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This Document comprises a prospectus relating to Everest Global Plc (the "**Company or "Everest"**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("FCA") made under section 73A of the FSMA ("**Prospectus Regulation Rules**") and approved by the FCA under section 87A of the 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 have been made to the FCA for 39,099,141 ordinary shares of £0.02 each in the capital of the Company, which have been issued in the past 12 months ("**Allotted 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 the FSMA as amended from time to time) and to the London Stock Exchange Group plc ("**London Stock Exchange**") for such Allotted 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 Allotted Shares will commence, at 8.00 a.m. on 6 November 2023 (or such later date as may be agreed by the Company and Cairn Financial Advisers LLP being not later than 5.00 p.m. on 6 December 2023).

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 of £0.02 each in the capital of the Company (the "**Ordinary Shares**"). This prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

THE WHOLE OF THE TEXT OF THIS DOCUMENT, AND DOCUMENTS INCORPORATED BY REFERENCE INTO 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 OF THIS DOCUMENT ENTITLED "RISK FACTORS".

The Directors, whose names and functions appear on page 38 of this Document, and the Company, with registered office located at 1st Floor, 48 Chancery Lane, London WC2A 1JF, 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.

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.



EVEREST GLOBAL PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with Registered Number 07913053)

Admission of 39,099,141 Ordinary Shares of £0.02 each 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, 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.

Cairn Financial Advisers LLP is not making any representation as to the past or the future (without limiting the statutory rights of any person to whom this Document is issued), 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 Cairn Financial Advisers LLP 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 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. Cairn Financial Advisers LLP does not seek to limit or exclude their responsibilities and liabilities which may arise under the FSMA or the regulatory regime established thereunder.

The Allotted Shares 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.

Subject to certain exceptions, 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. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. 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.

An application has been made for the Allotted Shares 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.

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SUMMARY

SECTION A – INTRODUCTION, CONTAINING WARNINGS

This summary should be read as an introduction to this prospectus. Any decision to invest in the ordinary shares of £0.02 pence each in the share capital of Everest Global plc (“**Ordinary Shares**”) should be based on consideration of this document as a whole by the investor. An investor could lose all or part of their invested capital.

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

The securities to which this document relates are the Ordinary Shares of the issuer. The ISIN of the Ordinary Shares is GB00BKBS0353. The issuer of the Ordinary Shares is Everest Global Plc (the “**Company**”). The issuer’s contact details are: +44 (0) 20 7073 0582, 1st Floor, 48 Chancery Lane, London WC2A 1JF. The LEI of the Company is 213800VWEF19LQCNB917. This prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018, with its head office at 12 Endeavour Square, London, E20 1JN, and telephone number being +44 (0)20 7066 1000, in accordance with Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018, 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. The date of approval of this document is 31 October 2023.

SECTION B – KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The legal and commercial name of the issuer is Everest Global Plc. The LEI of the Company is 213800VWEF19LQCNB917. The Company was incorporated and registered in England and Wales on 17 January 2012 as a private limited company and re-registered on 8 May 2012 as a public limited company. The Company is registered in England and Wales under the Companies Act 2006 with registered number 07913053. The Company is domiciled in England.

Principal activities

The principal activity of the Company is to act as the holding company of the Company’s subsidiaries, Dynamic Intertrade (Pty) Limited (“**DI**”) and Everest Capital London Limited (together with the Company, the “**Group**”). Historically, the strategy of the Group has been to develop a group with a focus on food, agriculture and agricultural related products and more recently to extend its acquisition strategy to cover the wider food and beverage industry with a focus on the beverage distribution and production sector in the UK and the rest of Europe. As such, on 25 June 2023, the Company entered into an agreement to provide a loan for a sum of £200,000 to Precious Link (UK) Limited, a wine retailer based in the United Kingdom.

The Group is currently engaged in the manufacturing and trading of blends of herbs and spices in South Africa through its 51 per cent. owned subsidiary DI. However, on 3 October 2022, the Company entered into a put and call option agreement whereby the Company granted to K2 Spice Limited (“**K2**”) the option to acquire 11,430 shares in DI, being the 51 per cent. of DI held by the Company, subject to the satisfaction of certain conditions and subject to certain time restrictions, for £1 (“**Option**”). If this Option is exercised the Company will become a cash shell with approximately £800,000 of cash (as at the date of this document).

