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating lease, less any leases incentives received, are charged to income on a straight-line basis over the term of the relevant leases except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

From 1 June 2019

Under IFRS 16 at commencement date of a lease, a lessee is required to recognise a liability to make lease payments ('lease liability') and an asset representing the right to use the underlying asset during the lease term ('right-of-use-asset'). The lease liabilities are measured at the present value of future lease payments over the reasonably certain lease term.

In applying IFRS 16, OCT has adopted the modified retrospective approach. Under this approach, comparative information has not been restated. Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by OCT.

Assets and liabilities arising from a lease are initially measure on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in OCT, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If OCT is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

On transition at 1 June 2019 OCT recognised the lease liabilities as the net present value of the future payments outstanding as at that point. The right-of-use asset was recognised at a value equal to the lease liability, which is allowed under the transition provision set out in IFRS 16. Therefore, at the point of transition no adjustment was required to be made to retained earnings.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise small items of office equipment.

1.15 ***Foreign exchange***

Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.16 ***Research and development expenditure***

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.17 ***Share-based payments***

Equity-settled share-based payments are measured at fair value at the date of grant by references to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the date of grant is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2 Adoption of new and revised standards and changes in accounting policies

Standards in effect in 2019 adopted

In the current year, the following new and revised Standards and Interpretations have been adopted by OCT and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted for the year ended 31 May 2020 using the full retrospective method.

IFRS 16 Leases took effect from 1 January 2019 and has been adopted for the year ended 31 May 2020. OCT has chosen to use the modified retrospective approach, recognising transitional adjustments on the date of initial application (*i.e.* 1 June 2019) without restatement of the comparative figures. Leases which OCT were party to were previously classified as operating leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership to the lessee. Under IFRS 16 OCT (when as a lessee) now recognises right of use assets and lease liabilities for leases other than those for low value assets or for short term leases of 12 months or less.

The application of the other revised Interpretations, Amendments and Annual Improvements has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions of arrangements.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9 (amendments) 'Prepayment Features with Negative Compensation'

IFRIC 23 'Uncertainty over income tax treatments'.

The Directors do not expect that the adoption of the other Standards listed above will have a material impact on OCT in future periods.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for OCT's activities and which have not therefore been adopted in preparing these financial statements.

3 Critical accounting estimates and judgements

In the application of OCT's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Research and development – area of judgement

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the produce or process is technically feasible, future economic benefits are probable and OCT intends to and has sufficient resources to complete the development and to use or sell the asset, all of which requires the judgement of the Directors. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. In the judgement of the Directors, the activities have not met the criteria to capitalise the expenditure.

4 Operating loss

	2018 £	2019 £	2020 £
Operating loss for the year is stated after charging/(crediting):			
Exchange (gains)/losses	450	8,183	(2,514)
Research and development costs	333,573	894,787	812,591
Fees payable to OCT's auditor for the audit of OCT's financial statements	11,000	13,000	14,000
Depreciation of property, plant and equipment	–	1,695	68,463
Amortisation of intangible assets	–	–	14,546
Share-based payments			136,534

5 Auditor's remuneration

	2018 £	2019 £	2020 £
Fees payable to OCT's auditor:			
For audit services			
Audit of the financial statements of OCT	11,000	13,000	14,000

6 Employees

The average monthly number of persons (including Directors) employed by OCT during the period was:

	2018 Number	2019 Number	2020 Number
	2	5	5

Their aggregate remuneration comprised:

	2018 £	2019 £	2020 £
Wages and salaries	62,750	380,332	434,119
Social security costs	941	39,144	53,950
Pension costs	95	12,678	31,425
	63,786	432,154	519,494

7 Finance costs

	2018 £	2019 £	2020 £
Other finance costs	–	–	20,488
Other interest payable	17,157	19,843	–
Total interest expense	17,157	19,843	20,488

8 Other gains and losses

	2018 £	2019 £	2020 £
Other gains and losses	–	(85,607)	(1)

Other gains and losses recognised in the prior year relates to the impairment on the investment in OCT Hellas. The investment was impaired in the prior year as a result of the decision to dissolve post year end.

9 Income tax expense

	2018 £	2019 £	2020 £
Current tax charge/(credit)			
UK corporation tax on profits for the current period	(99,770)	(261,873)	(225,725)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2018 £	2019 £	2020 £
Loss before taxation	(1,232,836)	(2,878,813)	(2,366,050)
Expected tax credit based on a corporation tax rate of 19.00%	(234,239)	(546,974)	(449,550)
Effect of expenses not deductible in determining taxable profit	–	276	2,507
Utilisation of tax losses not previously recognised	35,386	76,758	70,053
Change in unrecognised deferred tax assets	84,831	391,247	318,444
Research and development tax credit	14,252	(183,180)	(167,179)
Understated tax credit	–	–	–
Taxation credit for the year	(99,770)	(261,873)	(225,725)

10 Intangible assets

	Software £ 2020
Cost	
Brought forward at 1 June 2019	–
Additions	155,245
At 31 May 2020	155,245
Amortisation and impairment	
Brought forward at 1 June 2019	–
Charge for the year	14,546
At 31 May 2020	14,546
Carrying amount	
At 31 May 2020	140,699

11 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computers £	Right of use assets £	Total £
Cost					
At 31 May 2018	–	–	–	–	–
Additions	57,182	10,688	7,160	–	75,030
At 31 May 2019	57,182	10,688	7,160	–	75,030
Additions	–	4,084	–	–	4,084
Recognised on transition to IFRS 16	–	–	–	141,029	141,029
At 31 May 2020	57,182	14,772	7,160	141,029	220,143
Accumulated depreciation and impairment					
At 31 May 2018	–	–	–	–	–
Charge for the year	1,340	310	45	–	1,695
At 31 May 2019	1,340	310	45	–	1,695
Charge for the year	9,623	3,682	1,796	53,362	68,463
At 31 May 2020	10,963	3,992	1,841	53,362	70,158
Carrying amount					
At 31 May 2020	46,219	10,780	5,319	87,667	149,985
At 31 May 2019	55,842	10,378	7,115	–	73,335

12 Investments

	Current			Non-current		
	2018 £	2019	2020 £	2018 £	2019 £	2020 £
Investments in subsidiaries	–	–	–	–	1	–

OCT has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

OCT acquired 99 per cent. of the shareholding in OCT Hellas during the prior year. The investment was impaired in the prior year as a result of the decision to dissolve post year end.

Fair value of financial assets carried at amortised cost

The Directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

	Shares in group undertakings £
Cost or valuation	
At 1 June 2018	–
Additions	85,608
At 31 May 2019	85,608
Cost or valuation	
At 1 June 2019	85,608
Additions	–
At 31 May 2020	85,608
Impairment	
At 1 June 2018	–
Impairment losses	(85,607)
At 31 May 2019	(85,607)
Impairment losses	(1)
At 31 May 2020	(85,608)
Carrying amount	
At 31 May 2020	–
At 31 May 2019	1

13 Credit risk

Credit risk is managed on a group basis. Credit risk arises principally from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to connected companies. OCT reviews its banking arrangements carefully to minimise such risks.

The total trade and other receivables at year end were immaterial.

As a consequence of these controls, the probability of material loss is considered to be at an acceptable level.

Except as detailed below, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents OCT's maximum exposure to credit risk.

14 Trade and other receivables

	2018 £	2019 £	2020 £
Other receivables	2,602	101	508
Unpaid share capital	–	–	250,000
VAT recoverable	68,669	94,627	118,749
Tax recoverable	99,770	361,643	225,725
Amounts due from associate undertakings	–	81,198	2,383
Prepayments	66,302	75,354	116,745
	237,343	612,923	714,110

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

15 Liquidity risk

The following table details the remaining contractual maturity for OCT's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which OCT may be required to pay.

16 Foreign exchange risk

All OCT's material assets and liabilities are denominated in Sterling and it has no exposure to foreign exchange movements.

17 Trade and other payables

	Current			Non-current		
	2018	2019	2020	2018	2019	2020
	£	£	£	£	£	£
Trade payables	280,563	310,912	490,484	–	–	–
Amounts due to associate undertakings	244,999	–	79,183	–	–	–
Accruals	47,201	226,162	38,206	–	–	–
Social security and other taxation	–	498	–	–	–	–
Other payables	60,208	8,130	119,421		–	52,840
	632,971	545,702	727,294	–	–	52,840

18 Retirement benefit schemes

Defined contribution schemes

OCT operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of OCT in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £31,425 (2019 - £12,678)

19 Share capital

	2018	2019	2020
	£	£	£
Ordinary share capital			
Authorised			
1,324,213 ordinary shares of 0.01p each	105	132	132
Issued and fully paid			
1,324,213 ordinary shares of 0.01p each	105	132	132
Preference share capital			
Authorised			
13,853 preference shares of 0.01p each	–	–	1
Issued and fully paid			
13,853 preference shares of 0.01p each	–	–	1

20 Share premium account

	2018 £	2019 £	2020 £
At 1 June 2019	–	749,996	5,537,476
Issue of new shares	749,996	4,750,000	750,000
Other movements	–	37,480	–
At 31 May 2020	749,996	5,537,476	6,287,476

21 Retained earnings

	2018 £	2019 £	2020 £
At 1 June 2019	–	(1,133,066)	(3,750,006)
Loss for the year	(1,133,066)	(2,616,940)	(2,140,325)
At 31 May 2020	(1,133,066)	(3,750,006)	(5,890,331)

22 Leases

As explained in note 2, OCT has changed its accounting policy for leases during the year to meet the requirements of IFRS 16, which has been adopted for the first time from 1 June 2019. Note 1.14 gives full details of OCT's accounting policy for leases.

From 1 June 2019 OCT accounts for all leases as right-of-use assets, recognising a corresponding lease liability in the balance sheet.

As at 31 May 2020 the following amounts are included in the Statement of Financial Position in relation to non-cancellable leases:

	2018 £	2019 £	2020 £
Lease liability			
Current	–	–	54,484
Non-current	–	–	52,840
	–	–	107,324

23 Capital risk management

OCT is not subject to any externally imposed capital requirements.

24 Share-based payments

Oxford Cannabinoid Technologies Ltd operates an equity-settled share-based remuneration scheme for employees. The only vesting condition is that the individual remains an employee of OCT over the vesting period.

The Black-Scholes model is used to calculate the appropriate charge for the share options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate, expected volatility, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. During the year, OCT recognised total share-based payment expenses of £136,534 (2019 - £nil)

Options issued in February 2020

OCT issued 89,523 share options to four employees on 24 February 2020. The options are exercisable at a price of £18.88 per share. They will become exercisable as follows:

20 per cent. on the grant date

20 per cent. on the first anniversary of the grant date

20 per cent. on the second anniversary of the grant date

20 per cent. on the third anniversary of the grant date

15 per cent. on the fourth anniversary of the grant date

5 per cent. on the fifth anniversary of the grant date

They can be exercised at any time from this date to the day before the tenth anniversary of their grant and are not subject to a performance condition.

The inputs into the option pricing model for the options granted in February 2020 are as follows:

Weighted average exercise price	£18.88
Expected volatility	40%
Expected life	10 years
Risk free interest rate	1.69%

The volatility of OCT's share price on the date of the grant was calculated as the average of annualised standard deviations of daily continuously compounded returns on the stock closely comparable companies.

It was estimated for year ended 31 May 2020 that 43 per cent. of the total share options would not be exercised.

Details of the share options outstanding during the year are as follows. There are no share options exercisable at the year-end date.

An expense of £136,534 was recognised during the year ended 31 May 2020. No expense was recognised in previous periods as no share options were in issue.

	Number	Weighted Average Exercise Price
Outstanding at 1 June 2019	–	–
Granted during the year	89,523	18.88
Forfeited during the year	–	–
Exercised during the year	–	–
Outstanding at the end of the year	89,532	18.88

25 Related party transactions

OCT incurred the following costs and had the following balances outstanding at the period ends in respect of a services agreement with Kingsley Capital Partners LLP (KCP), an entity under common control and with common directors:

	Costs recharged	Balance owed (to)/ by KCP
Period ended 31 May 2018	£207k	£(245k)
Year Ended 31 May 2019	£530k	£nil
Year Ended 31 May 2020	£220k	£2k

Equinox International Holdings Limited is a company under common control. Costs were incurred by OCT and were recharged to Equinox and vice versa. The following balances were due from Equinox at the period ends:

31 May 2018	£nil
31 May 2019	£167k
31 May 2020	£6k

26 Cash absorbed by operations

	2018 £	2019 £	2020 £
Loss for the year after tax	(1,133,066)	(2,616,940)	(2,140,325)
Adjustments for:			
Taxation credited	(99,770)	(261,873)	(225,725)
Finance costs	17,157	19,843	20,488
Amortisation and impairment of intangible assets		–	14,546
Depreciation and impairment of property, plant and equipment	–	1,695	68,463
Impairment of investments	–	85,607	1
Equity settled share-based payment expense	–	37,507	136,534
Movements in working capital:			
Increase in trade and other receivables	(137,573)	(113,707)	(237,105)
Increase/(decrease) in trade and other payables	632,971	(87,269)	234,432
Cash absorbed by operations	(720,281)	(2,935,137)	(2,128,691)

27 Post balance sheet events

OCT received a Bounce Back Loan issued by the Government to help support businesses during the Coronavirus pandemic, for £50,000 in January 2021.

On 17 May 2021, Oxford Cannabinoid Technologies Holdings Plc announced its intention to apply for the admission of its ordinary shares to the Standard Listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange Group plc ("**Admission**"). In connection with Admission the entire issued share capital of OCT will be acquired via a share-for-share exchange which is expected to take place immediately prior to Admission on 21 May 2021.

On 2 March 2021 OCT issued 600,000 £1 Convertible Loan Notes which, pursuant to the Share Exchange Agreement, will result in the noteholders being issued and allotted shares in OCT prior to Admission and which will be converted into Ordinary Shares in Oxford Cannabinoid Technologies Holdings Plc at the equivalent of a 10 per cent. discount to the Placing Price per ordinary share of Oxford Cannabinoid Technologies Holdings Plc immediately prior to Admission.

SECTION E: REPORTING ACCOUNTANT'S REVIEW REPORT ON THE UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED

MOORE Kingston Smith

The Board of Directors
Oxford Cannabinoid Technologies Holdings Plc
Maddox House
1 Maddox Street
London
W1S 2PZ

The Members
Cairn Financial Advisers LLP
Cheyne House
Crown Court
62–63 Cheapside
London
EC2V 6AX

17 May 2021

Dear Sirs,

Oxford Cannabinoid Technologies Ltd ("OCT")

We report on the financial information set out in Section F of this Part VI for the six ended 30 November 2020 and 30 November 2019. This financial information has been prepared for inclusion in the prospectus dated 17 May 2021 ("**the Prospectus**") of Oxford Cannabinoid Technologies Plc ("**the Company**") on the basis of the accounting policies set out in Note 1 to the financial information.

Introduction

We have reviewed the accompanying balance sheet of OCT as of 30 November 2020 and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of OCT as at 30 November 2020, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Yours faithfully

Moore Kingston Smith LLP
Chartered Accountants & Registered Auditors

Moore Kingston Smith LLP

Chartered Accountants and Business Advisers
Devonshire House, 60 Goswell Road, London EC1M 7AD
020 7566 4000 www.mooreks.co.uk

A list of partners is available for inspection at the registered office
Registered in England and Wales as a Limited Liability Partnership: No 0C317343
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

SECTION F: UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION OF OXFORD CANNABINOID TECHNOLOGIES LIMITED

The Directors have prepared the Interim Financial Information on OCT for the six months ended 30 November 2020 on the basis set out in note 1 to the Interim Financial Information. The Interim Financial Information contained in this Section F of this Part VI of this Prospectus, which has been prepared solely for the purposes of the Prospectus, is unaudited. The Directors are responsible for the Interim Financial Information contained in this Section F of this Part VI of this Prospectus.

Consolidated Statement of Comprehensive Income

	Notes	Unaudited 6 months to 30 November 2019 £	Unaudited 6 months to 30 November 2020 £	Audited Year ended 31 May 2020 £
Cost of sales		(1,027,394)	(710,507)	(1,244,196)
Gross loss		(1,027,394)	(710,507)	(1,244,196)
Other operating income		–	9,748	5,436
Depreciation		(7,507)	(30,462)	(15,101)
Administrative expenses		(514,504)	(330,186)	(1,091,700)
Operating loss	4	(1,549,405)	(1,061,407)	(2,345,561)
Finance costs		–	(6,209)	(20,488)
Other gains and losses		–	–	(1)
Loss before taxation		(1,549,405)	(1,067,616)	(2,366,050)
Income tax income	5	110,000	30,938	225,725
Loss and total comprehensive income for the year		(1,439,405)	(1,036,678)	(2,140,325)

The income statement has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Financial Position

	Notes	Unaudited 30 November 2019 £	Unaudited 30 November 2020 £	Audited 31 May 2020 £
Non-current assets				
Intangible assets		155,245	125,132	140,699
Property, plant and equipment		69,912	119,524	149,985
		225,157	244,656	290,684
Current assets				
Trade and other receivables	6	550,137	357,136	714,110
Cash and cash equivalents		592,310	71,151	309,152
		1,142,447	428,287	1,023,262
Total assets		1,367,604	672,943	1,313,946
Current liabilities				
Trade and other payables		1,019,407	802,938	727,294
Net current assets		123,040	(374,651)	295,968
Non-current liabilities				
Trade and other payables		–	27,881	52,840
Total liabilities		1,019,407	830,819	780,134
Net assets		348,197	(157,876)	533,812
Equity				
Called up share capital	7	132	133	133
Share premium account		5,537,476	6,287,476	6,287,476
Share-based payment reserve		–	481,524	136,534
Retained earnings		(5,189,411)	(6,927,009)	(5,890,331)
Total equity		348,197	(157,876)	533,812

Consolidated Statement of Changes in Equity

	Notes	Share capital £	Share premium account £	Share-based payment reserve £	Retained earnings £	Total £
Balance at 31 May 2019		132	5,537,476	–	(3,750,006)	1,787,602
Loss and total comprehensive income for the year		–	–	–	(2,140,325)	(2,140,325)
Issue of share capital		1	750,000	–	–	750,001
Share-based payment charge	8	–	–	136,534	–	136,534
Balance as at 31 May 2020		133	6,287,476	136,534	(5,890,331)	533,812
Loss and total comprehensive income for the period		–	–	–	(1,036,678)	(1,036,678)
Share-based payment charge	8	–	–	344,990	–	344,990
Balance as at 30 November 2020		133	6,287,476	481,524	(6,927,009)	(157,876)
Balance as at 1 June 2019		132	5,537,476	–	(3,750,006)	1,787,602
Loss and total comprehensive income for the period		–	–	–	(1,439,405)	(1,439,405)
Balance as at 30 November 2019		132	5,537,476	–	(5,189,411)	348,197

Consolidated Statement of Cash Flows

	Notes	Unaudited 6 months to 30 November 2019 £	Unaudited 6 months to 30 November 2020 £	Audited Year ended 31 May 2020 £
Cash flows from operating activities				
Cash absorbed by operations	9	(895,407)	(457,517)	(2,128,691)
Interest paid		–	(6,209)	(20,488)
Tax refunded/ (paid)		–	225,725	361,643
Net cash outflow from operating activities		(895,407)	(238,001)	(1,787,536)
Investing activities				
Purchase of tangible fixed assets		(4,083)	–	(145,113)
Purchase of intangibles		(155,245)	–	(155,245)
Net cash used in investing activities		(159,328)	–	(300,358)
Financing activities				
Proceeds from issue of shares		–	–	750,001
Net cash generated from financing activities		–	–	750,001
Net (decrease)/increase in cash and cash equivalents		(1,054,735)	(238,001)	(1,337,893)
Cash and cash equivalents at the beginning of the year		1,647,045	309,152	1,647,045
Cash and cash equivalents at end of year		592,310	71,151	309,152

Notes to the Financial Statements

1 Accounting policies

Company information

Oxford Cannabinoid Technologies Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Maddox House, 1 Maddox Street, London, W1S 2PZ.

OCT's financial statements are presented in Pound Sterling (£), which is also Oxford Cannabinoid Technologies Holdings Plc's functional currency, and all values are rounded to the nearest pound (£) except when otherwise indicated.

1.1 ***Accounting convention***

These interim financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards, ("**IFRSs**") as adopted by the European Union, the International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations used by the International Accounting Standards Boards ("**IASB**") that are effective or issued and early adopted as at the time of preparing these financial statements and in accordance with the provisions of the Companies Act 2006. OCT has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("**IFRIC**") of the IASB, as they have been adopted by the European Union, that are relevant to its operations and effective for accounting periods beginning on 1 June 2020.

The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with OCT's financial statements, being the statutory statements for Oxford Cannabinoid Technologies Ltd as at 31 May 2020, which have been prepared in accordance with IFRS as adopted by the European Union.

The interim financial information for the six months ended 30 November 2020 do not comprise statutory accounts with the meaning of Section 434 of the Companies Act 2006. The interim financial information has not been audited.

1.2 ***Going concern***

The financial statements have been prepared on a going concern basis. OCT incurred a net loss of £1,036,678, and as of that date, OCT had net liabilities of £157,876.

The recent outbreak of the novel Coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. As OCT's principal activity is that of developing safe and effective prescription medicines with a focus on cannabinoid drug development, it relies on funding from potential investors for these activities as it is not trading any goods or services.

As part of the Company's proposed admission of the Company's issued and to be issued share capital to the standard listing segment of the Official List of the Financial Conduct Authority it has raised, conditional on Admission, £14.82 million (net of costs), which will enable the Company to continue with its Research and Development strategy and provide sufficient funds for the foreseeable future.

Given the unpredictability of the potential impact of the novel Coronavirus outbreak, the Directors considered whether there were material uncertainties that cast significant doubt on the entity's ability to operate under the going concern basis.

In concluding that adequate financial resources will be available to OCT to discharge its liabilities as and when they fall due, the Directors have considered:

- the current and projected levels of available cash; and
- the nature and term of outstanding liabilities.

On the basis of the above, the Directors are satisfied that it is appropriate to prepare the financial statements of OCT on a going concern basis.

1.3 ***Intangible assets other than goodwill***

Intangible assets comprise of licence fees paid in advance for the use of trademarks on compounds being developed. Such assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over their estimated useful lives of 5 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.4 ***Property, plant and equipment***

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements		**over the length of the lease**
Fixtures and fittings	–	25% straight-line
Computers	–	25% straight-line
Right of use asset	–	over the length of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.5 ***Non-current investments***

A subsidiary is an entity controlled by OCT. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 ***Impairment of tangible and intangible assets***

At each reporting end date, OCT reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, OCT estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 ***Financial assets***

Financial assets are recognised in OCT's statement of financial position when OCT becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 ***Financial liabilities***

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, OCT's obligations are discharged, cancelled, or they expire.

1.10 ***Equity instruments***

Equity instruments issued by OCT are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of OCT.

1.11 ***Taxation***

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when OCT has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when OCT is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 ***Retirement benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 ***Leases***

As explained in note 2, OCT has changed its accounting policy for leases during the year to meet the requirements of IFRS 16 "Leases", which has been adopted from 1 June 2019.

Until 31 May 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight-line basis over the term of the relevant leases except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

From 1 June 2019

Under IFRS 16 at commencement date of a lease, a lessee is required to recognise a liability to make lease payments ('lease liability') and an asset representing the right to use the underlying asset during the lease term ('right-of-use-asset'). The lease liabilities are measured at the present value of future lease payments over the reasonably certain lease term.

In applying IFRS 16, OCT has adopted the modified retrospective approach, Under this approach, comparative information has not been restated. Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by OCT.

Assets and liabilities arising from a lease are initially measure on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in OCT, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If OCT is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

On transition at 1 June 2019 OCT recognised the lease liabilities as the net present value of the future payments outstanding as at that point. The right-of-use asset was recognised at a value equal to the lease liability, which is allowed under the transition provision set out in IFRS 16. Therefore, at the point of transition no adjustment was required to be made to retained earnings.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise small items of office equipment.

1.15 ***Foreign exchange***

Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period

1.16 ***Research and development expenditure***

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.17 ***Share-based payments***

Equity-settled share-based payments are measured at fair value at the date of grant by references to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the date of grant is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment.

The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2 Adoption of new and revised standards and changes in accounting policies

Standards in effect in 2019 adopted

In the current year, the following new and revised Standards and Interpretations have been adopted by OCT and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted from 1 June 2019 using the full retrospective method.

IFRS 16 Leases took effect from 1 January 2019 and has been adopted from 1 June 2019. OCT has chosen to use the modified retrospective approach, recognising transitional adjustments on the date of initial application (*i.e.* 1 June 2019) without restatement of the comparative figures. Leases which OCT were party to were previously classified as operating leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership to the lessee. Under IFRS 16 the Company (when as a lessee) now recognises right of use assets and lease liabilities for leases other than those for low value assets or for short term leases of 12 months or less.

The application of the other revised Interpretations, Amendments and Annual Improvements has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions of arrangements.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9 (amendments) 'Prepayment Features with Negative Compensation'

IFRIC 23 'Uncertainty over income tax treatments'.

The Directors do not expect that the adoption of the other Standards listed above will have a material impact on OCT in future periods.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for OCT's activities and which have not therefore been adopted in preparing these financial statements.

3 Critical accounting estimates and judgements

In the application of OCT's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Research and development –area of judgement

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the produce or process is technically feasible, future economic benefits are probable and OCT intends to and has sufficient resources to complete the development and to use or sell the asset, all of which requires the judgement of the Directors. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. In the judgement of the Directors, the activities have not met the criteria to capitalise the expenditure.

4 Operating loss

	Unaudited 6 months to 30 November 2019 £	Unaudited 6 months to 30 November 2020 £	Audited Year Ended 31 May 2020 £
Operating loss for the year is stated after charging/(crediting):			
Exchange (gains)/losses	4,138	1,330	(2,514)
Research and development costs	821,723	150,350	812,591
Fees payable to OCT's auditor for the audit of OCT's financial statements	–	–	14,000
Depreciation of property, plant and equipment	7,507	30,462	68,463
Amortisation of intangible assets	–	15,567	14,546
Share-based payments	–	344,990	136,534

5 Income tax

The tax credit of £30,938 (2019: £110,000) relates to the research and development claim.

6 Trade and other receivables

	Unaudited 30 November 2019 £	Unaudited 30 November 2020 £	Audited 31 May 2020 £
Other receivables	1,507	102	508
Unpaid share capital	–	250,000	250,000
VAT recoverable	160,188	57,455	118,749
Tax recoverable	247,330	30,938	225,725
Amounts due from associate undertakings	2,383	2,383	2,383
Prepayments	138,729	16,258	116,745
	550,137	357,136	714,110

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

7 Share capital

	Unaudited 30 November 2019 £	Unaudited 30 November 2020 £	Audited 31 May 2020 £
Ordinary share capital			
Authorised			
1,324,213 ordinary shares of 0.01p each	132	132	132
Issued and fully paid			
1,324,213 ordinary shares of 0.01p each	132	132	132
Preference share capital			
Authorised			
13,853 preference shares of 0.01p each	–	1	1
Issued and fully paid			
13,853 preference shares of 0.01p each	–	1	1

8 Share-based payments

Oxford Cannabinoid Technologies Ltd operates an equity-settled share-based remuneration scheme for employees. The only vesting condition is that the individual remains an employee of OCT over the vesting period.

The Black-Scholes model is used to calculate the appropriate charge for the share options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate, expected volatility, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. During the six months to 30 November 2020, OCT recognised total share-based payment expenses of £344,990 (six months to 30 November 2019:- £nil).

Options issued in February 2020

OCT issued 89,523 share options to four employees on 24 February 2020. The options are exercisable at a price of £18.88 per share. They will become exercisable as follows:

20 per cent. on the grant date

20 per cent. on the first anniversary of the grant date

20 per cent. on the second anniversary of the grant date

20 per cent. on the third anniversary of the grant date

15 per cent. on the fourth anniversary of the grant date

5 per cent. on the fifth anniversary of the grant date

They can be exercised at any time from this date to the day before the tenth anniversary of their grant and are not subject to a performance condition.

The inputs into the option pricing model for the options granted in February 2020 are as follows:

Weighted average exercise price	£18.88
Expected volatility	40%
Expected life	10 years
Risk free interest rate	1.69%

The volatility of OCT's share price on the date of the grant was calculated as the average of annualised standard deviations of daily continuously compounded returns on the stock closely comparable companies.

It was estimated for year ended 31 May 2020 that 43 per cent. of the total shares would not be exercised.

It was estimated for the six months ended 30 November 2020 that 30 per cent. of the total shares would not be exercised.

Details of the share options outstanding during the year are as follows. There are no share options exercisable at the year end date.

An expense of £344,990 was recognised during the period ended 30 November 2020 and £136,534 was recognised in the year ended 31 May 2020. No expense was recognised in previous periods as no share options were in issue.

	Number	Weighted Average Exercise Price
Outstanding at 1 June 2019	–	–
Granted during the year	89,523	18.88
Forfeited during the year	–	–
Exercised during the year	–	–
Outstanding at 1 June 2020	89,523	18.88
Granted during the year	–	–
Forfeited during the year	–	–
Exercised during the year	–	–
Outstanding at the end of the year	89,523	18.88

9 Cash absorbed by operations

	Unaudited 6 months to 30 November 2019 £	Unaudited 6 months to 30 November 2020 £	Audited Year Ended 31 May 2020 £
Loss for the year after tax:	(1,439,405)	(1,036,678)	(2,140,325)
Adjustments for:			
Taxation credited	–	–	(225,725)
Finance costs	–	6,209	20,488
Amortisation and impairment of intangible assets	–	15,567	14,546
Depreciation and impairment of property, plant and equipment	7,507	30,462	68,463
Impairment of investments	–	–	1
Equity settled share-based payment expense	–	344,990	136,534
Movements in working capital:			
Decrease/(Increase) in trade and other receivables	62,786	131,249	(237,105)
Increase/(decrease) in trade and other payables	473,705	50,684	234,432
Cash absorbed by operations	(895,407)	(457,517)	(2,128,691)

10 Post balance sheet events

OCT received a Bounce Back Loan issued by the Government to help support businesses during the Coronavirus pandemic, for £50,000 in January 2021.

On 17 May 2021, Oxford Cannabinoid Technologies Holdings Plc announced its intention to apply for the admission of its ordinary shares to the Standard Listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange Group plc ("**Admission**"). In connection with Admission, the entire issued share capital of OCT will be acquired via a share-for-share exchange which is expected to take place immediately prior to Admission on 21 May 2021.

On 2 March 2021 OCT issued 600,000 £1 Convertible Loan Notes which, pursuant to the Share Exchange Agreement, will result in the noteholders being issued and allotted shares in OCT prior to Admission and which will be converted into Ordinary Shares in Oxford Cannabinoid Technologies Holdings Plc at the equivalent of a 10 per cent. discount to the Placing Price per ordinary share of Oxford Cannabinoid Technologies Holdings Plc immediately prior to Admission.

SECTION G

REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS

MOORE Kingston Smith

The Board of Directors
Oxford Cannabinoid Technologies Holdings Plc
Maddox House
1 Maddox Street
London
W1S 2PZ

The Members
Cairn Financial Advisers LLP
Cheyne House
Crown Court
62–63 Cheapside
London
EC2V 6AX

17 May 2021

Dear Sirs,

Oxford Cannabinoid Technologies Holdings Plc ("the Company")

We report on the unaudited pro forma financial information (the "**Pro Forma Financial Information**") set out in Section H of this Part VI of the prospectus dated 17 May 2021 (the "**Prospectus**"), which has been prepared on the basis described, for illustrative purposes only, to provide information about how the issue and redemption of preference shares, the Placing, the issue and redemption of the Convertible Loan Notes, the Bounce /back Loan and acquisition of OCT, pursuant to the Share Exchange Agreement, might have affected the financial information presented on the basis of the accounting policies adopted by the Company in its next financial statements, being those adopted in preparing the historical financial information of OCT.

This report is required by Section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council which are part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (EUWA) and as amended by the relevant statutory instruments (the "**UK Prospectus Regulation**") and is given for the purpose of complying with that section and for no other purpose.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any 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 item 1.3 of Annex 1 to Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of the Company ("**the Directors**") to prepare the Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of the UK Prospectus Regulation.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Prospectus Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

No reports or opinions have been made by us on any financial information used in the compilation of the Pro Forma Financial Information. In providing this opinion we are not providing any assurance on any source financial information on which the Pro Forma Financial Information is based beyond the above opinion.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule PRR 5.3.2 R (2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Section 3 of Annex 20 of the UK Prospectus Regulation.

Yours faithfully

Moore Kingston Smith LLP

Chartered Accountants & Registered Auditors

Moore Kingston Smith LLP

Chartered Accountants and Business Advisers
Devonshire House, 60 Goswell Road, London EC1M 7AD
020 7566 4000 www.mooreks.co.uk

A list of partners is available for inspection at the registered office
Registered in England and Wales as a Limited Liability Partnership: No 0C317343
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

SECTION H

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets for the Company as at 30 November 2020 ("the Pro Forma Financial Information").

The unaudited Pro Forma Financial Information has been prepared on the basis of the notes set out below, in accordance with Annex 1, Section 18, Item 18.4.1 of Commission Delegated Regulation (EU) 2019/980 as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended and in a manner consistent with the accounting policies to be adopted by the Company in its next financial statements, being those adopted in preparing the historical financial information of OCT, to illustrate the effect on the Company of the issue of 50,000 redeemable preference shares and their redemption, the Placing, the issue and redemption of the Convertible Loan Notes, the Bounce Back Loan and acquisition of OCT, pursuant to the Share Exchange Agreement, as if these transactions took place on 30 November 2020. These transactions do not have a significant effect on the earnings of OCT as disclosed in Section E of Part VI of this Document.

The unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not reflect the actual financial position or results of the Company post Admission. Such information may not, therefore, give a true picture of the Company's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Act. Users should read the whole of this Document and not rely solely on the summarised financial information contained in this Section H of this Part VI of this Document.

The report on the unaudited Pro Forma Financial Information is set out in Section G of this Part VI of this Document.

Unaudited Pro-forma Statement of Consolidated Net Assets at 30 November 2020

	Company at 4 February 2021 £	Issue of Redeemable Preference Shares £	OCT at 30 November 2020 £	Issue of Convertible Loan Notes and Bounce Back Loan £	Placing net of expenses £	Redemption of Preference Shares and redemption of Convertible Loan Notes £	Pro-forma at 30 November 2020 £
Non-current assets	Note 1	Note 2	Note 3	Note 4&5	Note 6	Note 7	Note 8
Intangible assets	–	–	125,132	–	–	–	125,132
Property, plant and equipment	–	–	119,524	–	–	–	119,524
	–	–	244,656	–	–	–	244,656
Current assets							
Trade and other receivables	2	50,000	326,198	–	–	(50,000)	326,200
Current tax recoverable	–	–	30,938	–	–	–	30,938
Cash and cash equivalents	–	–	71,151	650,000	14,820,000	–	15,541,151
	2	50,000	428,287	650,000	14,820,000	(50,000)	15,898,289
Current liabilities							
Trade and other payables	–	–	802,938	–	–	–	802,938
Loans and borrowings	–	–	–	600,000	–	(600,000)	50,000
	–	–	802,938	600,000	–	(600,000)	802,938
Net current assets / (liabilities)	2	50,000	(374,651)	50,000	14,820,000	550,000	15,095,351
Non-current liabilities							
Trade and other payables	–	–	27,881	–	–	–	27,881
Loans and borrowings	–	–	–	50,000	–	–	50,000
	–	–	27,881	50,000	–	–	77,881
Net assets / (liabilities)	2	50,000	(157,876)	–	14,820,000	550,000	15,262,126

Notes:

1. The unaudited Pro Forma Financial Information has been prepared in accordance with the Company's accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information of OCT. The financial information for the Company has been extracted, without material adjustment, from the incorporation accounts of the Company and reflects the £2 issue of share capital at incorporation. The audited historical financial information of the Company can be found in Section B of this Part VI of this Document. For the purposes of the Unaudited Pro Forma Financial Information it has been assumed that the Company was incorporated on 30 November 2020.
2. Subsequent to incorporation the Company's initial shareholders subscribed for 50,000 redeemable voting preference shares of £1 each to satisfy the minimum share capital requirements for public companies incorporated in England and Wales. A pro-forma adjustment has been recorded to reflect the £50,000 preference share capital and related receivable. These preference shares are to be redeemed prior to Admission for cash (see note 7).
3. To illustrate the effect of the acquisition of OCT by the Company via the Share-for-Share Exchange, a pro forma adjustment has been recorded to reflect the balance sheet of OCT as at 30 November 2020, using the relevant financial information extracted from the audited historical information contained in Section F of this Part VI of this Document. The acquisition has been accounted for as a reverse acquisition utilising merger relief.
4. Subsequent to 30 November 2020, OCT issued 600,000 £1 unsecured Convertible Loan Notes which carry interest at 6 per cent. per annum.
5. In January 2021 OCT took out a £50,000 loan under the Government's Bounce Back Loan Scheme.
6. Pursuant to the Placing, the Company will issue 330 million Ordinary Shares of £0.01 each at the Placing Price. Consequently, pro forma adjustments have been recorded to show the £14.82 million cash proceeds to the Company from the Placing net of the Admission expenses which are expected to amount to approximately £1.68 million (exclusive of VAT).
7. An adjustment has been made to show the impact of the redemption of the Redeemable Preference Shares at par and the redemption of the Convertible Loan Notes. The redemption will take place pursuant to the Share Exchange Agreement entered into between the Existing OCT Shareholders and the Company which will result in the noteholders being issued and allotted shares in OCT and which will be converted into Ordinary Shares in the Company at the equivalent of a 10 per cent. discount to the Placing Price immediately prior to Admission.
8. All the transactions above are in relation to Admission and are one off in nature. No account has been taken of the financial performance of the Group since 30 November 2020 nor of any change in the financial position other than those noted above.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names and functions appear on page 37, and the Company, with registered office located at Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom, accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company, the information contained in this Document is in accordance with the facts and makes no omission likely to affect its import.