Should K2 not exercise the call option to take 100 per cent. control of DI, the Company will look to dispose of its remaining 51 per cent. holding in DI as soon as possible, while continuing to run it to the best of its ability, with the aim of maximising returns to shareholders of the Company (“**Shareholders**”).

Under the Company's acquisition strategy, proposed acquisitions may be made in either quoted or unquoted companies and structured as direct acquisitions, joint ventures or as direct interests in a project. It is not anticipated that a separate custodian trustee or other fiduciary will be appointed to hold investments made by the Company. The Company does not have any specific acquisition targets under formal consideration and does not expect to engage in substantive negotiations with any target until after the date of this document. There is no specific expected target value for any proposed acquisition. The directors of the Company ("Directors") may consider it appropriate for the Company to take an equity interest in any proposed acquisition which ranges from a minority position to 100 per cent. ownership, however, it is the Company's intention to acquire controlling stakes in targeted companies, businesses or assets. There will be no limit on the number of acquisitions the Company or its Group may make and the Company may invest in a number of propositions or in just one investment.

Following completion of an acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with the aim of generating value for its Shareholders through operational expansion and improvements as well as potentially through additional complementary acquisitions. The Company is likely to inject further capital into companies, businesses or assets that it has acquired in order to accelerate growth.

The Company notes that completion of an acquisition may trigger the reverse takeover provisions under Listing Rule 5.6 of Chapter 5 of the Listing Rules published by the Financial Conduct Authority ("FCA") under Section 73A of the Financial Services and Markets Act 2000 as amended from time to time ("Listing Rules"). If the Company undertakes a reverse takeover as defined under Listing Rule 5.6.4R ("Reverse Takeover"), the Company's existing Standard Listing on the Official List under Chapter 14 of the Listing Rules ("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.

Major Shareholders

Insofar as the Directors are aware, as at 30 October 2023 (being the latest practicable date prior to publication of this document) and immediately on admission to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules) 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 ("Main Market") ("Admission"), the following persons have an interest directly or indirectly in the issued shares of the Company which is notifiable under the Disclosure Guidance and Transparency Rules sourcebook:

Shareholder	At the date of this Document and immediately on Admission		
	Number of Ordinary Shares	Percentage of issued share capital	Percentage
Golden Nice International Group Limited	19,000,000	29.28%	
Lynchwood Nominees Limited ⁽¹⁾	9,071,555	13.98%	
Chen Fangling	6,363,000	9.81%	
An Xiangyu	6,363,000	9.81%	
VSA Capital Limited ⁽²⁾	5,700,639	8.79%	
HSBC Global Custody Nominee (UK) Limited ⁽³⁾	5,315,474	8.19%	
Interactive Investor Services Nominees Limited ⁽⁴⁾	3,279,836	5.05%	
Vidacos Nominees Limited ⁽⁴⁾	1,947,918	3.00%	

(1) Michael Paul Joseph holds 8,623,542 Ordinary Shares indirectly through Lynchwood Nominees Limited. Michael Joseph also holds 298,013 Ordinary Shares directly in his own name.

(2) VSA Capital Limited holds 1,754,779 Ordinary Shares directly in its own name. VSA Capital Limited holds a further 3,945,860 Ordinary Shares through a nominee, HSBC Global Custody Nominee (UK) Limited.

(3) Other than VSA Capital Limited's shareholding of 3,945,860, this Shareholder holds these Ordinary Shares on behalf of underlying investors and no underlying investor has notified the Company of a shareholding of 3 per cent. or greater. As far as the Company is aware, these Shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Ordinary Shares.

(4) These Shareholders hold these Ordinary Shares on behalf of underlying investors and no underlying investor has notified the Company of a shareholding of 3 per cent. or greater. As far as the Company is aware, these Shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Ordinary Shares.

Such Shareholders do not have special voting rights and the Ordinary Shares owned by each of them rank *pari passu* in all respects with all other Ordinary Shares.

Save for Golden Nice International Group Limited (which is wholly owned by Mr Ziwei Peng), which as at the date of this document and on Admission holds 29.28 per cent. of the Company's issued share capital, the Company is not aware of any person who, either as at the date of this document or immediately following Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

Key Managing Directors and Statutory Auditors

The key managing director is Xin (Andy) Sui, Chief Executive Officer.

The statutory auditors are RPG Crouch Chapman LLP.

What is the key financial information regarding the issuer?

Table 1: Income statement for the Group

	Audited			Unaudited	
	Year to 31 October		2022 £'000	6 months to 30 April	
	2020 £'000	2021 £'000		2022 £'000	2023 £'000
Revenue	1,774	1,404	1,699	682	1,434
Operating profit/(loss)	(1,080)	(516)	(1,152)	(11)	477
Total comprehensive profit/(loss)	(1,035)	(585)	(4,571)	(137)	379
Attributable to ordinary shareholders	(1,035)	(585)	(4,571)	(137)	138
Attributable to non-controlling interests	–	–	1	–	242

Table 2: Balance sheet for the Group

	Audited			Unaudited	
	As at 31 October		2022 £'000	As at 30 April	
	2020 £'000	2021 £'000		2022 £'000	2023 £'000
Total assets	1,945	1,812	1,655	1,211	2,344
Total current liabilities	1,660	1,546	725	630	750
Total non-current liabilities	1,023	1,513	5,609	1,812	4,893
Total equity	(738)	(1,248)	(4,679)	(1,231)	(3,300)

Table 3: Cash flow statement for the Group

	Audited			Unaudited	
	Year to 31 October		2022 £'000	6 months to 30 April	
	2020 £'000	2021 £'000		2022 £'000	2023 £'000
Cash flows from operating activities	(107)	(49)	(1,889)	(862)	386
Cash flows from investing activities	(1)	936	(6)	(19)	(26)
Cash flows from financing activities	148	178	1,711	275	120
Net cash flow for the period	40	1,065	(184)	(606)	480
Closing cash and cash equivalents	45	1,110	926	503	1,406

Audit opinions:

Year to 31 October 2020: A clean audit opinion was issued.

Year to 31 October 2021: A clean audit opinion was issued.

Year to 31 October 2022: The audit opinion was qualified for the following reason: The Group recorded closing inventory of £175,875. The auditors were appointed after the balance sheet date and were unable to arrange attendance at the year-end counting of inventory. The auditors were therefore unable to verify the closing value of inventory and the associated impact on cost of sales.

Save in relation to a £200,000 loan made by the Company to Precious Link (UK) Limited on 25 June 2023, since 30 April 2023, being the end of the last financial period for which financial information has been published for the Group, until the date of this document, there has been no significant change in the financial position or financial performance of the Group.

What are the key risks specific to the issuer?

Failure to identify or anticipate future risks. Although the Directors believe that the Group's risk management procedures are adequate, the methods used to manage risk may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate.

Realisation and value of investments. The Company's investments may be difficult to identify and take time to realise.

The Company may be unable to raise funds to complete an acquisition or fund the operations of the target business if it does not obtain additional funding. In October 2022, the Company granted K2 an option to acquire the remaining 51 per cent. of its subsidiary, DI, from the Company. If K2 exercises the Option, the Company will no longer have an operating business and will become a cash shell. Even if K2 does not exercise the Option, the Company intends to dispose of DI as soon as possible. The Company intends to make acquisitions in the food and beverage industry with a focus on the beverage distribution and production sector in the UK and the rest of Europe. Although the Company has not formally identified any prospective targets and cannot currently predict the amount of additional capital that may be required, the Company's existing cash of approximately £800,000, as at the date of this document, although sufficient for the Company's pre-acquisition activities, may not be sufficient to effect the Company's first acquisition. The Company may therefore be required to seek additional equity or debt financing from Shareholders and lenders respectively. The Company may not receive sufficient support from Shareholders, investors or lenders to raise finance at all or on acceptable terms to the Company. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available and additional equity is issued.