2. The Company

2.1. The Company's legal and commercial name is Oxford Cannabinoid Technologies Holdings Plc.

2.2. The Company was incorporated and registered in England and Wales as a public limited company under the name Oxford Cannabinoid Technologies Holdings Plc on 4 February 2021 under the Act with company number 13179529.

2.3. On 17 May 2021, pursuant to the Share-for-Share Exchange detailed in paragraph 9.1.14 below, the Company conditionally acquired Oxford Cannabinoid Technologies Ltd, a company registered in England and Wales.

2.4. On Admission, the Group will comprise the Company and its wholly owned subsidiary Oxford Cannabinoid Technologies Ltd. OCT has a wholly owned dormant subsidiary, OCT Hellas (incorporated and registered in Greece on 24 May 2019 with GCR number 150594906000 and registered office address at 3 Sapfous Street, GR-54627), which has been dormant since December 2019 and is in the process of being dissolved, anticipated to be by 31 May 2021.

2.5. On Admission, the Company will function as the holding company of the Group and all operational activity will be carried out by OCT.

2.6. OCT was incorporated on 10 March 2017 as Oxford Cannabinoid Technologies Ltd in England and Wales under the Act as a private limited company.

2.7. The Company's LEI is 2138005SRWT4998BCE35.

2.8. The Company's object and purpose are unrestricted.

2.9. On incorporation, Neil Mahapatra and Clarissa Ann Sowemimo-Coker were appointed as Directors of the Company. The remaining Directors of the Board were appointed on 23 April 2021.

2.10. Neither the Company nor its subsidiary are regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the FCA) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.11. Save as set out in paragraph 5 of Part I of this Document there are no specific regulations relating to the industry in which the Group operates in the UK or in any other market in which the Group currently intends to operate.

2.12. The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Act.

2.13. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

2.14. The Company is registered in, domiciled in and its principal place of business is in the UK. The Company's and OCT's registered office and principal place of business is located at Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom. The Company's telephone number is +44 (0) 203 034 2820.

2.15. Other than OCT in respect of the Company, neither the Company nor OCT have any joint ventures or undertakings in which they hold a proportion of the capital likely to have a significant effect on the assessment of the Group's assets and liabilities, financial position or profits and losses or investments, nor do they have any investments in progress, or any future investments on which the Company's management bodies have made firm commitments.

2.16. The Company's website is www.oxcantech.com.

3. Share capital

3.1. In accordance with the Act, the Company has no limit on its authorised share capital.

3.2. On incorporation of the Company two ordinary shares of £1 each were subscribed for and issued and allotted to Kingsley Capital Partners LLP, paid up in full.

3.3. On 23 April 2021:

3.3.1. 50,000 redeemable non-voting preference shares of £1 each were allotted in the capital of Company to Kingsley Capital Partners LLP, following which the share capital of the Company was £50,002 divided into 2 ordinary shares of £1 each and £50,000 redeemable non-voting preference shares of £1 each;

3.3.2. the Company sub-divided the 2 ordinary shares of £1 each in the capital of the Company into 200 ordinary shares of £0.01 each; and

3.3.3. the Company adopted new articles of association setting out the rights of the redeemable non-voting preference shares of £1 each and the ordinary shares of £0.01 each in the capital of the Company.

3.4. On 28 April 2021, the Company received a trading certificate pursuant to section 761 of the Act entitling it to do business and borrow.

3.5. On 17 May 2021, the Company and the Existing OCT Shareholders entered into the Share Exchange Agreement pursuant to which the Existing OCT Shareholders conditionally exchanged their entire holding of shares in OCT in consideration for the issue to them of ordinary shares in the Company immediately prior to Admission. The Share Exchange Agreement is conditional on the Placing Agreement becoming unconditional in all respects (save only for Admission) so takes effect immediately prior to Admission.

3.6. On 14 May 2021, the Company passed the following resolutions:

3.6.1. to authorise the redemption (for cash) of the 50,000 non-voting preference shares of £1 each in the capital of the Company;

3.6.2. to authorise the Directors, for the purposes of section 551 of the Act to allot relevant securities of the Company or grant rights to subscribe for or to convert any security into shares in the Company conditional upon Admission: (i) up to an aggregate nominal amount of £9,850,148.50 in respect of the Share Exchange Agreement and the Placing, the Share Option Schemes, the NED Options and the Unapproved Option; and otherwise than pursuant to paragraph (i) above, up to an aggregate nominal value of £3,283,382.83, such authorisation expiring on the date of the next annual general meeting of the Company; and

3.6.3. to authorise the Directors to allot equity securities or grant rights to subscribe for or to convert any securities in the capital of the Company up to a maximum nominal value of £9,850,148.50 as if section 561 of the Act and any pre-emption rights in the Articles did not apply in respect of the Share Exchange Agreement, the Placing, the Share Option Schemes, the NED Options and the Unapproved Option; and otherwise than pursuant to paragraph (i) above, up to an aggregate nominal value of £492,507.43, such authorisation expiring on the date of the next annual general meeting of the Company.

3.7. On 21 May 2021, with effect immediately prior to Admission: (i) OCT will convert the Convertible Loan Notes created pursuant to the Convertible Loan Note Instrument into ordinary shares of OCT; (ii) OCT will convert the preference shares in the capital of OCT into ordinary shares of OCT; (iii) the 50,000 issued redeemable non-voting preference shares of £1 each in the capital of the Company will be redeemed for cash; and (iv) the Share-for-Share Exchange will take effect and, on Admission, the Placing Shares will be issued to the Placees.

3.8. As described above, with the exception of the 50,000 redeemable non-voting preference shares of £1 each in the Company, all of which will be redeemed immediately prior to Admission, the issued share capital of the Company (all of which was fully paid up and free from all liens) as at 4 February 2021, being the date of the most recent balance sheet, as at the date of this Document and on Admission will be as follows:

	Number of Ordinary Shares allotted (fully paid up)	Nominal value per Ordinary Share	Aggregate nominal value of Ordinary Shares
As at 4 February 2021	2	£1	£2
As at the date of this Document	630,415,644	£0.01	£6,304,156.44
On Admission	960,415,644	£0.01	£9,604,156.44

3.9. The Company has issued 7,203,118 Warrants to the Financial Adviser, 16,500,000 Warrants to the Corporate Adviser and 9,604,157 Warrants to Gemstone, as set out in paragraph 9.1.12 of this Part VII. Assuming exercise of all the outstanding Warrants in full, the Warrants would represent approximately 3.35 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the Warrants and such exercise would result in the Enlarged Share Capital being diluted so as to constitute 96.65 per cent. of the further enlarged share capital of the Company.

3.10. As at 4 February 2021 the Company had not granted any options. As at the date of this Document conditional on Admission, the Company has issued the Vested Options under the Replacement Option Scheme to two Executive Directors (Clarissa Sowemimo-Coker and Dr. John Lucas), two current employees and the Unapproved Option to one former employee of OCT (as set out in paragraph 8.1) of this Part VII.

Assuming exercise of all the outstanding Vested Options in full, the Vested Options would represent 6.76 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the Vested Options.

In addition, as at the date of this Document, conditional on Admission, the Company has issued the New Options under the New Option Scheme and the NED Options to the parties set out in paragraphs 7.2 and 8.2 of this Part VII.

Assuming exercise of all the outstanding New Options and the NED Options in full, the New Options and the NED Options would represent 8.88 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the New Options.

As at 30 November 2020, the date of the most recent unaudited balance sheet of OCT, OCT had granted the options under the OCT Option Scheme (all granted on 24 February 2020) as set out below. All of these will, conditional on Admission, be replaced by Vested Options under the Replacement Option Scheme and the Unapproved Option:

Name	Number of ordinary shares in OCT under option	Exercise price per option share	Exercise period
Eugenia Shostak (an employee)	12,789	£18.88	10 years from the date of grant
Clarissa Sowemimo-Coker	12,789	£18.88	10 years from the date of grant
Dr. John Lucas	25,578	£18.88	10 years from the date of grant
Dr. Jutta Roth (a former employee)	38,367	£18.88	10 years from the date of grant

Further details of the Company's Share Option Schemes are set out in paragraph 8 of this Part VII.

3.11. Assuming exercise of all the outstanding Warrants and Options in full, the Warrants and Options would represent 16.99 per cent. of the Enlarged Share Capital as further enlarged only by the exercise of the Warrants and Options.

3.12. The provisions of section 561(1) of the Act (to the extent not disapplied pursuant to sections 570-571 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 3.6.3 above.

3.13. With effect from Admission, the Ordinary Shares will be listed on the Official List and will be traded on the Main Market of the London Stock Exchange. The Ordinary Shares are not currently listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

3.14. Each Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).

3.15. Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Placing, the Options and the Warrants, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital nor were there any such rights and/or obligations as at 4 February 2021, being the date of the most recent balance sheet of the Company.

3.16. Save as disclosed in paragraphs 8 and 9.1.12 of this Part VII, no share of the Company or OCT is under option or has been agreed conditionally or unconditionally to be put under option.

3.17. Except for the Warrants and the Options, the Company does not have, nor did it have as at 4 February 2021, being the most recent balance sheet date of the Company, in issue any securities not representing share capital, nor any shares which are held by or on behalf of the Company itself or by its subsidiaries, and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company.

3.18. The participation (as a percentage) in share capital and voting rights of the Company for Existing OCT Shareholders before and after the capital increase resulting from the Placing, on the basis that Existing OCT Shareholders do not participate in the Placing, are as follows:

	Immediately prior to Admission (%)	**Immediately following Admission (%)**
Share capital	100	65.64
Voting	100	65.64

3.19. Shareholders do not have any entitlement to, but may, participate in the Placing.

3.20. The net asset value per Ordinary Share is as follows:

	As at 4 February 2021, being the most recent balance sheet date
Net asset value per Ordinary Share	£1

This compares to the Placing Price of £0.05 per Placing Share.

3.21. The Ordinary Shares may be held in either certificated form or in uncertificated form under the CREST system.

3.22. Except as disclosed in this paragraph and as referred to in paragraphs 8 and 9.1.12 below, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

3.23. Save as disclosed below, to the best of the Directors' knowledge, no-one, directly or indirectly, acting alone or jointly, exercises or could exercise control over the Company.

3.23.1. At the date of Admission, Neil Mahapatra (through his beneficial interest in up to 54.3 per cent. of KCP's shareholding in the Company) controls the exercise of 100 per cent. of KCP's voting rights in respect of approximately 20.66 per cent. of the issued share capital of the Company as it will be on Admission. At the date of Admission, Neil Mahapatra through: (i) his indirect holding of Ordinary Shares in KCP; and (ii) through holdings of his immediate family will control the exercise of voting rights in respect of approximately 20.76 per cent. of the Enlarged Share Capital. Additionally, there is a services agreement in place between KCP and OCT, under which OCT pays KCP a fee for management and analytical services, further details of which are set out in paragraph 9.1.7 of this Part VII. Accordingly, a relationship agreement has been entered into between KCP, the Company, the Financial Adviser and the Corporate Adviser to ensure that the Company is able to carry on its business independently and to regulate the relationship between them on an arm's length and normal commercial basis.

Further details of the Relationship Agreement are set out in paragraph 9.1.13 of this Part VII.

3.24. The ISIN in respect of the Ordinary Shares is GB00BMVMRB86. The Ordinary Shares are and will be created and issued under the Act and are denominated in Pounds Sterling.

3.25. The registrars of the Company are Computershare Investor Services PLC. They will be responsible for maintaining the register of members of the Company.

3.26 On 10 March 2017, OCT was incorporated with a share capital of 2 ordinary shares of £1 each. On 25 October 2017: (a) the 2 ordinary shares in the capital of OCT were sub-divided into 20,000 ordinary shares of £0.0001 each; and (b) 980,000 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT as part of the seed funding of OCT.

On 30 October 2017, 11,086 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT. On 3 November 2017, 5,543 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT. On 8 November 2017, 7,918 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT. On 9 November 2017, 15,837 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT. On 12 January 2018, 8,315 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT.

On 21 June 2018, 230,203 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT and on 14 August 2018, 45,311 ordinary shares of £0.0001 each were allotted and issued in the capital of OCT as part of the Series A Funding.

On 30 June 2020, 13,853 preference shares of £0.0001 each were allotted and issued in the capital of OCT as part of the Series B Funding. On 26 April 2021: (a) 22,906 preference shares of £0.0001 each were allotted and issued in the capital of OCT; and (b) 36,759 preference shares of £0.0001 each were re-designated into 36,759 ordinary shares of £0.0001 each in the capital of OCT.

As at 31 May 2018, the total issued share capital of OCT was £104.8699 divided into 1,048,699 ordinary shares of £0.0001 each. As at 31 May 2019, the total issued share capital of OCT was £132.4213 divided into 1,324,213 ordinary shares of £0.0001 each. As at 31 May 20202, the total issued share capital of OCT was £132.4213 divided into 1,324,213 ordinary shares of £0.0001 each. As mentioned above, post 31 May 2020, on 30 June 2020, 13,853 preference shares of £0.0001 each were allotted and issued in the capital of OCT and on 26 April 2021 a further 22,906 preference shares of £0.0001 each were allotted and issued in the capital of OCT. On 26 April 2021 the 36,759 preference shares of £0.0001 each were re-designated into 36,759 ordinary shares of £0.0001 each in the capital of OCT. As such, the total issued share capital of OCT prior to completion of the share exchange is £136.0972 divided into 1,360,972 ordinary shares of £0.0001 each.

4. Summary of the Articles of Association

The Articles, which were adopted by special resolution of the Shareholders passed by written resolution on 14 May 2021 contain, *inter alia*, provisions to the following effect:

4.1. *Objects and purposes*

4.1.1. The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.1.2. The Articles do not provide for any purposes for which the Company was established.

4.2. *Limited liability*

The liability of the Company's members is limited to the amount, if any, unpaid on their shares.

4.3. *Share rights*

Subject to the provisions of the Act, and where the context requires, every other statute from time to time in force concerning companies and affecting the Company (**the Companies Acts**) and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with, or have attached to them, such preferred, deferred, or other rights or restrictions, whether in regards to dividends, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution, determine or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may determine.

4.4. *Voting rights*

4.4.1. Subject to the provisions of the Companies Acts, to any special terms as to voting on which any shares may have been issued or may from time to time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company:

(i) every member who is present in person at a physical general meeting shall, on a show of hands, have one vote;

(ii) every proxy who has been appointed by one or more members entitled to vote on the resolution shall, on a show of hands, have one vote except that a proxy shall have one vote for and one vote against a resolution if the proxy has been appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against the resolution, or one or more members have instructed the proxy to vote for the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting against the resolution, or one or more members have instructed the proxy to vote against the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting for the resolution; and

(iii) every member present in person or by proxy at a physical general meeting shall, on a poll, have one vote for each share of which he is a holder.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of such share.

4.4.2. Unless the Board otherwise determines, no member is entitled to present and vote at a general meeting or at a separate meeting of the shareholders of any class of shares, either in person or by proxy (save as proxy for another member), or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of any share held by him:

(i) unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company; or

(ii) if he, or any other person whom the Company reasonably believes to be such shares, has been issued with a notice pursuant to the Companies Acts requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

4.5. ***Dividends and distributions***

4.5.1. Subject to the provisions of the Companies Acts and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board and there are no fixed dates on which a divided entitlement arises.

4.5.2. Subject to the provisions of the Companies Acts, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

4.5.3. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid up on a share in advance of the date on which a call is payable shall be treated for these purposes as paid up on the share. Subject as aforesaid, all dividends should 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, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

4.5.4. All dividends payable in respect of shares and unclaimed after having been declared and become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall be forfeited and shall cease to remain owing by the Company.

4.5.5. The Board may, with the authority of an ordinary resolution of the Company, direct that payment of all or part of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit.

4.5.6. Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Acts requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.5.7. If cheques, warrants or orders for dividends in respect of a share sent by the Company to the person entitled thereto through the post or through another method of payment including bank transfers (or other electronic means) are returned to the Company or left uncashed during the period for which they are valid or payments by any other method have failed

(including where such payments have been rejected or refunded) on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address or account to be used for the purpose, the Company is not obliged to send any dividends in respect of that share due to that person until he notifies the Company of an address or account to be used for the purpose.

4.5.8. Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

4.6. ***Transfer of shares***

4.6.1. Each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid-up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members. All instruments of transfer which are registered may be retained by the Company.

4.6.2. The Board may, in its absolute discretion, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless:

(i) it is in respect of a share which is fully paid-up;

(ii) it is in respect of only one class of shares;

(iii) it is in favour of a single transferee or not more than four joint transferees;

(iv) it is duly stamped (if so required); and

(v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of: (a) a transfer by a recognised person where a certificate has not been issued; (b) a transfer of an uncertificated share; or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant system.

4.6.3. Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Acts requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised stock exchange or is in consequence of a *bona fide* sale to an unconnected party.

4.6.4. If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it.

4.6.5. No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any share and where registered may be retained by the Company.

4.7. ***Alteration of share capital***

4.7.1. The Company may exercise the powers conferred by the Companies Acts to:

(i) increase its share capital by allotting new shares of such nominal value as the Directors may determine and unless otherwise prescribed in the appropriate resolution of the Company, all such shares shall be subject to the provisions of the Companies Acts and the Articles with reference to allotment, payment of calls, forfeiture, lien, transfer, transmission and otherwise;

(ii) reduce its share capital;

(iii) sub-divide or consolidate and divide all or any of its share capital;

(iv) reconvert stock into shares; and

(v) redenominate all or any of its shares and reduce its share capital in connection with such a redenomination.

4.8. ***Variation of rights***

4.8.1. Subject to the provisions of the Companies Acts, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.

4.8.2. The Board may convene a meeting of the holders of any class of shares whenever it thinks fit and whether or not the business to be transacted involves a variation or abrogation of class rights.

4.8.3. The quorum at any such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.8.4. Subject to the terms of issue of or rights attached to any shares, the rights for the time being attached to any shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the Companies Acts and the Articles.

4.9. ***General meetings***

4.9.1. The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.

4.9.2. A general meeting shall be convened by such notice as may be required by law from time to time.

4.9.3. The notice shall specify whether the meeting is convened as an annual general meeting or any other general meeting, whether the meeting shall be a physical meeting or an electronic meeting, the day, time and place or electronic platform for the meeting and the general nature of the business to be transacted at the meeting. In the case of a meeting convened to pass a special resolution, the notice shall include the text of the resolution and specify the intention to propose the resolution as a special resolution. The notice shall specify that a member entitled to attend and vote is entitled to appoint one or more proxies (provided each proxy is appointed to exercise the rights attached to a different share held by the member) to attend and to speak and vote instead of the member and that a proxy need not also be a member. The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the Auditors and to any other person who may be entitled to receive it. The accidental omission to give notice to (due to circumstances beyond the Company's control), or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

4.9.4. The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Acts or the Articles to be made available at the meeting.

4.9.5. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting or at any separate meeting of the holders of any class of shares of the Company if he considers that this will assist in the deliberations of the meeting.

4.9.6. No business shall be transacted at any general meeting unless a quorum is present. Subject to the Articles, two persons (either members, duly authorised representatives or proxies) entitled to vote upon the business to be transacted at the meeting shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place or electronic platform, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.

4.9.7. A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by the Chairman, at least five members having the right to vote on the resolution, a member or members representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution or a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

4.9.8. The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, ensuring the security of the meeting and ensuring the future orderly conduct of the meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

(i) direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside (being the principal place); and

(ii) make arrangements for simultaneous attendance and participation at satellite meeting places or by way of any other electronic means by members otherwise entitled to attend the general meeting or who wish to attend at satellite meeting places or other places at which persons are participating by electronic means, provided that persons attending at the principal place and at satellite meeting places or other places at which persons are participating by electronic means shall be able to see, hear and be seen and heard by, persons attending at the principal place and at such other places, by any means.

Such arrangements for simultaneous attendance at such other places may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any excluded members are able to attend at one of the satellite meeting places or other places at which persons are participating by electronic means. Any such meeting shall be treated as taking place at and being held at the principal place.

4.9.9. The Board may direct that any person wishing to attend any physical general meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

4.10. ***Issue of shares***

4.10.1. Subject to the provisions of the Companies Acts and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed on such terms and conditions and in accordance with the Articles or as the Directors may determine.

4.10.2. Subject to the provisions of the Companies Acts and to any relevant authority of the Company required by the Companies Acts, any new shares shall be at the disposal of the Board.

4.10.3 Subject to the provision of and powers conferred by the Act, the Company may pay commissions and brokerage on the issue of new shares.

4.11. ***Directors' fees***

4.11.1. The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board (or any committee authorised by the Board) may from time to time determine (not exceeding £250,000 per annum in aggregate or such other sum as the Company in general meeting by ordinary resolution shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board, or any committee authorised by the Board, may determine or, in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees so payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to the Articles or otherwise and shall accrue from day to day.

4.11.2. If by arrangement with the Board, or any committee authorised by the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director

and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board, or any committee authorised by the Board, may from time to time determine.

4.11.3. The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board or any committee authorised by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.

4.11.4. The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.12. ***Pensions and gratuities for Directors***

The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors or employees of the Company or any company in the Company and their relatives and dependents.

4.13. ***Directors' interests***

4.13.1. The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Acts, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interests of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. A Director seeking authorisation in respect of a matter which relates to a relevant situation must tell the other Directors of the nature and extent of his interest in the matter as soon as possible. The Director must provide sufficient details of the matter to enable the other Directors to decide how to address the relevant situation together with any additional information which they may request. Any authorisation will only be effective if any quorum requirement at any meeting in which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2. Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Acts because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict of interest is discussed, and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser. Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Acts, a Director, notwithstanding his office:

(i) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;

(ii) may hold any other office or place of profit at the Company (except that of auditor of the Company) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

(iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and

(iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third-parties.

4.13.3. A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or a committee of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

4.13.4. A Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any body corporate in which the Company is interested.

4.13.5. The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

4.14. ***Restrictions on Directors' voting***

4.14.1. A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

(i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

(ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

(iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

(v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate

(calculated exclusive of any shares of that class in that company held as treasury shares) nor to his knowledge hold one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the DTRs) in such body corporate;

(vii) any proposal relating to an arrangement for the benefit of the employees and Directors or former employees and former directors of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

(ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure where all other Directors have been given or are being offered substantially the same arrangements; or

(x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.

4.14.2. A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.15. ***Number of Directors***

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than any alternate Directors) shall not be less than two but there shall be no maximum.

4.16. ***Directors' appointment and retirement***

4.16.1. Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.

4.16.2. At each annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotation. If there are fewer than three Directors, one Director shall retire from office.

4.16.3. Any Director shall retire at the first annual general meeting of the Company following his appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

4.16.4. At each annual general meeting, any Director who was elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation.

4.16.5. If the number of Directors retiring is less than the minimum number of Directors who are required by the Articles to retire by rotation, additional Directors up to that number shall retire. The Directors to retire shall, first, be those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and, secondly, those Directors who have been Directors longest since their appointment or last re-appointment. If there are Directors who were appointed or last re-appointed on the same date, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.

4.16.6. Any Director (other than any Director holding executive office) who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

4.16.7. A Director who retires at an annual general meeting (whether by rotation or otherwise) shall be eligible for re-election and a director who is re-elected will be treated as continuing in office without a break. If he is not re-elected or deemed to have been re-elected, a Director shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

4.17. ***Alternate Directors***

A Director may appoint or revoke the appointment of another Director, or other person approved by the Board as his alternate, and such alternate shall receive notice of and may attend and vote at meetings of the Board.

4.18. ***Proceedings of the Board***

Subject to the provisions of the Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. One Director, or the Company Secretary at the request of a Director, can summon a Board meeting at any time. Notice of a Board meeting shall be deemed to have been given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address. A Director may waive the requirement that notice be given to him of any Board meetings, either prospectively or retrospectively. A Director who does not supply the Company with the information necessary to ensure that he receives notice of a meeting before it takes place is deemed to have waived his entitlement to notice of such meeting. The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined, shall be two persons, each being a Director or an alternate Director. Questions arising at a meeting shall be decided by a majority of votes of the participating Directors, with each Director having one vote. In the case of an equality of votes the chairman shall have a second or casting vote.

4.19. ***Borrowing powers***

Subject to the Articles and the Companies Acts, the Board may exercise all of the powers of the Company to: (i) borrow money; (ii) indemnify and guarantee; (iii) mortgage or charge; (iv) create and issue debentures and other securities; and (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third-party.

4.20. ***Untraced shareholders***

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.21. ***Non-UK shareholders***

There are no limitations in the Articles on the rights of non-UK shareholders to hold, or to exercise voting rights attached to, the Ordinary Shares. However, non-UK shareholders are not entitled to receive notices of general meetings unless they have given an address in the UK to which such notices may be sent or, subject to and in accordance with the Companies Acts, an address to which notices may be sent in electronic form.

4.22. ***CREST***

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Articles contain other provisions in respect of transactions with the shares in the Company in

uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

4.23. ***Indemnity of officers and insurance***

4.23.1. Subject to the provisions of the Companies Acts, but without prejudice to any indemnity to which he might otherwise be entitled, every person who is or was at any time a Director or an officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) may at the discretion of the Board be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act).

4.23.2. Subject to the provisions of the Companies Acts, the Company may at the discretion of the Board provide any person who is or was at any time a Director or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) with funds to meet expenditure incurred or to be incurred by him (or to enable such Director or officer to avoid incurring such expenditure) in defending any criminal or civil proceedings or defending himself in any investigation by, or against action proposed to be taken by, a regulatory authority or in connection with any application under the provisions referred to in section 205(5) of the Act.

4.23.3. In addition, the Board may purchase and maintain insurance at the expense of the Company the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director, officer employee of the Company (or of an associated company) or trustee.

4.24. ***Lien and forfeiture***

4.24.1. The Company shall have a first and paramount lien on every share which is not fully paid for all amounts (whether presently payable or not) called or payable at a fixed time in respect of that share to the extent and in the circumstances permitted by the Companies Acts. The Board may waive any lien which has arisen and may resolve that any share shall for some limited periods be exempt wholly or partially from the relevant provisions of the Articles.

4.24.2. The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may determine. However, no sale shall be made until such time as any money in respect of which such lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until notice in writing shall have been served on the holder or the person (if any) entitled by transmission to the shares, demanding the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell if default in payment, fulfilment or discharge shall continue for 14 clear days after service of such notice.

4.24.3. The Board may authorise any person to transfer the shares and the buyer shall not be entitled to see how the purchase money is applied and his title to the share shall not be affected if the sale was irregular or invalid in any way. The proceeds of such a sale shall first be applied to pay the Company's expenses of the costs of such sale, and next shall be applied towards paying the amount that was due on the relevant shares. Any balance shall be paid to the member or the person entitled by a transmission event provided that the certificate for the shares has been surrendered to the Company for cancellation. The Company's lien shall also apply to any balance to cover any money due to the Company but not then payable. The Company shall have the same rights over the money as it had over the shares immediately before the sale.

5. Substantial Shareholders

5.1. As at the date of this Document, Kingsley Capital Partners LLP holds the only two Ordinary Shares in the Company's issued share capital, equating to 100 per cent. of the Company's issued share capital.

5.2. Except for the interests of those persons set out in this paragraph 5.2 and in paragraph 7.1 below, the Directors are not aware of any interests (other than interests of the Directors and the Senior Manager) which, at the date of this Document, immediately prior to Admission and immediately following Admission, would amount to 3 per cent. or more of the Enlarged Share Capital:

Name	Ordinary Shares immediately prior to Admission	Percentage of Existing Ordinary Shares immediately prior to Admission (%)	Ordinary Shares on Admission	Percentage of Enlarged Share Capital (%)
Imperials Brands Ventures Limited	104,376,988	16.56	104,376,988	10.87
Tarek Khlil Tabsh	74,424,992	11.81	74,424,992	7.75
Kee Cheol Noh[1]	30,768,318	4.88	50,768,318	5.29
Casa Verde LLC[2]	21,121,678	3.35	21,121,678	2.20

[1] Kee Noh's Ordinary Shares are held as to 6,667,161 through Anassa Holdings Limited, 10,000,019 through the Anassa Holdings Fund, 2,513,267 through Kingsley Private Investments (HK) Ltd and 11,587,871 in his own name and on Admission, includes 20 million Ordinary Shares subscribed for in his own name pursuant to the Placing.

[2] Casa Verde LLC's holding includes 16,379,295 Ordinary Shares held by Casa Verde Capital L.P. and 4,742,383 Ordinary Shares held by Casa Verde Capital EF L.P.

5.3. No holder of Ordinary Shares, either as listed above, or as set out in paragraph 7.1 of this Part VII, has voting rights different from other holders of Ordinary Shares.

5.4. Except as described in this Document, so far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

6. The Directors, Senior Manager and Employees

6.1. The Company's senior management currently comprises the Directors and the Senior Manager.

6.2. As at 30 November 2020 and as at the date of this Document, OCT has entered into contracts of employment with seven employees (being the Executive Directors (excluding Karen Lowe), the Senior Manager, an accountant, an office administrator and a part-time pharmaceutical research analyst) as well as letters of appointment with two Non-Executive Directors. On Admission the Group will also appoint two additional Non-Executive Directors and enter into a contract of employment with Karen Lowe as the Finance Director. All employees are based at the Company's registered office.

6.3. The Directors, their respective functions and appointment dates to the Company are set out below:

Name	Function	Date of appointment to the Board
Neil Mahapatra	Executive Chairman and Co-founder	4 February 2021
Dr. John Lucas	Chief Executive Officer	23 April 2021
Clarissa Sowemimo-Coker	Chief Operating Officer	4 February 2021
Karen Lowe	Finance Director	23 April 2021
Gavin Sathianathan	Non-Executive Director and Co-founder	23 April 2021
Bishrut Mukherjee	Non-Executive Director	23 April 2021
Cheryl Dhillon	Non-Executive Director	23 April 2021
Julie Pomeroy	Non-Executive Director	23 April 2021

6.4. The Senior Manager, Dr. Valentino Parravicini, is the Chief Scientific Officer of OCT. He was appointed to this position on 23 July 2020.

6.5. The business address of the Directors and the Senior Manager is the Company's Registered Office at Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom.

7. Directors' and Senior Manager's interests in the Company

7.1. The interests of the Directors, the Senior Manager and persons connected with them, within the meaning of sections 252 and 253 of the Act, in the share capital of the Company, at the date of this Document, immediately prior to Admission and immediately following Admission, all of which are beneficial, are:

Name	Ordinary Shares as at the date of this Document	Percentage of Existing Ordinary Shares as at the date of this Document (%)	Ordinary Shares immediately prior to Admission	Percentage of Existing Ordinary Shares immediately prior to Admission (%)	Ordinary Shares on Admission	Percentage of Enlarged Share Capital (%)
Neil Mahapatra[1]	2	100	199,355,382	31.62	199,355,382	20.76
Dr. John Lucas	Nil	Nil	Nil	Nil	Nil	Nil
Clarissa Sowemimo-Coker	Nil	Nil	Nil	Nil	Nil	Nil
Gavin Sathianathan[2]	Nil	Nil	78,146,151	12.40	78,146,151	8.14
Bishrut Mukherjee	Nil	Nil	111,111	0.02	111,111	0.01
Cheryl Dhillon	Nil	Nil	Nil	Nil	Nil	Nil
Karen Lowe	Nil	Nil	Nil	Nil	Nil	Nil
Julie Pomeroy	Nil	Nil	Nil	Nil	200,000	0.02
Dr. Valentino Parravicini	Nil	Nil	Nil	Nil	Nil	Nil

(1) Neil Mahapatra has a beneficial interest in up to 54.3 per cent. of Kingsley Capital Partners LLP's shareholding in the Company and also controls 100 per cent. of the voting rights of KCP in the Company. The holding of Neil Mahapatra comprises 198,466,493 Ordinary Shares held by Kingsley Capital Partners LLP and 888,889 Ordinary Shares held by Rachel Matharu (Neil Mahapatra's wife).

(2) Gavin Sathianathan holds his Ordinary Shares through GHS Capital Limited, a company wholly owned by Gavin and Lilijan Sulejmanovic (Gavin Sathianathan's wife).

7.2. The Directors and the Senior Manager and persons connected with them hold, or are upon Admission intended to hold, the following options over Ordinary Shares as further detailed in paragraph 8 of this Part VII:

(i) Replacement Option Scheme

Name	Number of Ordinary Shares subject to Vested Option	Date of Grant	Exercise Price	Exercise Period
Dr. John Lucas[1]	21,468,190	24 February 2020 – Admission	4.2p – 5.0p	10 years from date of grant
Clarissa Sowemimo-Coker[2]	12,653,391	24 February 2020 – Admission	4.2p – 5.0p	10 years from date of grant
Dr. Valentino Parravicini	2,539,111	24 February 2020 – Admission	5.0p	10 years from date of grant

(1) Pursuant to the Replacement Option Scheme, John Lucas has been granted options over: (i) 11,597,393 Ordinary Shares exercisable at 4.2p per Ordinary Share, exercisable before 23 February 2030; and (ii) 9,870,797 Ordinary Shares exercisable at 5.0p per Ordinary Share.

(2) Pursuant to the Replacement Option Scheme, Clarissa Sowemimo-Coker has been granted options over: (i) 5,798,696 Ordinary Shares exercisable at 4.2p per Ordinary Share, exercisable before 23 February 2030; and (ii) 6,854,695 Ordinary Shares exercisable at 5.0p per Ordinary Share, exercisable before 10 years from the date of Admission.

(3) Pursuant to the Replacement Option Scheme, Dr. Valentino Parravicini has been granted options over 2,539,111 Ordinary Shares exercisable at 5.0p per Ordinary Share, exercisable before 10 years from the date of Admission.

(ii) New Option Scheme and NED Options

Name	Number of Ordinary Shares subject to New Option/NED Option	Date of Grant
Dr. John Lucas	26,411,430	Admission
Clarissa Sowemimo-Coker	26,411,430	Admission
Karen Lowe	7,203,117	Admission
Dr. Valentino Parravicini	24,010,392	Admission
Neil Mahapatra	2,401,039	Admission
Gavin Sathianathan	2,401,039	Admission
Julie Pomeroy	2,401,039	Admission
Cheryl Dhillon	2,401,039	Admission

The exercise period for the New Options and the NED Options granted in the table above is a staggered vesting period over three years with one third of the New Options and the NED Options granted vesting each year commencing on the first anniversary of the date of grant. Each of the options have an exercise price equal to 30 per cent. above the Placing Price, being £0.065.

7.3. Save as disclosed in paragraphs 7.1 and 7.2, none of the Directors or the Senior Manager nor any person connected with them, within the meaning of sections 252 and 253 of the Act, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.

7.4. There are no outstanding loans or options granted by the Company to any Director or to the Senior Manager, nor has any guarantee been provided by the Company for their benefit.

7.5. The Company has entered into the following agreements and letters of appointment with Directors:

7.5.1. *Executive Directors*

On 17 May 2021, the Company entered into new service contracts with Neil Mahapatra, Dr. John Lucas, Clarissa Sowemimo-Coker and Karen Lowe to take effect on Admission. The principal terms of these service contracts are set out below.