Food safety and regulation. Ensuring the safety and quality of food products is crucial for the Group. Contamination, improper handling, storage or processing can lead to foodborne illnesses, product recalls, legal issues and damage to the brand's reputation. Any non-compliance with food safety regulations may adversely affect the Group's operations and / or result in penalties, fines, product recalls and potential closure of the business.

Ownership and Reverse Takeover risks. The Company's first acquisition following Admission is highly likely to be a Reverse Takeover (and will certainly be a Reverse Takeover if the Company's subsidiary, DI, is disposed of prior to such acquisition being made). On the basis that DI is sold to K2 or another vendor or vendors, the Company will be a cash shell until and unless it completes an acquisition. If an acquisition is made, its business risk will be concentrated in a single target until the Company completes an additional acquisition, if it chooses to do so. In the event that the Company acquires less than a 100 per cent. interest in a particular entity, the remaining ownership interest will be held by third parties and the subsequent management and control of such an entity may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. Since the Company's initial public offering, the Listing Rules have been amended so that the minimum market capitalisation threshold requirement for premium and standard listing segments for shares in companies (other than funds) is increased to £30,000,000. In circumstances where the Company were to undertake a Reverse Takeover (or analogous transaction) requiring the eligibility of the Company to be re-assessed, the Company would be required to meet the minimum market capitalisation requirement of £30,000,000 to maintain its listing. In the event that the Company is unable to satisfy the minimum market capitalisation requirement, the Company would be unable to meet the eligibility requirements to maintain its listing and would be required to de-list, meaning the shareholders of the Company would hold shares in a non-trading public company (assuming it would be unable to secure a listing or quotation on another exchange).

Reliance on key customers and key suppliers. DI generated approximately 90 per cent. of its revenues in the year ended October 2022 from its top ten customers. Dominance of a select few customers has the potential to force erosion of prices and, by extension, profit margins. Additionally, there is the risk that loss of a key customer and inability to locate an alternative buyer for that proportion of product could result in a significant decrease in revenue.

Reliance on delivery. The food and beverage industry is dependent on prompt delivery and quality transportation of beverage ingredients. Disruptions such as adverse weather conditions, natural disasters and labour strikes in places where supplies of food / beverage ingredients are sourced could lead to delayed

or lost deliveries or deterioration of ingredients and may, amongst other things, result in an interruption to the business of the Group or a failure of the Group to be able to comply with relevant environmental legislation and provide quality food / beverage and services to customers, thereby damaging its reputation.

Maintenance of quality of products and services. In the food and beverage industry, it is essential that the quality of products is consistent. Any inconsistency in the quality of products may result in customer dissatisfaction and hence a decrease in their loyalty.

Identifying a suitable acquisition target. The Directors have decided to dispose of its subsidiary, DI, and to adopt a wider acquisition strategy to make acquisitions in the food and beverage industry with a focus on the beverage distribution and production sector in the UK and the rest of Europe. The Company will be dependent upon the ability of the Directors to identify suitable acquisition opportunities and to implement the Company's strategy. As at the date of this document, the Directors have not formally identified any prospective targets. If the Directors are unable to identify and complete appropriate opportunities in line with this strategy for creating value, then the Company may not be able to invest its cash in a manner which accomplishes its objectives.

Demand for the Company's products may be adversely affected by changes in consumer preferences. The Company's success will depend heavily on the maintenance of the brands in which it invests and the ability of the Company to adapt the companies in which it invests, taking into consideration the changing needs and preferences of its customers. Consumer preferences, perceptions and spending habits may shift due to a variety of factors that are difficult to predict and over which the Group has no control (including lifestyle, nutritional and health considerations). Any significant changes in consumer preferences or any failure to anticipate and react to such changes could result in reduced demand for the Group's products and weaken its competitive position.

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

Highly competitive sector. Although the beverage distribution and production sector is a highly competitive one in which barriers to entry are often low, the alcohol industry, like any other industry, has its own set of barriers to entry that can make it challenging for new players, such as the Company, to establish themselves.