(i) General terms

a. Neil Mahapatra will dedicate one third of his working time to his role as Executive Chair, envisaged to be (but not limited to) 12-15 hours per week. He is entitled to receive a salary of £150,000 per annum under his service contract (calculated on a *pro rata* basis) and is eligible to be considered for an annual discretionary bonus of an amount up to 20 per cent. of his annual salary. He is also entitled to receive board fees of £15,000 per annum. He is entitled to enhanced employer pension contributions of 10 per cent. of annual salary, in addition to the minimum employer's contribution under statutory auto-enrolment duties, and participation in the Group's private family medical cover scheme. He is entitled to 8.5 days' paid holiday per year (calculated on a *pro rata* basis by reference to a full time equivalent of 25 days' entitlement) plus a pro-rated portion of bank and public holidays.

b. Dr. John Lucas is entitled to receive a salary of £185,000 per annum under his service contract and is eligible for an annual discretionary bonus of an amount up to 20 per cent. of annual salary. He is also entitled to receive board fees of £15,000 per annum. He is entitled to enhanced employer pension contributions of 10 per cent. of annual salary, in addition to the minimum employer's contribution under statutory auto-enrolment duties, and participation in the Group's private family medical cover scheme. He is entitled to 25 days of paid holiday per year plus bank and public holidays.

c. Clarissa Sowemimo-Coker is entitled to receive a salary of £175,000 per annum under her service contract and is eligible for an annual discretionary bonus of an amount up to 20 per cent. of annual salary. She is also entitled to receive board fees of £15,000 per annum. She is entitled to enhanced employer pension contributions of 10 per cent. of annual salary, in addition to the minimum employer's contribution under statutory auto-enrolment duties, and participation

in the Group's private family medical cover scheme. She is entitled to 25 days of paid holiday per year plus bank and public holidays.

d. Karen Lowe will dedicate one fifth of her working time to her role as Finance Director, envisaged to be (but not limited to) 8-10 hours per week. She is entitled to receive a salary of £35,000 per annum under her service contract (calculated on a *pro rata* basis) and is eligible to be considered for an annual discretionary bonus of an amount up to 20 per cent. of annual salary. She is also entitled to receive board fees of £15,000 per annum. She is entitled to enhanced employer pension contributions of 10 per cent. of annual salary, in addition to the minimum employer's contribution under statutory auto-enrolment duties, and participation in the Group's private family medical cover scheme. She is entitled to 5 days' paid holiday per year (calculated on a *pro rata* basis by reference to a full time equivalent of 25 days' entitlement) plus a pro-rated portion of bank and public holidays.

(ii) Termination provisions

a. Neil Mahapatra's service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice, or any remaining period of notice, which shall consist of base salary only (the "**PILON**"). The Company may elect to pay the PILON in equal monthly instalments, the first instalment being due within 1 month of the Company's written notification of immediate termination and the remainder being paid monthly until the date on which the notice period would have expired had notice been worked (the "**Payment Period**"). Neil Mahapatra is required to seek alternative income during the Payment Period and to inform the Company of any income so received. Any further monthly instalments of the PILON will then be reduced by the amount of such income.

The Company is also entitled to put Neil Mahapatra on garden leave during the whole or any part of his period of notice. During such period of garden leave, Neil Mahapatra will be entitled to receive his salary and all contractual benefits.

Neil Mahapatra is subject to post termination of employment restrictions on certain competitive activities.

b. Dr. John Lucas's service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice, or any remaining period of notice, which shall consist of base salary only (the "**PILON**"). The Company may elect to pay the PILON in equal monthly instalments, the first instalment being due within 1 month of the Company's written notification of immediate termination and the remainder being paid monthly until the date on which the notice period would have expired had notice been worked (the "**Payment Period**"). Dr. John Lucas is required to seek alternative income during the Payment Period and to inform the Company of any income so received. Any further monthly instalments of the PILON will then be reduced by the amount of such income.

The Company is also entitled to put Dr. John Lucas on garden leave during the whole or any part of his period of notice. During such period of garden leave, Dr. John Lucas will be entitled to receive his salary and all contractual benefits.

Dr. John Lucas is subject to post termination of employment restrictions on certain competitive activities.

c. Clarissa Sowemimo-Coker's service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice, or any remaining period of notice, which shall consist of base salary only (the "**PILON**"). The Company may elect to pay the PILON in equal monthly instalments, the first instalment being due within 1 month of the Company's written notification of immediate termination and the remainder being paid monthly until the date on which the notice period would have expired had notice been worked (the "**Payment Period**"). Clarissa Sowemimo-Coker is required to seek alternative

employment during the Payment Period and to inform the Company of any income so received. Any further monthly instalments of the PILON will then be reduced by the amount of such income.

The Company is also entitled to put Clarissa Sowemimo-Coker on garden leave during the whole or any part of her period of notice. During such period of garden leave, Clarissa Sowemimo-Coker will be entitled to receive her salary and all contractual benefits.

Clarissa Sowemimo-Coker is subject to post termination of employment restrictions on certain competitive activities.

d. Karen Lowe is subject to an initial three month probation period during which her service contract is terminable by either party on one months' notice. Following this her service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice, or any remaining period of notice, which shall consist of base salary only (the "**PILON**"). The Company may elect to pay the PILON in equal monthly instalments, the first instalment being due within 1 month of the Company's written notification of immediate termination and the remainder being paid monthly until the date on which the notice period would have expired had notice been worked (the "**Payment Period**"). Karen Lowe is required to seek alternative income during the Payment Period and to inform the Company of any income so received. Any further monthly instalments of the PILON will then be reduced by the amount of such income.

   The Company is also entitled to put Karen Lowe on garden leave during the whole or any part of her period of notice. During such period of garden leave, Karen Lowe will be entitled to receive her salary and all contractual benefits.

   Karen Lowe is subject to post termination of employment restrictions on certain competitive activities.

7.5.2. *Non-Executive Directors*

On 23 April 2021, the Company appointed four Non-Executive Directors. Each of the Non-Executive Directors was appointed by letter of appointment, to take effect from Admission. A summary of the terms of appointment of the Non-Executive Directors by the Company is set out below:

Save for Bishrut Mukherjee who will not receive any fee, the base annual fee for each Non-Executive Director is £25,000. Unless otherwise agreed, they will have no entitlement to further fees in respect of any additional functions undertaken, or which they may undertake, for or on behalf or at the request of the Company.

In addition, each Non-Executive Director is entitled to be reimbursed for reasonable agreed and properly documented expenses necessarily incurred arising from the performance of their duties.

Each Non-Executive Director's appointment is anticipated to last for an initial period of 3 years but is terminable on 6 months' notice by either party. The Company has the ability to terminate a Non-Executive Director's appointment with immediate effect without paying compensation in certain defined circumstances.

The Non-Executive Directors are not entitled to participate in the Company's share schemes or any bonus or pension schemes.

As with the Executive Directors, each Non-Executive Director is eligible to benefit from the directors' indemnity provided for in the Articles, and for cover under any directors and officers liability insurance policy that the Company maintains from time to time. The Non-Executive Directors may obtain, at the Company's expense, external legal or professional advice necessary to enable them to carry out their duties.

The Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are subject to non-compete restrictive covenants.

7.6. The remuneration paid (including any contingent or deferred compensation) and benefits in kind generated to the Directors and the Senior Manager by the Group for services in all capacities to the Group between 1 June 2019 and 31 May 2020 are set out below:

Name	Remuneration paid (£)	Pension contribution (£)	Benefits in kind (£)	Total (£)
Neil Mahapatra[1]	–	–	–	–
Dr. John Lucas	100,000	9,167	–	109,167
Clarissa Sowemimo-Coker	87,887	5,593	807	94,287
Gavin Sathianathan	12,500	–	–	12,500
Bishrut Mukherjee	–	–	–	–

(1) Neil Mahapatra's services were provided under a previous agreement for services with KCP.

In addition, on 24 February 2020 Dr. John Lucas and Clarissa Sowemimo-Coker were granted options under the OCT Option Scheme as set out in paragraph 3.10 of this Part VII. These have been replaced by the Vested Options under the Replacement Option Scheme.

7.7. The aggregate remuneration (including pension contributions) paid and benefits in kind granted to the Directors and the Senior Manager for the period from 1 June 2019 to 31 May 2020, under the arrangements in force at the date of this Document, amount to £215,147 and £807 respectively.

7.8. Except as set out in paragraphs 7.5.1 to 7.5.2 above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors.

7.9. Save as set out in paragraphs 7.5.1 to 7.5.2 above, none of the Directors or the Senior Manager has any commission or profit sharing arrangements with the Company.

7.10. Save as disclosed in paragraphs 7.5.1 to 7.5.2 above, the total emoluments of the Directors and the Senior Manager will not be varied as a result of Admission.

7.11. Save as disclosed in paragraphs 7.5.1 to 7.5.2, there are no existing or proposed service contracts between the Company and any of the Directors or the Senior Manager which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this Document.

7.12. There are no amounts set aside or accrued by the Group to provide pension, retirement or similar benefits, nor are any such arrangements proposed.

7.13. In addition to their directorships of the Company, the Directors and the Senior Manager are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships within the five years prior to the publication of this Document:

Director / Senior Manager	Current appointments	Previous appointments
Neil Mahapatra	Oxford Cannabinoid Technologies Ltd ENSCO 1378 Limited ENSCO 1336 Limited ENSCO 1338 Limited Atlas Tower Group Holdings Limited Atlas Tower Group Limited Spring Fibre Limited Equinox International Holdings Limited Kingsley Capital Partners LLP Oxford Cannabinoid Therapeutics Ltd McQueens Flowers Limited McQueens Flowers Holdings Ltd MASS Design Group Ltd Intelligent Telecommunications Limited	Anassa Holdings Limited New Amsterdam Holding NV Corp Atlas Infrastructure Group Limited New Amsterdam Holdings, Inc

Director / Senior Manager	Current appointments	Previous appointments
Dr. John Lucas	None	Lucalae Limited
Clarissa Sowemimo-Coker	Pugh Kerry Limited Vera's Kitchen Limited	Clarissa Mapson Limited
Karen Lowe	Elgol Consultancy Limited Avela Services Limited	None
Gavin Sathianathan	Oxford Cannabinoid Technologies Ltd	Patient Led Engagement for Access CIC
	Matisse Holdings Plc	Candour Ventures Limited
	Healthcare Holdings Plc	Ark Therapeutics Ltd
	Feed Yourself Limited	Ark Technologies Ltd
	Pharma C Investments Plc	EUCTA
	Product Earth Expo UK Ltd	Heath Technologies Ltd
	GHS Capital Ltd	New Amsterdam Holding NV Corp
	Alta Flora Ltd	New Amsterdam Holdings, Inc
	GT Advisers Ltd	Knightsbridge Nevada LLC
Bishrut Mukherjee	Oxford Cannabinoid Technologies Ltd	None
Cheryl Dhillon	Techion (UK) Ltd	Otsuka Pharmaceutical Netherlands BV
	Dalriada International Consulting Ltd	Otsuka Pharmaceuticals (U.K.) Ltd
		Otsuka Pharmaceutical SA
		Otsuka Pharmaceutical Italy S.R.L.
		Otsuka Pharma Scandinavia AB
		Otsuka Pharmaceutical Europe Ltd
		Otsuka Pharmaceutical (Switzerland) GMBH
Julie Pomeroy	Dillistone Group Plc	Nottingham University Hospitals NHS Trust
	Ikiru People Limited	
	GatedTalent Limited	
	ISV Software Limited	
	FCP Internet Limited	
	FCP Internet Holdings Limited	
	Voyager Software Limited	
	Woodcote Software Limited	
	Ikiru People Inc.	
	Ikiru People PTY Limited	
Dr. Valentino Parravicini	None	None

7.14. Save as disclosed in paragraph 7.15 below, no Director or the Senior Manager has:

7.14.1. had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences in the last five years;

7.14.2. had a bankruptcy order made against him or her or entered into an individual voluntary arrangement in the last five years;

7.14.3. been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer in the last five years which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he or she was acting in that capacity for that company or within the 12 months after he or she ceased to so act;

7.14.4. been a partner in any partnership in the last five years placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

7.14.5. in the last five years been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or

7.14.6. in the last five years been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

7.15. Neil Mahapatra was appointed as a director of Intelligent Telecommunications Limited on 27 June 2019 following an investment into the company arranged by Kingsley Capital Partners LLP (£2.25 million initially and £3.1 million in total). The business of the company posted losses of circa £400,000 - £500,000 per month between June and September 2020 and was not eligible under the Coronavirus Business Interruption Loan Scheme. As such, the directors made the decision to place the company into administration. The company appointed RP Rendle & Co Limited as administrator on 26 October 2020. As at the date of the appointment of the administrator, it was estimated that the company had preferential claims from creditors totalling £52,210 and unsecured creditors and claims totalling approximately £9,193,266 (of which £3.1m comprised the unrecovered investment arranged by Kingsley Capital Partners LLP).

7.16. No Director or the Senior Manager has been interested in any transaction with any member of the Group which was unusual in its nature or conditions or significant to the business of the Group during the current financial year which remains outstanding or unperformed.

7.17. In the case of those Directors or the Senior Manager who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under chapter 2 of part 10 of the Act and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with their duties owed to the Group. Except as mentioned above and in paragraph 8 of Part II of this Document, there are no potential conflicts of interest between the duties owed by the Directors or the Senior Manager to the Group and their private duties or duties to third-parties.

7.18. Except for the Directors and the Senior Manager, the Board does not believe that there are any other senior managers who are relevant in establishing that the Group has the appropriate expertise and experience for the management of the Group's business.

8. Share Option Schemes

8.1 *Replacement Option Scheme and Vested Options*

A. *Overview*

On 14 May 2021, the Board adopted the Company's Replacement Option Scheme to facilitate the grant of replacement options by the Company to option holders who hold options over shares of OCT under the OCT Option Scheme. No new grants of options will take place under the Replacement Option Scheme after Admission and all of the Vested Options will vest immediately on Admission. As a consequence, there will be no options held over the share capital of OCT on Admission.

B. *Exercise price, exercise and lapse of Vested Options*

The Vested Options have been granted to two Executive Directors (Clarissa Sowemimo-Coker and Dr. John Lucas), and two current employees and one former employee of OCT. The Vested Options have an exercise price between 4.2p and 5.0p and have an exercise period of 10 years from the date of grant of the original option.

C. ***Variation of share capital***

In the event of any variation of share capital by way of capitalisation, rights issue, consolidation, subdivision or reduction of share capital or other variation, affecting the value of Options to Option holders, the number and description of Ordinary Shares comprised in subsisting Options and the exercise price may be adjusted by the Remuneration Committee in such manner that the Remuneration Committee deems to be fair and appropriate in their reasonable opinion.

D. ***Tax***

Where a tax liability arises on the exercise of an Option, the Company may require the Option holder to make payment to the Company or the Option holder's employer to meet such liability, or to enter into other arrangements in respect of the satisfaction of such liability. If such payments or arrangements are insufficient (or are not made) the Company may sell as many of the Option holder's Ordinary Shares as are necessary to cover the liability. The Option holder may be required to bear the cost of secondary UK National Insurance contributions (or similar liability for social security contributions in any jurisdiction) (to the extent applicable).

E. ***Dr. Jutta Roth (a former employee of OCT) – Unapproved Option***

On 14 May 2021 the Company granted an unapproved option to Dr. Jutta Roth in respect of 17,396,089 Ordinary Shares. The option is governed by a standalone option agreement, the terms of which are substantially the same as the Replacement Option Scheme described above and, as such, for the purposes of this Document, as this option will also vest immediately on Admission, it has been included in the table below as a Vested Option.

F. ***Options granted pursuant to the Replacement Option Scheme***

As at Admission, the Company has issued the following Vested Options:

Name	Number of Ordinary Shares under option	Exercise price per Option share	Exercise period
Eugenia Shostak	5,798,696	£0.042	10 years from the date of grant
Eugenia Shostak	9,728,879	£0.05	10 years from the date of grant
Clarissa Sowemimo-Coker	5,798,696	£0.042	10 years from the date of grant
Clarissa Sowemimo-Coker	6,854,695	£0.05	10 years from the date of grant
Dr. John Lucas	11,597,393	£0.042	10 years from the date of grant
Dr. John Lucas	9,870,797	£0.05	10 years from the date of grant
Dr. Valentino Parravicini	2,539,111	£0.05	10 years from the date of grant
Dr. Jutta Roth	17,396,089	£0.042	10 years from the date of grant
Total	69,584,356		

8.2. ***New Option Scheme***

A. ***Overview***

On 17 May 2021, the Board adopted the Company's Employee Share Option Scheme (the "**New Option Scheme**") to incentivise certain of the Group's employees and Directors. The New Option Scheme provides for the grant of both EMI Options and non-tax advantaged options. Options granted under the New Option Scheme will be subject to exercise conditions as summarised below. The principal features of the New Option Scheme are outlined below:

B. ***Administration***

The New Option Scheme will be administered in accordance with its rules.

C. ***Participation and grant of Options***

The Remuneration Committee may grant Options to any employee or executive director of the Group.

In the case of tax-advantaged EMI Options, full-time working requirements must be met which means that the employee must be required to work 25 hours per week or if less, 75 per cent. of the employee's working time. Employees who have a material interest in the Company cannot be granted EMI Options. A material interest is either beneficial ownership of, or the ability to control directly or indirectly, more than 30 per cent. of the ordinary share capital of the Company.

Options may only be granted:

(a) in the 42 days following the date of adoption of the New Option Scheme;

(b) in the 42 days following the end of a closed period (as defined in the Market Abuse Regulations); or

(c) in any other period that the Remuneration Committee has decided should be a period during which Options may be granted due to exceptional circumstances.

No consideration will be payable for the grant of Options.

D. ***Exercise price***

The Remuneration Committee determines the exercise price of Options before they are granted, which shall be 30 per cent. above the 10 day VWAP of the Ordinary Shares at the date of grant of the Option.

E. ***Exercise and lapse of Options***

Options can normally only be exercised on satisfaction of the exercise conditions determined by the Remuneration Committee at grant, including any performance conditions which may be set.

Post grant the Remuneration Committee may waive or vary such conditions, provided any varied condition is considered to be a fairer measure of performance and no more difficult to satisfy than the original condition.

Each Option is personal to the Option holder and any transfer or assignment of, or the creation of any charge, pledge or other encumbrance over, the Option will cause it to lapse (other than in respect of a transfer to an Option holder's personal representative on or following their death).

F. ***Cessation of employment***

If an Option holder dies whilst an employee or ceases to be an employee before the Option has vested, the Option shall lapse immediately in respect of a number of shares to be calculation in accordance with the New Option Scheme rules. The number of shares is determined by reference to the number of days between the grant of the Option and death or cessation and the number of days either between the date of grant and the date the Option became vested, or the days remaining until the Option would have become vested.

Options retained by the personal representatives of an Option holder may be exercised in the period ended 12 months after death, subject to the provisions of the New Option Scheme rules.

If the Option holder ceases to be employed as a result of being a "good leaver", the Options retained may be exercised within 90 days of the earlier of the date the Option becomes vested and the date the Option becomes exercisable on a takeover or liquidation.

If the Option holder ceases to be employed in circumstances other than as listed above, the Board may in its absolute discretion permit that the Options retained may be exercised within 90 days of the earlier of the date the Option becomes vested and the date the Option becomes exercisable on a takeover or liquidation.

If the Option holder ceases to be employed as a result of being a "good leaver" after the Option has vested, the Option may be exercised within 90 days of the date of cessation.

If the Option holder ceases to be employed in circumstances other than as listed above after the Option has vested, the Board may in its absolute discretion permit that the Option may be exercised within 90 days of the date of cessation.

G. ***Vesting***

The Remuneration Committee may set time, performance or other conditions which must be met before an Option will become vested. All Options will be granted subject to a staggered vesting period over three years, with one third of the options vesting each year commencing on the first anniversary of the date of grant.

H. ***Rights attaching to Ordinary Shares***

Ordinary Shares issued on the exercise of an Option will rank *pari passu* with the Ordinary Shares then in issue (except in respect of entitlements arising prior to the date of the allotment). The Company will apply to the London Stock Exchange for the newly issued Ordinary Shares to be admitted to trading on the Main Market.

I. ***New Option Scheme limits***

The number of Ordinary Shares that may be issued or are issuable pursuant to the exercise of the Options and any other options granted, or awards made, under the New Option Scheme may not exceed 12 per cent. of the Company's issued share capital.

Ordinary Shares transferred from treasury to satisfy Options will count as newly issued shares for these purposes.

J. ***Variation of share capital***

In the event of any variation of share capital by way of capitalisation, rights issue, consolidation, subdivision or reduction of share capital or other variation, affecting the value of Options to Option holders, the number and description of Ordinary Shares comprised in subsisting Options and the exercise price may be adjusted by the Remuneration Committee in such manner that the Remuneration Committee deems to be fair and appropriate in their reasonable opinion.

K. ***Tax***

Where a tax liability arises on the exercise of an Option, the Company may require the Option holder to make payment to the Company or the Option holder's employer to meet such liability, or to enter into other arrangements in respect of the satisfaction of such liability. If such payments or arrangements are insufficient (or are not made) the Company may sell as many of the Option holder's Ordinary Shares as are necessary to cover the liability. The Option holder may be required to bear the cost of secondary UK National Insurance contributions (or similar liability for social security contributions in any jurisdiction) (to the extent applicable).

L. ***Amendment***

The Remuneration Committee may make amendments to the rules of the New Option Scheme provided the amendment does not:

(a) apply to Options granted before the amendment was made; or

(b) materially adversely affect the interests of Option holders (unless the relevant Option holders consent to such amendment); or

(c) make any amendment to the advantage of Option holders if that amendment relates to the definition of "Employee", the limitation on the grant of EMI options in rule 5 of the New Option Scheme or the rules governing variation of share capital at rule 16 of the New Option Scheme without the prior approval of the Company in general meeting.

M. ***Options granted pursuant to the New Option Scheme***

As at Admission, the Company will have granted the following New Options:

Name	Number of Ordinary Shares subject to New Option	Date of Grant
Dr. John Lucas	26,411,430	Admission
Clarissa Sowemimo-Coker	26,411,430	Admission
Karen Lowe	7,203,117	Admission
Dr. Valentino Parravicini	24,010,392	Admission
Neil Mahapatra	2 401 039	Admission

The exercise period for the New Options granted in the table above is a staggered vesting period over three years with one third of the New Options granted vesting each year commencing on the first anniversary of the date of grant. Each of the options have an exercise price equal to 30 per cent. above the Placing Price, being £0.065.

8.3 ***NED Options***

In addition, the Company has, subject to Admission, granted options over a total of 7,203,117 Ordinary Shares pursuant to standalone option agreements with three of the Non-Executive Directors, being Gavin Sathianathan (over 2,401,039 Ordinary Shares), Julie Pomeroy (over 2,401,039 Ordinary Shares) and Cheryl Dhillon (over 2,401,039 Ordinary Shares). Each of the options have an exercise price equal to 30 per cent. above the Placing Price, being £0.065 and are exercisable with a staggered vesting period over three years, with one third of the options vesting each year commencing on the first anniversary of the date of grant.

9. Material Contracts

9.1. The following are summaries of each material contract, other than contracts entered into in the ordinary course of business, firstly to which the Company is a party, since the date of the Company's incorporation on 4 February 2021 and, secondly, to which OCT is a party, within the period from 14 May 2019 to (and including) 14 May 2021 (being the period of two years immediately preceding the latest practicable Business Day prior to the publication of this Document); and any other contract (not being a contract entered into in the ordinary course of business) entered into by the Company or OCT which contains any provision under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this Document. All fees stated being exclusive of VAT:

9.1.1. *Home Office licences*

OCT currently has a Home Office licence in place that expires on 25 June 2021 – confirmation has been received that this will be renewed, on expiry, for a further 12 months.

A Schedule 1 controlled drug licence can only be granted for 12 months and is therefore renewable on an annual basis.

The Home Office licence permits OCT to possess and supply Schedule 1 controlled drugs. Further, it may only supply to a third-party that has a licence to possess those controlled drugs.

The Home Office licence requires OCT to comply fully with all aspects of the current legislation, including security, storage and record keeping.

9.1.2. *Master collaboration agreement dated 2 December 2016 between The Chancellor Masters and Scholars of the University of Oxford ("**Oxford University**") and Kingsley Capital Partners LLP (novated to OCT by a deed of novation dated 13 March 2018)*

This agreement regulates the relationship between OCT and Oxford University and is an agreement for the performance of research projects by Oxford University in return for funding from OCT. It has an initial term of 5 years and is due to terminate on 1 December 2021. The agreement may be terminated by either party without cause on 90 days' written notice.

Pursuant to the terms of this agreement, OCT has agreed to supply samples of specified compounds or biological materials, at no cost, to Oxford University for analysis and testing whilst Oxford University has given a number of undertakings in respect of its use of the materials with an obligation to return all unused materials and any derivatives, analogues or modifications to OCT on completion of each project.

Each party's liability in respect of the agreement or any project shall not exceed the higher of: (i) £500,000; or (ii) the capital provided to date for that project.

As at the date of this Document, the parties have two research projects underway pursuant to the terms of this agreement. Both the first project, relating to Cannabinoid Molecular Networks and Signalling in Pain and the second project, relating to Cannabinoids in Musculoskeletal Disease and Pain have been extended and are due to terminate on 31 March 2022. An extension to the umbrella agreement is, however, not required to support either of these projects as the terms of the individual projects continue in force until completed or terminated on a project-specific basis.

Pursuant to the terms of the projects, the researchers from Oxford are required to work exclusively on the respective project and not with any other company relating to the research of the use of cannabis exogenous cannabinoids and/or exogenous derivatives while they are involved in the projects.

9.1.3. *Research agreement between OCT and Oxford Antibiotic Group GESMBH ("**OAG**") dated 19 January 2018*

This research agreement commenced on 19 January 2018 with an initial term of two years. The contract was not extended beyond the initial term and, as such, expired on 18 January 2020. The agreement is subject to Austrian law and jurisdiction.

Pursuant to the terms of the contract, OAG agreed to perform research for OCT in exchange for funding. The aim of the research services was to generate a library of cannabinoid derivative compounds that contain active substances capable of being patented.

In addition, OAG agreed to provide training for two employees of OCT during and after the term of the contract on technologies used by OAG for the research under the contract, namely extraction and chromatography.

Each party agreed to retain ownership of its own background intellectual property, *i.e.* inventions made by it before the commencement of the research project and the associated intellectual property rights applied for or granted before the commencement of the research project, and also any know-how, data, trade secrets and information which was not registrable (defined in this paragraph as "**Existing Intellectual Property Rights**").

The parties agreed that if the use of the Existing Intellectual Property Rights of OAG or the key researcher under the project was necessary for the exploitation/commercialisation of the research results (arising from the research project), then OCT would be granted a non-exclusive, irrevocable, sub-licensable, worldwide licence to use the rights and any improvements created from them (provided that this is not in conflict with any third-party rights) to make, have made, use, sell and market products which employ, incorporate or are produced using such Existing Intellectual Property Rights. It was further agreed that, in respect of any such products, the parties were obliged to negotiate in good faith a reasonable

royalty, not exceeding 1 per cent. of net revenues of the product, which would be payable by OCT to the licensor (being either OAG or the key researcher) on sales of the product if OCT took it to the market itself. However, if OCT granted licences to third-parties to make, have made, use, sell and market products which employ, incorporate or are produced using the Existing Intellectual Property Rights, the royalty amount would not exceed 10 per cent. of any royalties that OCT received from the third-party.

OCT remains subject to the confidentiality provisions contained in this agreement.

9.1.4. *Agreement between Roehampton Corporate Initiatives Ltd ("**RCIL**") and OCT dated 9 October 2018*

Under this agreement, RCIL provided consultancy services to OCT for the screening and identification of novel immunomodulatory cannabinoids, and the carrying out of a related research project. This came into force on 9 October 2018 for a term of two years from 1 September 2018 and expired on 31 August 2020.

Pursuant to the terms of this agreement, the ownership of any background intellectual property rights remained with the party providing them. It was agreed that while any intellectual property rights that arose as a result from the services provided under the agreement would belong to OCT (defined in this paragraph as "**New IPR**"), RCIL would be granted a non-exclusive, royalty-free, fully paid-up, perpetual right and licence to use the New IPR for academic research purposes in respect of three cannabinoids that were chosen by OCT at its sole discretion.

In addition, OCT was granted a worldwide, non-sub-licensable, transferrable, irrevocable, perpetual and non-exclusive licence to use and exploit the pre-existing intellectual property rights of RCIL or Roehampton University to the extent reasonably required to enable it to properly exploit any New IPR arising from this project for commercial and regulatory purposes in the field of cannabinoid therapeutics on reasonable commercial terms. Where RCIL's or Roehampton University's pre-existing intellectual property rights are incorporated into a marketable product by OCT, the parties remain obliged to agree a royalty, payable out of revenue generated. The level of the royalty has to be negotiated in good faith by the parties and should not exceed 0.5 per cent. of net revenues, if OCT brings a product to market, or 1 per cent. of OCT's licensing fee if the product is licensed to a third-party.

The maximum aggregate liability of the Company for any liabilities arising under or in connection with the agreement is limited to £50,000.

9.1.5. *Exclusive licence agreement for AAT-730 between OCT and AskAt Inc. ("**AskAt**") dated 17 September 2019*

OCT entered into an exclusive licence agreement on 17 September 2019 with AskAt in respect of technology relating to a CB2 agonist called AAT-730. Pursuant to the terms of the licence agreement, AskAt granted OCT an exclusive licence under certain patents and know-how relating to AAT-730 to make, have made, use, offer for sale, sell, have sold and import any licensed products relating to AAT-730, for all human uses, worldwide (excluding Japan).

OCT has agreed to pay a royalty on payments received for the sale or transfer of licensed products in territories (excluding Japan) where there is a patent with a valid claim (less taxes, shipping, discounts etc.) (defined in this paragraph as "**Net Sales Revenue**"), until the later of, on a country by country and product by product basis: (i) the expiration date of the last valid claim of the licensed patents in a country; or (ii) five (5) years from first commercial sales of an AAT-730 product in such country). It has been agreed that the typical deductions are made for combination products and third-party licences in determining Net Sales Revenue.

The agreement contains typical termination provisions for a licence agreement of this nature, however, AskAt may terminate if OCT fails to supply reports, covering Net Sales Revenue statements, notice of milestone achievements, statements showing the quantity of products

sold and calculation of royalties, progress reports on OCT's development, regulatory, manufacture, clinical and commercialisation efforts and results regarding AAT-730 products and adverse event reporting.

9.1.6. *OCT Shareholders' Agreement*

OCT, Imperial Brands, Casa Verde Capital L.P., Kingsley Capital Partners LLP, Gavin Hilary Sathianathan and GHS Capital Ltd entered into a second amended and restatement shareholders' agreement on 22 January 2020 which replaced a shareholders' agreement dated 21 June 2018 and the first amended and restated shareholders' agreement dated 14 August 2018 (the "**OCT Shareholders' Agreement**"). The OCT Shareholders' Agreement regulated the parties' respective rights and obligations in respect of their relationship with each other and the operation of OCT. The parties have entered into a deed of termination in respect of the OCT Shareholders' Agreement pursuant to which it shall terminate immediately upon Admission.

9.1.7. *Services agreement with KCP*

KCP and OCT entered into a services agreement on 25 October 2017, under which KCP provided certain management and business development services to OCT for an annual fee of £150,000 plus VAT, and any reasonable costs and expenses that were approved by OCT in advance (the "**25 October 2017 agreement**"). The Company and KCP have now, in connection with Admission, entered into a new agreement, effective from Admission, (the "**KCP Services Agreement**") which will terminate and replace the 25 October 2017 agreement.

The new agreement with KCP will continue on rolling 12 monthly intervals, unless terminated on 60 days' notice or for breach or insolvency. KCP (or another KCP associate) will provide the services to OCT, or any other member of the Group in return for a fee of £60,000 plus VAT per annum, plus reasonably incurred costs and expenses (that are approved in advance by the Company). The services broadly relate to undertaking analysis regarding the cannabinoid market, assisting OCT with preparing presentations on OCT's request, identifying potential strategic opportunities for OCT, and assisting OCT with the execution of corporate transactions (*e.g.* for potential acquisitions). KCP will provide regular reports to OCT on its progress regarding market analysis and potential opportunities.

The agreement contains short, standard-form confidentiality provisions, plus the right for KCP to disclose certain information (including information relating to the services, the existence and contents of the agreement, the deliverables and any intellectual property rights in the deliverables) to potential investors in other deals arranged or managed by KCP, and other confidential information, provided that OCT has given its prior written consent to such disclosure, and provided that the information is disclosed subject to confidentiality obligations materially similar to those in the agreement. KCP can also refer to its involvement with OCT on its website and in business publications and presentations if OCT gives its consent to do so.

KCP only gives minimal warranties, and no indemnities, and KCP's total liability to the Company shall not exceed the sum of the fees received by KCP under the agreement.

Pursuant to the terms of the KCP Services Agreement, OCT (or a group company) grants KCP a non-exclusive, non-transferable, revocable, non-sublicensable (except to any KCP associate that may be providing the services to the extent required) licence to use its intellectual property rights solely for the purposes of performing the services (subject to the confidentiality provisions of the agreement). KCP assigns to OCT all intellectual property rights in the deliverables.

KCP is subject to certain non-compete provisions and has agreed: (i) not to be involved with, and to procure that any KCP associate shall not be involved with, any relevant business in competition with the business carried on by any member of the Group in the relevant country;

and (ii) to offer any relevant opportunities to participate in a relevant business to OCT for the Group to choose to pursue.

The agreement is governed by the laws of England and Wales.

9.1.8. *Placing Agreement*

On 17 May 2021: (1) the Financial Adviser; (2) the Corporate Adviser; (3) the Company; and (4) the Directors entered into the placing agreement ("**Placing Agreement**").

The Placing Agreement is conditional upon Admission taking place on or before 8.00 a.m. on 21 May 2021 or such later date as the Financial Adviser, the Corporate Adviser, and the Company may agree, but in any event not later than 5.00 p.m. on 21 June 2021.

Under the Placing Agreement, the Financial Adviser has agreed to act as financial adviser to the Company and the Corporate Adviser has agreed to use its reasonable endeavours to introduce Placees for the Placing Shares. In consideration for the services provided by the Financial Adviser and the Corporate Adviser, the Company has agreed:

(a) to: (i) pay the Financial Adviser a corporate finance fee; and (ii) to issue the Financial Adviser Warrants to the Financial Adviser pursuant to the Warrant Instrument; and

(b) to: (i) pay the Corporate Adviser a commission of 5 per cent. of the aggregate value of the Placing Shares at the Placing Price where Placees have been introduced by the Corporate Adviser; and (ii) to issue the Corporate Adviser Warrants to the Corporate Adviser pursuant to the Warrant Instrument.

The Company and the Directors have given certain warranties as to the accuracy of the information contained in this Document and other matters in relation to the Company and the business of the Group. The Company and the Directors have given certain customary indemnities to the Financial Adviser and the Corporate Adviser. The Financial Adviser and the Corporate Adviser may terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or any of the warranties contained in it or any failure by the Directors or the Company to comply with their obligations which is or will be in the opinion of the Financial Adviser and/or the Corporate Adviser, materially prejudicial in the context of the Placing.

9.1.9. *Corporate Adviser agreement*

A corporate adviser agreement dated 17 May 2021 between the Company and the Corporate Adviser, pursuant to which the Company appointed the Corporate Adviser as the Company's corporate adviser as from Admission and for an initial period of one year and continuing thereafter until terminated by either party giving the other three months' notice. Pursuant to the Corporate Adviser agreement, the Company has agreed to pay an annual retainer fee payable monthly in advance, the first payment being due on the day of Admission.

9.1.10. *Financial Adviser agreement*

A financial adviser agreement dated 17 May 2021 between the Company and the Financial Adviser, pursuant to which the Company appointed the Financial Adviser as the Company's financial adviser as from Admission and for an initial period of 12 months and continuing thereafter until terminated by either party giving the other 3 months' notice. Pursuant to the financial adviser agreement, the Company has agreed to pay to the Financial Adviser an annual retainer fee payable quarterly in advance, the first payment being due on the day of Admission.

9.1.11. *Lock-in Agreements and Orderly Market Agreement*

Pursuant to lock-in agreements dated 17 May 2021 between: (1) the Company; (2) the Financial Adviser; (3) the Corporate Adviser; and (4) each of the Directors, GHS Capital

Limited, Kingsley Capital Partners LLP and Imperial Brands Ventures Limited ("**Locked-In Parties**"), representing in aggregate 382,189,632 Ordinary Shares and 39.79 per cent. of the Enlarged Share Capital, each of the Locked-In Parties has agreed that (except in acceptance of any offer made in accordance with the City Code extended to all shareholders of the Company; in the event of his death provided that any sale by his personal representative shall be effected in accordance with the reasonable requirements of the Corporate Adviser and the Financial Adviser, so as to ensure an orderly market; in the case of certain intra-group transfers; or in the event of an intervening court order) he will not during the period of 12 months from Admission ("**Locked-in Period**") dispose of, or agree to dispose of, any interest in Ordinary Shares held by him without the consent of the Financial Adviser and the Corporate Adviser.