Actions of third parties, including contractors and partners. The Group may be reliant on third parties to provide contracting services. There can be no assurance that these relationships will be successfully formed or maintained. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or financial performance of the Company.

Risks associated with taxes in arrears. As at the date of this document, DI is in arrears with certain taxes in South Africa. This was as a result of cash flow constraints and losses incurred during Covid-19. As at 30 August 2023, the amount of tax in arrears was approximately £0.237 million. The board of directors of DI is in discussion with the South African Revenue Service for a repayment plan but there is no guarantee that the South African Revenue Service will agree to grant DI any relief or payment extension. A negative outcome of such discussion could result in adverse tax consequences, such as interest being levied or late payment fees and other penalties being imposed for the unpaid taxes.

SECTION C – KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Description of the type, class, denomination, par value and ISIN of the securities being offered

No securities are being offered in conjunction with this prospectus. However, 39,099,141 existing ordinary shares of £0.02 each which have been issued on or subsequent to 3 October 2022 ("Allotted Shares") are being admitted to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market. The ISIN of the Ordinary Shares is GB00BKBS0353.

Currency of the securities issue

The currency of the securities issued is Pounds Sterling.

Issued share capital

As at the date of this prospectus, and on Admission, the Company has an issued share capital of £1,297,777.10 comprising 64,888,855 fully paid Ordinary Shares of nominal value £0.02 each. There are no shares in issue that are not fully paid.

Rights attached to the securities

The rights attaching to the Ordinary Shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the Ordinary Share capital of the Company.

Each Ordinary Share grants a Shareholder who attends a general meeting (in person or by proxy) the right to one vote for or against or abstaining on Shareholder resolutions proposed by way of a show of hands, and one vote per Ordinary Share for or against or abstaining on Shareholder resolutions proposed by way of a poll vote.

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 of directors of the Company ("Board").

Relative seniority of the securities in the event of insolvency

On a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act 2006 and the Insolvency Act 1986 (each as amended), divide amongst the Shareholders in kind the whole or any part of the assets of the Company. The Company has one class of shares in existence, the Ordinary Shares.

Restrictions on transferability

The Ordinary Shares are freely transferable and there are no restrictions on transfer.

Dividend policy

The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to pay dividends on future earnings when it is commercially appropriate to do so. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. The Company's current intention is to retain any earnings for use in its business operations and the Company does not anticipate declaring any dividends in the foreseeable future.

Where will the securities be traded?

Application for admission to trading on a regulated market

25,789,714 Ordinary Shares are listed on the standard segment of the Official List of the FCA and traded on the Main Market as at the date of this document. Applications have been made for the Allotted Shares to be admitted by way of a Standard Listing to the Official List of the FCA and to trading on the Main Market. It is expected that Admission will become effective and that unconditional dealings will commence in the Allotted Shares at 8.00 a.m. on 6 November 2023. The Ordinary Shares are not currently traded on any other market nor will they be on Admission.

What are the key risks specific to the securities?

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.

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?

Terms and conditions of the Subscription

The Company is not making an offer of securities to the public pursuant to this prospectus.

Expected timetable

Publication of this document	31 October 2023
Admission and commencement of dealings in the Allotted Shares	8.00 a.m. on 6 November 2023

Costs and expenses

The total costs (including fees and commissions) (exclusive of VAT) payable by the Company in connection with the Admission are estimated to amount to approximately £400,000. None of these fees are or have been charged to any investor in the Company.

Dilution

The Company is not making an offer of securities to the public pursuant to this document. The Allotted Shares are already in issue and as such any dilutionary effects have been assumed as at the date of this document.

Why is this prospectus being produced?

Reasons for the prospectus

The Company has prepared this document in order to apply for Admission of the Allotted Shares. The Allotted Shares have already been issued but have not been admitted to the Standard Segment of the Official List of the FCA or to trading on the Main Market. No cash proceeds are being generated by the Admission.

Material Interests

Save as disclosed in this section, there are no interests, including any conflicting interests, known to the Company that are material to the Company.

The direct and indirect interests of the Directors represent, in aggregate, approximately 0.85 per cent. of the total issued share capital of the Company as at the date of this document and on Admission.

Robert Scott, a director of the Company, also holds, indirectly, shares in K2. As at the date of this document, K2 owns 49 per cent. of the Company's subsidiary, DI.

Save as set out above, it is not expected that any Director or senior manager will have any interest in the share capital of the Company on Admission or have any conflict of interest between his duties to the Company and any private interests or other duties.

RISK FACTORS

The investment detailed in this Document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the FSMA 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 the Company, 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 and the Directors believe 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 EVEREST GLOBAL PLC, ITS STRATEGY AND THE BEVERAGE DISTRIBUTION AND PRODUCTION SECTOR

Failure to identify or anticipate future risks.

Although the Directors believe that the Group's risk management procedures are adequate, the methods used to manage risk may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets or other matters that is publicly available or otherwise accessible by the Group. Failure (or the perception that the Group has failed) to develop, implement and monitor the Group's risk management policies and procedures and, when necessary, pre-emptively upgrade them could give rise to reputational and trading issues which could have an adverse impact on the Group's business, prospects, operating results and financial condition.

Realisation and value of investments.

The Company's investments may be difficult to identify and take time to realise. It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Company may invest, to be fully reflected in their market value and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.

The Company may be unable to raise funds to complete an acquisition or fund the operations of the target business if it does not obtain additional funding.

In October 2022, the Company granted K2 an option to acquire the remaining 51 per cent. of its subsidiary, DI, from the Company. If K2 exercises the Option, the Company will no longer have an operating business and will become a cash shell. Even if K2 does not exercise the Option, the Company intends to dispose of DI as soon as possible.

The Company intends to make acquisitions in the food and beverage industry with a focus on the beverage distribution and production sector in the UK and the rest of Europe. Although the Company has not formally identified any prospective targets and cannot currently predict the amount of additional capital that may be

required, the Company's existing cash of approximately £800,000, as at the date of this Document, (which will be used for general corporate purposes such as the Company's on-going costs and expenses, including Directors' fees and salaries, due diligence costs and other costs of sourcing, reviewing and pursuing acquisitions) although sufficient for the Company's pre-acquisition activities, may not be sufficient to effect the Company's first acquisition.

The Company may therefore be required to seek additional equity or debt financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete an acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an acquisition, or proceed with an acquisition on less favourable terms, which may reduce the Company's return on the investment. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available and additional equity is issued which may or may not have rights, preferences or privileges senior to the rights currently assigned to the Ordinary Shares.

In addition, the Company may subsequently require equity or debt financing to implement operational or other improvements in an acquired target. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of that acquired target. Any issuance of Ordinary Shares may significantly dilute the value of the Ordinary Shares held by existing Shareholders and/or adversely affect the market price of the Ordinary Shares. If Ordinary Shares are issued as consideration for an acquisition or for the purposes of raising funds to finance such consideration, existing Shareholders will, if necessary, be asked to vote to disapply any pre-emptive rights they have with regard to the securities that are issued (to the extent that the same have not already been disapplied). The issuance of such Ordinary Shares could materially dilute the value of the Ordinary Shares held by existing Shareholders.

Where a target company has an existing large shareholder, an issue of Ordinary Shares as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a change of control.

Similarly, the incurrence by the Company of substantial indebtedness in connection with an acquisition could, *inter alia*, result in:

- default and foreclosure on the Company's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease a Shareholder's ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

Ownership and Reverse Takeover risks.

The Company's first acquisition following Admission is highly likely to be a Reverse Takeover (and will certainly be a Reverse Takeover if the Company's subsidiary, DI, is disposed of prior to such acquisition being made). On the basis that DI is sold to K2 or another vendor or vendors, the Company will be a cash shell until and unless it completes an acquisition. If an acquisition is made, its business risk will be concentrated in a single target until the Company completes an additional acquisition, if it chooses to do so. A consequence of this is that returns for Shareholders may be adversely affected if growth in the value of the acquired target is not achieved or if the value of the acquired target, or any of its material assets, subsequently decline. Accordingly, investors should be aware that the risk of investing in the Company could be greater than investing in an

entity which owns or operates a range of businesses or in businesses operating in a range of sectors. The Company's future performance and ability to achieve positive returns for Shareholders may therefore be solely dependent on the subsequent performance of one acquired target. There can be no assurance that the Company will be able to propose effective operational and restructuring strategies for any target that it acquires and, to the extent that such strategies are proposed, there can be no assurance they will be implemented effectively.