Further, each of the Locked-In Parties have undertaken that in the 12 month period following the Locked-in Period he will not dispose of any interest in Ordinary Shares except, subject to the transfer being effected in accordance with Rules 11.2.1 and 11.2.9 of the FCA Handbook Conduct of Business, through the Corporate Adviser (or, if applicable, any new broker/corporate adviser or financial adviser appointed by the Company), for the commission offered by a broker introduced by the Corporate Adviser (or, if applicable, any new broker/corporate adviser or financial adviser appointed by the Company) to any other client for a similar disposal and that such disposal shall be in accordance with the reasonable requirements of the Corporate Adviser and Financial Adviser (or, if applicable, any new broker/corporate adviser or financial adviser appointed by the Company), to maintain an orderly market in the Ordinary Shares which the parties agree shall be treated as the dominant execution factor when executing the trade for the purposes of the relevant broker/corporate adviser's best execution responsibilities.

Pursuant to an orderly market agreement dated 17 May 2021 between: (1) the Company; (2) the Financial Adviser; (3) the Corporate Adviser; and (4) Tarek Khalil Tabsh, Tarek Khalil Tabsh has undertaken that in the 12 month period following Admission he will not dispose of any interest in 50 per cent. of his Ordinary Shares except on the basis described in the immediately preceding paragraph.

9.1.12. *Warrant Agreements*

Pursuant to the Warrant Instrument, the Company will issue, conditional on Admission:

(a) 16,500,000 Corporate Adviser Warrants which shall each entitle the Corporate Adviser to subscribe for 1 new Ordinary Share at the Placing Price for a period of five years from Admission. The Corporate Adviser Warrants shall represent 5 per cent. of the aggregate number of Placing Shares issued to Placees under the Placing introduced by the Corporate Adviser.

(b) 7,203,118 Financial Adviser Warrants which each entitle the Financial Adviser to subscribe for 1 new Ordinary Share at the Placing Price for a period of five years from Admission. The Financial Adviser Warrants shall represent 0.75 per cent. of the Enlarged Share Capital.

(c) 9,604,157 Warrants which each entitle Gemstone to subscribe for 1 new Ordinary Share at the Placing Price for a period of five years from Admission.

The Warrants shall represent approximately 3.47 per cent. of the Enlarged Share Capital. Each of the Warrants above are unlisted, fully transferable and are exercisable in whole or in part.

9.1.13. *Relationship Agreement*

On 17 May 2021: (1) the Financial Adviser; (2) the Corporate Adviser; (3) the Company; and (4) KCP entered into the Relationship Agreement.

The Relationship Agreement is conditional upon Admission taking place on or before 5.00 p.m. on 21 June 2021.

The principal purpose of the Relationship Agreement is to manage the relationship between the Company and KCP to ensure that the Company can carry on its business independently of KCP for so long as KCP and its associated persons ("**KCP Persons**") are interested in at least 20 per cent. of the Ordinary Shares then in issue (the "**relevant period**").

The Relationship Agreement requires KCP during the relevant period to exercise all voting rights and voting power and all other powers of influence or control that it has in relation to the Group and shall abstain (where appropriate) from the exercise of such powers in such a way so as to ensure that (in so far as it is able to do so and in accordance with applicable law and regulation including but not limited to a director's fiduciary duties):

(a) each member of the Group is capable at all times of carrying on its business independently of all KCP Persons;

(b) all transactions, agreements or arrangements entered into between a member of the Group (on the one hand) and a KCP Person (on the other) will only be made:

  (i) at arm's length;

  (ii) on a normal commercial basis; and

  (iii) with the prior approval (confirmed in writing) of the independent Director(s) and, if there is only one, with the Financial Adviser's prior written consent also;

(c) it will not (alone or together with any KCP Person) exercise its voting rights to control the appointment of directors who are able to exercise a majority of votes at board meetings of the Company;

(d) there are at least two independent Directors;

(e) it will not (alone or together with any KCP Person) exercise its voting rights in relation to any transaction or relationship between any company in the Group and itself or any KCP Person in such a manner which would be to the detriment of the general body of shareholders of the Company;

(f) no changes are made to the Articles which would impede the Company's ability to carry on its business independently of any KCP Person; and

(g) only the independent directors shall be permitted to vote on any resolution of the Board (or any committee of the Board) in respect of a defined Board reserved matter (unless all the independent Directors otherwise consent).

KCP has also been granted the right to appoint a Director to the board of the Company so long as the Relationship Agreement remains in force and has confirmed that Neil Mahapatra is the first such appointment.

The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on an independent business as its main activity.

9.1.14. *Share Exchange Agreement*

The shareholders of OCT and the holders of the Convertible Loan Notes created pursuant to the Convertible Loan Note Instrument (collectively, the "**Sellers**") have entered into a share exchange agreement with the Company pursuant to which the Sellers have agreed to transfer the entire issued share capital of OCT to the Company conditional on the Placing Agreement becoming unconditional in all respects, save only for Admission.

9.1.15. *Convertible Loan Note Instrument*

On 2 March 2021, OCT executed a convertible loan note instrument constituting £600,000 of Convertible Loan Notes which are convertible into shares in OCT (the "**Convertible Loan Note Instrument**") immediately prior to the Share Exchange Agreement taking effect. Pursuant to the terms of the Share Exchange Agreement, the holders of the Convertible Loan Notes have agreed to exchange their shares in OCT for Ordinary Shares, at a notional

price equivalent to a 10 per cent. discount on the Placing Price, as set out in paragraph 9.1.14 above.

9.1.16 *Agreement with Moore & Moore Investments Ltd*

On 19 April 2021, the Company agreed with Moore & Moore Investments Ltd ("**MMI**") of Governors Square, 2nd Floor, 23 Lime Tree Bay Avenue, P.O. Box 1569, Grand Cayman, KY1-1110, Cayman Islands that MMI would introduce placees for 50,300,000 new Ordinary Shares as part of the Placing for a commission of 10.34 per cent. of the aggregate value of the Placing Shares at the Placing Price where Placees were introduced by MMI, to be satisfied by the issue of 5,200,000 Placing Shares at the Placing Price, as part of the Placing. MMI also agreed to subscribe for 6,500,000 new Ordinary Shares pursuant to the Placing so, following Admission, will hold 11,700,000 Ordinary Shares in the Company.

10. Working capital

The Company is of the opinion that the working capital available to the Group, taking into account the Net Proceeds, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this Document.

11. Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

12. Premises

The Group does not own any premises or property but has a lease over its registered office at Part Third Floor, Maddox House, 1 Maddox Street, London W1S 2PZ, United Kingdom, dated 3 April 2019 which expires on 2 April 2024 with a break date of 3 April 2022 on six months' written notice.

13. Intellectual property

Save as disclosed in paragraphs 9.1.1 and 9.1.5 of this Part VII, the Group is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Group's business or profitability.

14. Related party transactions

Save as disclosed below, the Group is not party to any transactions with related parties for the period covered by the historical financial information up to the date of this Document:

14.1 OCT incurred the following costs in respect of the 25 October 2017 agreement between OCT and KCP described in paragraph 9.1.7 of this Part VII above:

	Costs recharged	**Balance owed (to)/ by KCP**
Period ended 31 May 2018	£207k	£(245k)
Year ended 31 May 2019	£530k	£nil
Year ended 31 May 2020	£220k	£2k
Six months to 30 November 2020	£75k	£2k

14.2 Equinox International Holdings Limited was a Company that was incorporated at the same time as OCT that focuses on branded sales of CBD. Having been founded by KCP, both had KCP as majority shareholders, along with a series of other common shareholders. Costs were incurred by OCT and were recharged to Equinox International Holdings Limited and vice versa. As OCT obtained separate

funding, OCT and Equinox International Holdings Limited no longer interact with each other. The following balances were due from Equinox:

As at:	
31 May 2018	£nil
31 May 2019	£167k
31 May 2020	£6k
30 November 2020	£6k

The related party transactions disclosed above were concluded on normal commercial terms and an arm's length basis.

On 26 March 2021 the outstanding sums of £2k owed to OCT from KCP and £6k owed by Equinox International Holdings Limited to OCT were settled.

15. Significant change

Except for the Placing (the Placing generating gross proceeds received by the Company of £16.5 million), the receipt of £600,000 (gross) from the issue of the Convertible Loan Note Instrument and the expenses of the Company incurred in connection with the Admission and the Placing amounting to approximately £1.68 million (exclusive of VAT), there has been no significant change in the financial position and/or performance of the Group since 30 November 2020, being the date as at which the historical financial information has been published.

16. Mandatory bids and compulsory acquisition rules relating to the Ordinary Shares

16.1. The City Code applies to the Company and the Shareholders will be entitled to the protections afforded by the City Code. The City Code operates principally to ensure that the Shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code also provides an orderly framework within which takeovers are conducted.

16.2. Other than as provided by the City Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.

16.3. The City Code is issued and administered by the Takeover Panel.

16.4. There have been no public takeover bids for the Ordinary Shares.

16.5. ***Mandatory bid provisions***

Rule 9 of the City Code is designed to prevent the acquisition or consolidation of control of a company subject to the City Code without a general offer being made to all shareholders. Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but does not hold more than 50 per cent. of the voting rights of such a company, and such person or any person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

An offer under Rule 9 of the City Code must be in cash (or accompanied by a cash alternative) and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him.

Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

16.6. ***Squeeze-out***

Under the Act, if a "takeover offer" (as defined in section 974 of the Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the offer relates and not less than 90 per cent. of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10 per cent.. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority Shareholders whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

16.7. ***Sell-out***

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the Ordinary Shares and not less than 90 per cent. of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

17. Concert parties

The Company's advisers have liaised with the Takeover Panel and based upon the information available, the Takeover Panel has confirmed that, on Admission, there will be three distinct concert parties as follows:

17.1. ***KCP Mahapatra concert party***

The KCP Mahapatra concert party consists of Neil Mahapatra, KCP, Anthony Marshall (an investor in KCP (in his own name and through Priory Woodfield Limited)), Priory Woodfield Limited (controlled by Anthony Marshall), Anassa Holdings Limited (an investor in KCP), the Anassa Holdings Fund (wholly owned by Kee Cheol Noh), Kee Cheol Noh (an investor in KCP), Kingsley Private Investments (HK) Ltd (controlled by Kee Cheol Noh), Rishi Kansagra (an investor in KCP), Ronak Ramesh Kansagra (Rishi Kansagra's brother), Rachel Matharu (Neil Mahapatra's wife), Gurmeet Matharu (Neil Mahapatra's father-in-law), Stephen Winkler (an investor in KCP) and Hee-Dong Kim (an investor in KCP), who together hold in aggregate 275,990,379 Ordinary Shares (representing approximately 28.74 per cent. of the Enlarged Share Capital). As set out in paragraph 8.2M of this Part VII, Neil Mahapatra will be granted an option over 2,401,039 Ordinary Shares on Admission which will represent approximately 0.25 per cent. of the Enlarged Share Capital. Assuming exercise of this option only, and no other changes to the Company's existing share capital, the maximum shareholding of the KCP Mahapatra concert party would be 28.91 per cent. (being 278,391,418 Ordinary Shares).

17.2. ***Sathianathan concert party***

The Sathianathan concert party consists of Gavin Sathianathan, Lilijan Sulejmanovic (Gavin Sathianathan's wife), GHS Capital Limited, Viv Sathianathan (Gavin Sathianathan's brother), Emily Ruth Sathianathan (Gavin Sathianathan's sister-in-law) and Merima Filipovic (employee of Alta Flora,

a company which Gavin Sathianathan founded and of which he is a director), who together hold in aggregate 79,035,039 Ordinary Shares (representing approximately 8.23 per cent. of the Enlarged Share Capital). As set out in paragraph 8.2M of this Part VII, Gavin Sathianathan will be granted an option over 2,401,039 Ordinary Shares on Admission which will represent approximately 0.25 per cent. of the Enlarged Share Capital. Assuming exercise of this option only, and no other changes to the Company's existing share capital, the maximum shareholding of the Sathianathan concert party would be 8.46 per cent. (being 81,436,078 Ordinary Shares).

17.3 ***Imperial Brands concert party***

The Imperial Brands concert party consists of Imperial Brands Ventures Limited and Bishrut Mukherjee (given his appointment as a Director of OCT by Imperial Brands pursuant to the provisions of the OCT Shareholders' Agreement, more particularly described at paragraph 9.1.6 of Part VII of this Document) who together hold in aggregate 104,488,099 Ordinary Shares (representing approximately 10.88 per cent. of the Enlarged Share Capital).

If any of the members of the three concert parties listed above were to increase the percentage of the voting rights that they hold with the result that their concert party is interested in aggregate in 30 per cent. or more of the Ordinary Shares in issue at the time, then the members of such concert party would be obliged, except with the consent of the Takeover Panel, to make a mandatory offer as referred to in paragraph 16.5 of this Part VII above.

18. General

18.1. Moore Kingston Smith LLP were appointed as the auditors of the Company and OCT on 16 April 2021 and 24 July 2019 respectively. Moore Kingston Smith LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of Devonshire House, 60 Goswell Road, London EC1M 7AD.

18.2. Moore Kingston Smith LLP, which has no material interest in the Group, has given and has not withdrawn its written consent to: (1) the issue of this Document with the inclusion of the references to its name in the form and context in which it appears; and (2) the inclusion of the following reports in Part VI of this Document:

18.2.1. Reporting accountant's report on the historical financial information of the Company;

18.2.2. Historical financial information of the Company;

18.2.3. Reporting accountant's report on the historical financial information of OCT;

18.2.4. Historical financial information of OCT;

18.2.5. Reporting accountant's review report on the unaudited historical interim financial information of OCT;

18.2.6. Unaudited historical interim financial information of OCT;

18.2.7. Report on the unaudited pro forma consolidated statement of net assets; and

18.2.8. Unaudited pro forma consolidated statement of net assets.

and has authorised the contents of those reports for the purposes of this Document.

18.3. To the best of the knowledge of the Company, having taken into account the following circumstances, Moore Kingston Smith LLP does not have a material interest in the Group, as none of the following apply to it:

18.3.1. ownership of securities issued by any member of the Group or options to acquire or subscribe for securities of the Company;

18.3.2. former employment by the Company or any form of compensation provided to Moore Kingston Smith LLP; or

18.3.3. any connections to the financial intermediaries involved in the Placing or Admission.

18.4. The Corporate Adviser has given and not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in the form and context in which it appears.

18.5. The Financial Adviser has given and not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in the form and context in which it appears.

18.6. There are no provisions of the Company's Articles, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the Company.

18.7. The Company does not have any pre-emption rights which are different from those contained in the Act.

18.8. The Company does not have any conversion provisions in relation to its Ordinary Shares.

18.9. The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £1.68 million (exclusive of VAT).

18.10. The Directors are not aware of any environmental issues which may affect the Group's utilisation of its tangible fixed assets (if any).

18.11. The Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

18.12. The Company's accounting reference date is 31 May.

18.13. The accounting reference date of OCT is 31 May.

18.14. The financial information relating to the Company contained in this Document does not constitute statutory accounts for the purposes of section 434 of the Act.

18.15. The financial information relating to OCT contained in this Document does not constitute statutory accounts for the purposes of section 434 of the Act.

18.16. Since incorporation, no member of the Group has made up any financial statements or published any financial information save for the information contained in Part VI of this Document.

18.17. The Placing Shares will be issued and allotted under the laws of England and their currency will be Pounds Sterling. The Placing Price represents a premium of 400 per cent. of the nominal value of an Ordinary Share which is £0.01.

19. Documents for inspection

Copies of the following documents may be inspected on the webpage https://oxcantech.com/userfiles/files/prospectus.pdf and at the offices of Penningtons Manches Cooper LLP, 125 Wood Street, London EC2V 7AW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Document until a date one month following Admission:

19.1. the Articles;

19.2. the consent letter from Moore Kingston Smith LLP;

19.3. the consent letter from the Corporate Adviser;

19.4. the consent letter from the Financial Adviser; and

19.5. this Document

The date of this Document is 17 May 2021

PART VIII

DEFINITIONS

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

£ or Pound(s) Sterling	UK pound sterling
Act	the Companies Act 2006, as amended
Admission	the admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the Main Market
APAC	Asia Pacific
ApconiX	ApconiX Limited
Articles	the articles of association of the Company
AskAt	AskAt Inc., a company incorporated in Japan
Board	the board of directors of OCT prior to the Share-for-Share Exchange and, upon the Share-for-Share Exchange taking effect, the board of directors of the Company
Bounce Back Loan	the £50,000 loan issued to OCT under the government's Bounce Back Scheme designed to assist smaller businesses access finance more quickly during the Coronavirus outbreak
Brexit	the United Kingdom's decision to leave the European Union under Article 50 of the 2009 Lisbon Treaty
Cerebro	Cerebro CMC Limited
certificated or in certificated form	an Ordinary Share which is not in uncertificated form
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel
Company	Oxford Cannabinoid Technologies Holdings Plc, incorporated in England and Wales with registered number 13179529
connected person	as defined in section 252 of the Act
control	an interest, or interests, in Ordinary Shares carrying in aggregate 30 per cent. or more of the voting rights of the Company, irrespective of whether such interest or interests give *de facto* control
Convertible Loan Note Instrument	the convertible loan note instrument executed by OCT dated 2 March 2021, pursuant to which the Convertible Loan Notes have been issued, as further detailed in paragraph 9.1.15 of Part VII of this Document
Convertible Loan Notes	the convertible loan notes issued by OCT pursuant to the Convertible Loan Note Instrument, as further detailed in paragraph 9.1.15 of Part VII of this Document
Corporate Adviser	States Bridge Capital Ltd, the Company's corporate adviser

Corporate Adviser Warrants	the warrants created pursuant to the Warrant Instrument, issued by the Company to the Corporate Adviser, to subscribe for new Ordinary Shares on the terms and conditions set out in the Warrant Instrument
CREST	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
Directors	the Executive Directors and the Non-Executive Directors
Disclosure and Transparency Rules or DTRs	the Disclosure Guidance and Transparency Rules of the FCA
Document	this document
EMA	European Medicines Agency
EMEA	Europe, the Middle East and Africa
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission and immediately following completion of the Placing, comprising the Existing Ordinary Shares and the Placing Shares
EU	the European Union
European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein
Executive Directors	the executive Directors of the Company, whose names are set out on page 37 of this Document
Existing OCT Shareholders	the shareholders of OCT immediately prior to the Share-for-Share Exchange taking effect
Existing Ordinary Shares	the 630,415,644 Ordinary Shares in issue immediately prior to Admission following completion of the Share Exchange Agreement
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
FDA	Food and Drug Administration (US Drug Regulator)
Financial Adviser	Cairn Financial Advisers LLP
Financial Adviser Warrants	the warrants created pursuant to the Warrant Instrument, issued by the Company to the Financial Adviser, to subscribe for new Ordinary Shares on the terms and conditions set out in the Warrant Instrument
FSMA	the Financial Services and Markets Act 2000
GDPR	the General Data Protection Regulation (EU) 2016/679 as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended
Gemstone	Gemstone Capital A/S of Strandvejen 60, 2900 Hellerup, Denmark