In the event that the Company acquires less than a 100 per cent. interest in a particular entity, the remaining ownership interest will be held by third parties and the subsequent management and control of such an entity may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests, or they may obstruct the Company's plans or propose alternative plans. If such third parties are in a position to take or influence actions contrary to the Company's interests and plans, this may affect the ability of the Company to implement its strategy.

In addition, there is a risk of disputes between the Company and third parties who have an interest in the entity in question. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Directors from focusing their time on implementing the Company's acquisition strategy. The Company may also, in certain circumstances, be liable for the actions of such third parties.

Since the Company's initial public offering, the Listing Rules have been amended so that the minimum market capitalisation threshold requirement for premium and standard listing segments for shares in companies (other than funds) is increased to £30,000,000. In circumstances where the Company were to undertake a Reverse Takeover (or analogous transaction) requiring the eligibility of the Company to be re-assessed, the transitional arrangements would cease to apply and the Company would be required to meet the minimum market capitalisation requirement of £30,000,000 to maintain its listing. In the event that the Company is unable to satisfy the minimum market capitalisation requirement, the Company would be unable to meet the eligibility requirements to maintain its listing and would be required to de-list, meaning the shareholders of the Company would hold shares in a non-trading public company (assuming it would be unable to secure a listing or quotation on another exchange).

Reliance on delivery.

The food and beverage industry is dependent on prompt delivery and quality transportation of beverage ingredients. Disruptions such as adverse weather conditions, natural disasters and labour strikes in places where supplies of food / beverage ingredients are sourced could lead to delayed or lost deliveries and may result in an interruption to the business of the Group. There may also be instances where the condition of ingredients (such as fresh, chilled or frozen food products or processed foods) deteriorates due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by logistics staff or suppliers. This may result in a failure of the Group to be able to comply with relevant environmental legislation and provide quality food / beverage and services to customers, thereby damaging its reputation. Further, any increase in the cost of transportation (such as increases in fuel price and road tolls) and/or freight charges may increase operating expenses and affect overall financial performance.

Maintenance of quality of products and services.

In the food and beverage industry, it is essential that the quality of products is consistent. Any inconsistency in the quality of products may result in customer dissatisfaction and hence a decrease in their loyalty. In addition, high staff turnover, a shortage of staff or the lack of proper supervision may also affect the consistency and quality of the products served. In the event there is dissatisfaction from customers the Company's business and financial performance could be adversely affected.

Identifying a suitable acquisition target.

The Directors have decided to dispose of its subsidiary, DI, and to adopt a wider acquisition strategy to make acquisitions in the food and beverage industry with a focus on the beverage distribution and production sector in the UK and the rest of Europe. The Company will be dependent upon the ability of the Directors to identify suitable acquisition opportunities and to implement the Company's strategy. As at the date of this Document, the Directors have not formally identified any prospective targets. If the Directors are unable to

identify and complete appropriate opportunities in line with this strategy for creating value, then the Company may not be able to invest its cash in a manner which accomplishes its objectives. There is no guarantee that the Company will be able to acquire identified opportunities at an appropriate price, or at all, as a consequence of which resources may be expended fruitlessly on investigative work and due diligence. Despite the best efforts of the Directors to source suitable investments, such investments may not be available. The businesses into which the Company invests may be small, private and unquoted businesses and although the Directors will seek to obtain strict contractual safeguards in these investments, there can be no guarantee that these will cover every eventuality. The Company has a limited representative track record in making investments in the beverage distribution and production sector and may make acquisitions in targets which may have no established track record.