Gemstone Warrants	the warrants created pursuant to the Warrant Instrument, issued by the Company to Gemstone, to subscribe for new Ordinary Shares on the terms and conditions set out in the Warrant Instrument
Group	the Company and its subsidiaries from time to time
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards as adopted by the European Union
Imperial Brands	Imperial Brands Ventures Limited
Independent Non-Executive Directors	the independent Non-Executive Directors, being Julie Pomeroy and Cheryl Dhillon as at the date of this Document
ISIN	International Securities Identification Number
KCP	Kingsley Capital Partners LLP
KCP Services Agreement	the agreement between KCP and the Company dated 17 May 2021, as summarised in paragraph 9.1.7 of Part VII of this Document
LEI	legal entity identifier
Listing Rules	the listing rules of the FCA
Locked-In Parties	each of the Directors, GHS Capital Limited, KCP and Imperial Brands
Lock-In Agreements	the lock-in agreements between: (1) the Company; (2) the Financial Adviser; (3) the Corporate Adviser; and (4) the Locked-In Parties, further details of which are set out in paragraph 9.1.11 of Part VII of this Document
London Stock Exchange or LSE	London Stock Exchange Group plc
Main Market	the LSE's main market for listed securities
Market Abuse Regulation	Regulation (EU) no 596/2014 as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended
MDA	Misuse of Drugs Act 1971
MDRs	Misuse of Drugs Regulations 2001
Member States	member states of the EU
MercachemSyncom	MercachemSyncom B.V., now Symeres B.V.
mg/kg	milligrams per kilogram
Net Proceeds	approximately £14.82 million, being the funds received by the Company under the Placing less any expenses (exclusive of VAT) paid or payable in connection with Admission and the Placing
NED Options	the options over a total of 7,203,117 Ordinary Shares pursuant to standalone option agreements with three of the Non-Executive Directors, being Gavin Sathianathan (over 2,401,039 Ordinary

	Shares), Julie Pomeroy (over 2,401,039 Ordinary Shares) and Cheryl Dhillon (over 2,401,039 Ordinary Shares)
New Option Scheme	the new share option scheme of the Company, as set out in paragraph 8.2 of Part VII of this Document
New Options	the new options issued under the New Option Scheme
Non-Executive Directors	the non-executive Directors of the Company, whose names are set out on page 37 of this Document
OCT	Oxford Cannabinoid Technologies Ltd, the Company's wholly owned subsidiary following completion of the Share Exchange Agreement
OCT Hellas	OCT Hellas Pharmaceuticals Research & Development Laboratory S.A.
OCT Option Scheme	the option scheme in OCT which has, conditional on Admission, been replaced by the Replacement Option Scheme
OCT461201	OCT461201, OCT's lead drug candidate
Official List	the Official List maintained by the FCA
Options	the options issued under the Company's Share Option Schemes
Orderly Market Agreement	the orderly market agreement between: (1) the Company; (2) the Financial Adviser; (3) the Corporate Adviser; and (4) Tarek Khalil Tabsh, further details of which are set out in paragraph 9.1.11 of Part VII of this Document
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Overseas Shareholders	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens or residents in or nationals of, countries other than the UK
Oxford Antibiotic Group or OAG	Oxford Antibiotic Group GESMBH, a company registered in Austria
Oxford University	The Chancellor Masters and Scholars of the University of Oxford
Placees	institutional and other investors who are subscribing for Placing Shares
Placing	the proposed placing of the Placing Shares, by or on behalf of the Company, at the Placing Price and on the terms and subject to the conditions set out in this Document
Placing Agreement	has the meaning set out in paragraph 9.1.8 of Part VII of this Document
Placing Price	£0.05 per Placing Share
Placing Shares	the 330 million new Ordinary Shares which are proposed to be issued pursuant to the Placing
POCA	Proceeds of Crime Act 2002

Premium Listing	a premium listing on the Official List under Chapter 6 of the Listing Rules
Premium Listing Principles	the listing principles, applicable to a company with a Premium Listing, contained in Chapter 7 of the Listing Rules
Pro Forma Financial Information	the unaudited pro forma consolidated statement of net assets of the Company as at 30 November 2020 set out in Section H of Part VI of this Document
Prospectus Regulation	Regulation (EU) no. 2017/1129
Prospectus Regulation Rules	the prospectus regulation rules of the FCA made pursuant to section 73A of the FSMA, as amended
QCA Code	the QCA Corporate Governance Code 2018, published by the Quoted Companies Alliance
R&D	research and development
Redeemable Preference Shares	the 50,000 redeemable preference shares of £1 each in the share capital of the Company
Registrar	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE
Regulation S	Regulation S promulgated under the Securities Act
Relationship Agreement	the agreement between: (1) the Financial Adviser; (2) the Corporate Adviser; (3) the Company; and (4) KCP as further detailed in paragraph 9.1.13 of Part VII of this Document
Replacement Option Scheme	the Company's replacement share option scheme which replaces the OCT Option Scheme, as set out in paragraph 8.1 of Part VII of this Document
Reverse Takeover	a transaction defined as a reverse takeover in Listing Rule 5.6.4R
RIS	one of the regulated information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies
Roehampton or RCIL	Roehampton Corporate Initiatives Ltd
Securities Act	the United States Securities Act of 1933, as amended
Seed Funding	the £750,000 raised by OCT between November 2017 and January 2018
Senior Manager	the senior manager of the Company being Dr. Valentino Parravicini as at the date of this Document
Series A Funding	the £4.75 million raised by OCT between June 2018 and August 2018
Series B Funding	the £750,000 raised by OCT in January 2020
Share Exchange Agreement	the share exchange agreement between the Existing OCT Shareholders and the Company relating to the Share-for-Share Exchange as described in paragraph 9.1.14 of Part VII of this Document

Share Option Schemes	the Replacement Option Scheme and the New Option Scheme
Share-for-Share Exchange	the share-for-share exchange as described in paragraph 9.1.14 of Part VII of this Document
Shareholders or members	holders of Ordinary Shares
Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules
subsidiary	has the meaning given to it by section 1159 of the Act
Symeres	Symeres B.V., a company which has its head office in The Netherlands and operations in The Netherlands, the Czech Republic, Finland and Sweden
Takeover Code	the UK City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers
UK Corporate Governance Code	the Corporate Governance Code, published by the Financial Reporting Council and as amended from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Prospectus Regulation	Regulation (EU) no. 2017/1129 as it forms part of retained direct EU legislation as defined in the European Union (Withdrawal) Act 2018, as amended
Unapproved Option	the unapproved option in respect of 17,396,089 Ordinary Shares granted to Dr. Jutta Roth, as described in paragraph 8.1E of Part VII of this Document
uncertificated or in uncertificated form	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States, US or USA	the United States of America, its territories and possessions
VAT	UK value added tax
Vested Options	the options granted to two Executive Directors (Clarissa Sowemimo-Coker and Dr. John Lucas), and two current employees under the Replacement Option Scheme replacing all options held under the OCT Option Scheme and pursuant to the Unapproved Option and which vest on Admission, as more particularly described in paragraph 8.1 of Part VII of this Document
Voisin or Voisin Consulting Life Science	Voisin Consulting Life Sciences, a division of Voisin Consulting SARL, a company which has its head office in France and operations in France, the US, Switzerland, Denmark and the UK
VWAP	volume weighted average price
Warrant Agreements	has the meaning set out in paragraph 9.1.12 of Part VII of this Document
Warrant Instrument	the warrant instrument executed by the Company constituting the Corporate Adviser Warrants, the Financial Adviser Warrants and the Gemstone Warrants, details of which are set out in paragraph 9.1.12 of Part VII of this Document

Warrants	the 33,307,275 Ordinary Shares subject to warrants as at the date of this Document
Working Capital Period	the period commencing on Admission and ending on the date which is 12 months from Admission

PART IX

GLOSSARY OF TECHNICAL TERMS

Term in full	Abbreviation	Meaning
Active Pharmaceutical Ingredient	API	A substance used in a finished pharmaceutical product, intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.
Cannabidiol	CBD	A pCB found in plants of the genus *Cannabi*s which interacts with the ECS. It is not associated with a "high" feeling.
Cannabidiolic acid	CBDA	A pCB found in plants of the genus *Cannabi*s which interacts with the ECS.
Cannabigerol	CBG	A pCB found in plants of the genus *Cannabi*s which interacts with the ECS.
Cannabinoid receptor Type 1 (CNR1)	CB1	A molecule of the ECS found on the surface of cells (mostly central nervous system) which is bound by endocannabinoids and pCBs.
Cannabinoid receptor Type 2 (CNR2)	CB2	A molecule of the ECS found on the surface of cells (mostly in the periphery, but also in the nervous system) which is bound by endocannabinoids and pCBs.
cardiotoxicity		A condition when there is damage to the heart muscle.
Chemistry Manufacturing and Controls	CMC	The set of procedures, protocols and control activities necessary to ensure the appropriate manufacturing, product characteristics and product testing so that the product is safe, effective and consistent between batches.
Clinical Trial Application	CTA	A request to the MHRA (Medicine and Healthcare Regulatory Agency) which provides comprehensive information about the investigational medicinal product(s) and planned trial, enabling regulatory authorities to assess the acceptability of conducting the study. CTA in the UK is equivalent to IND in the USA (see below).
clinical trials		Studies carried out in humans to find out whether a drug candidate is safe to administer as a therapeutic and effective as a therapeutic. Clinical trials are segmented into at least three (and often four) phases.

Term in full	Abbreviation	Meaning
Contract Research Organisation	CRO	A company that provides support to the pharmaceutical, biotechnology and medical device industries in the form of research services outsourced on a contract basis.
current Good Clinical Practices	cGCPs	The international ethical, scientific and practical standards to which all clinical research is conducted, which can then be transposed into regulations for clinical trials involving human subjects.
deoxyribonucleic acid	DNA	A molecule carrying genetic instructions for the development, functioning, growth and reproduction of all known organisms and many viruses.
Drug Master File	DMF	A submission to the regulatory agencies (*e.g.* FDA) used to provide confidential detailed information about facilities, processes, or articles used in the manufacturing, processing, packaging and storing of one or more human drugs.
Drug Metabolism and Pharmacokinetics	DMPK	A scientific discipline in drug development that considers the biotransformation of a drug compound and which determines the fate of substances administered to a living organism.
Drug-to-Drug Interaction	DDI	The situation occurring when two drugs influence each other's efficacy and/or side effects, either directly or by affecting how the body reacts to them. It can have serious consequences on the safety of the drugs.
Endocannabinoid System	ECS	A natural occurring biological system found in human and all mammals, formed by molecules which are either soluble and circulating in the fluids or are found on the surface of the cells of the human body. These molecules play an important role in controlling many everyday physiological functions. Endocannabinoid refers in general to the soluble molecules able to bind the receptors (molecules bound to the cell surface).
Endocannabinoid System Medicines	ECS Medicines	Medicines (or potential medicines) whose mechanism of action (MoA; the way they work) is based on targeting the ECS and its components.
fibromyalgia		A disorder characterised by widespread musculoskeletal pain accompanied by fatigue, sleep, memory and mood issues.
fibrotic disorders		Diseases that cause fibrosis, also known as fibrotic scarring. Physiologically, fibrosis acts to deposit connective tissue, which can interfere with, or totally inhibit, the normal architecture and function of the underlying organ or tissue.

Term in full	Abbreviation	Meaning
First Time in Humans	FTiH	The first administration of a putative drug into a human being, as part of the first clinical trial.
first-pass metabolism		The first pass effect is a phenomenon in which a drug gets metabolised at a specific location in the body that results in a reduced concentration of the active drug upon reaching its site of action or the systemic circulation.
flavonoids		A class of polyphenolic secondary metabolites found in plants.
genotoxicity		The property of chemical agents that damages the genetic information within a cell causing mutations, which may lead to cancer.
Good Manufacturing Practices	GMP	The practices required in order to conform to the guidelines recommended by local and international agencies to guarantee minimum requirements for consistent temporal cross-site high quality for their intended use. These guidelines apply to the authorisation and licensing of the manufacture and sale of pharmaceutical products and medical devices.
High-Throughput Screen	HTS	A method for scientific experimentation especially used in drug discovery and relevant to the fields of biology and chemistry. Using robotics, data processing/control software, liquid handling devices and sensitive detectors, high-throughput screening allows a researcher to quickly conduct millions of chemical, genetic or pharmacological tests.
Human Immunodeficiency Virus	HIV	The retrovirus responsible for AIDS.
immunology		The study of the human immune system.
Inflammatory Bowel Disease	IBD	An umbrella term used to describe a group of immune-inflammatory conditions of the colon and small intestine. The two main types are Crohn's disease and ulcerative colitis. Typical symptoms are diarrhoea, fatigue, abdominal pain and internal bleeding, which can be very debilitating.
Innovative Medicine Initiative	IMI	A public-private partnership between EU and pharmaceutical industries whose goal is to facilitate collaboration between the key players involved in health research, including universities, research centres, the pharmaceutical and other industries, small and medium-sized enterprises ("**SMEs**"), patient organisations and medicines regulators.
Institutional Review Boards	IRBs	An administrative body established to protect the rights and welfare of human research subjects recruited to participate in research activities conducted under the auspices of the institution with which it is affiliated.

Term in full	Abbreviation	Meaning
Investigational New Drug	IND	A drug substance that has been tested in the laboratory and has been approved by the US FDA for testing in people. An IND application is filed with the FDA to begin clinical testing.
in vitro		Studies that are performed with microorganisms, cells or biological molecules outside their normal biological context.
in vivo		Studies in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans.
Irritable Bowel Syndrome	IBS	A common condition that affects the digestive system causing symptoms like stomach cramps, bloating, diarrhoea and constipation. These tend to come and go over time, but it is usually a lifelong problem. To date, there is no cure and the exact cause is unknown.
lead candidate		A drug candidate which following high-throughput screening and lead generation stages is the compound entering the optimisation process which will generate the molecule for pre-clinical studies.
Lennox-Gastaut syndrome	LGS	A severe form of childhood epilepsy with multiple types of seizures. It is an orphan disease.
ligand		Something that binds with a biological molecule to form a complex and produce some effect. In pharmaceutical sciences, ligand typically refers to substances that bind to a cell receptor.
Minimum Effective Dose	MED	The lower dose at which the pharmacological effect of a medicine or putative medicine is observed.
Multiple Sclerosis	MS	An autoimmune condition that can affect the brain and spinal cord. It is a lifelong condition that can sometimes cause serious disability and pain. Although occasionally mild, MS slightly reduces average life expectancy and is the most common causes of disability in younger adults.
Natural Products	NPs	Any molecule which can be used as medicine or as a food supplement and it is naturally occurring in living organisms.

Term in full	Abbreviation	Meaning
New Drug Application	NDA	The vehicle through which drug sponsors formally propose that the FDA approve a new pharmaceutical product for sale and marketing in the US.
pathophysiological		The disordered physiological processes associated with disease or injury.
Pharmacokinetics	PK	A branch of pharmacology dedicated to determining the fate of substances administered to a living organism.
Phase 1 clinical trials		Studies carried out in humans to find out whether a drug candidate is safe to administer as therapeutic.
Phase 2 clinical trials		Studies carried out in humans to further study safety and determine the optimal therapeutic dose.
Phase 3 clinical trials		Studies carried out in humans to further study safety and determine whether the drug candidate is effective.
Phase 4 clinical trials		A trial conducted after the drug is marketed. The main objective of the phase 4 trial is to check the drug's performance in real life scenarios, to study the long-term risks and benefits of using the drug and to discover any rare side-effects.
physiochemical characterisation		Seeks to define the physical and chemical properties, composition, identification, quality, purity and stability of the material.
Phytocannabinoids	pCBs	One of a set of naturally occurring molecules (>144) found primarily (but not exclusively) in the plants of the genus *Cannabis* which can interact with the ECS.
polymorph		Polymorphism, in crystallography, is the condition in which a solid chemical compound exists in more than one crystalline form. Each crystalline form is referred to as a polymorph.
Post Herpetic Neuralgia	PHN	The most common complication of shingles. The condition affects nerve fibres and skin, causing burning pain that lasts long after the rash and blisters of shingles disappear.
Post Herpetic Syndrome	PHS	An excruciatingly painful condition caused by the virus responsible for chickenpox and shingles.
pre-clinical		Pre-clinical development encompasses the activities that link drug discovery in the laboratory to initiation of human clinical trials.

Term in full	Abbreviation	Meaning
pressurised Dose Metered Inhalers	pMDI	A medical device used for delivering medication directly into the lungs. Unlike other devices, it delivers medicines by a pressurised "puff" using a propellant (gas).
psoriasis		A long-lasting, non-contagious autoimmune disease characterised by red, itchy, scaly patches, most commonly on the knees, elbows, trunk and scalp.
Randomised Controlled Trial (clinical)	RCT	A clinical study in humans in which a number of similar people are randomly assigned to two (or more) groups to test a specific drug, treatment or other intervention, and it includes a placebo group. The groups are followed up to see how effective the experimental intervention is. Outcomes are measured at specific times and any difference in response between the groups is assessed statistically.
Risk Evaluation and Mitigation Strategy	REMS	A risk management plan required by regulatory agencies that uses risk minimisation strategies beyond professional labelling to ensure that the benefits of the drug outweigh the risks.
salt form selection		A salt is produced by the reaction of an acid with a base. For example, a free base form of a drug compound may be combined with an acid to form a salt form of the drug compound. Following the formation of candidate salt forms, the optimal form is chosen for further development.
Schedule 1 controlled drugs		Controlled drugs within the scope of Schedule 1 of the Misuse of Drugs Regulations 2001.
Structure/Activity Relationship	SAR	An approach designed to find relationships between chemical structure (or structural-related properties) and biological activity (or target property) of studied compounds.
Systemic Sclerosis	SSc	An autoimmune disease resulting in fibrosis characterised by hard, thickened areas of skin, internal organs and arteries. It may lead to serious consequences and, if untreated, death.
terpenes		Aromatic compounds found in many plants.
Tetrahydrocannabinol	THC= Δ^9-THC	A pCB found in plants of the genus *Cannabis* which interacts with the ECS. It binds the CB1 receptor and it is associated with the "high" caused by cannabis (it is psychotropic).