In addition, the Company's initial and future acquisitions may be delayed or made at a relatively slow rate because, *inter alia*:

- the Directors intend to conduct detailed due diligence prior to approving an acquisition;
- the Directors may conduct extensive negotiations in order to secure and facilitate an acquisition;
- it may be necessary to establish certain structures in order to facilitate an acquisition;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify or attract potential acquisitions, or such acquisitions may not be available at the rate the Company currently anticipates;
- the Company may need to raise further capital to make acquisitions and/or fund the assets or businesses invested in; or
- the Company may be unable to raise bank finance on terms the Directors consider reasonable,

which may in turn have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Demand for the Company's products may be adversely affected by changes in consumer preferences.

The Company's success will depend heavily on the maintenance of the brands in which it invests and the ability of the Company to adapt the companies in which it invests, taking into consideration the changing needs and preferences of its customers. Consumer preferences, perceptions and spending habits may shift due to a variety of factors that are difficult to predict and over which the Group has no control (including lifestyle, nutritional and health considerations). Any significant changes in consumer preferences or any failure to anticipate and react to such changes could result in reduced demand for the Group's products and weaken its competitive position. The impact of any such change could be exacerbated if any such shift affects a key investment of the Company.

Barriers to entry in the alcohol industry.

The alcohol industry, like any other industry, has its own set of barriers to entry that can make it challenging for new players, such as the Company, to establish themselves. These barriers can vary depending on the specific segment of the industry (e.g., beer, wine, spirits) and the local regulatory environment. Some common barriers to entry in the alcohol industry include:

- regulatory and legal barriers - the alcohol industry is highly regulated in most countries due to concerns related to public health, safety and social responsibility. Obtaining the necessary licenses, permits and adhering to strict regulations can be complex and time-consuming, often requiring substantial financial resources and legal expertise;
- distribution challenges - established alcohol producers often have well-established distribution networks and relationships with retailers, bars and restaurants. New entrants may struggle to access these distribution channels, making it difficult to get their products to consumers effectively;
- capital intensity - the alcohol industry can be capital-intensive, requiring significant upfront investment for production facilities, equipment, packaging, marketing and more. This financial barrier can deter new entrants with limited resources;

- economies of scale - large alcohol producers benefit from economies of scale, allowing them to produce goods at a lower cost per unit. New entrants may find it challenging to compete on price due to their smaller production volumes;
- brand recognition - established alcohol brands often have strong brand recognition and consumer loyalty, making it difficult for new entrants to gain traction and establish a loyal customer base;
- quality and expertise - consumers have certain expectations regarding the quality and taste of alcoholic beverages. New entrants need to demonstrate their expertise in production and quality control to gain consumer trust;
- marketing and promotion - alcohol advertising and marketing can be highly competitive and costly. Established brands have larger marketing budgets and can dominate advertising spaces, making it harder for newcomers to create brand awareness;
- supply chain complexity - sourcing raw materials, such as grapes for winemaking or grains for brewing, can be complex and require strong supplier relationships. Disruptions in the supply chain can impact a new entrant's ability to produce consistently;
- health and social concerns - the alcohol industry is often subject to criticism and regulatory pressure due to health and social concerns related to excessive alcohol consumption. New entrants need to address these concerns and adhere to responsible consumption practices;
- cultural and regional differences - different regions have unique preferences and cultural practices related to alcohol consumption. Understanding and adapting to these variations can be challenging for new entrants aiming for a global market; and
- intellectual property - protecting intellectual property, such as unique recipes and branding, is essential in the alcohol industry. Established players may have a competitive advantage through their intellectual property rights.

Whilst the Group will attempt to overcome such barriers to entry it is aware that many of its competitors will have greater financial and other resources than the Group and, as a result, may be in a better position to compete for potential investment opportunities. The entrance of new competitors into the Group's chosen markets or into the immediate areas surrounding its portfolio could affect the business and turnover of the Company as well as the Group's ability to attract and retain highly skilled individuals. In the event the Group is unable to compete effectively in the industry, the Company's financial performance and profitability will be materially and adversely affected.

Actions of third parties, including contractors and partners.

The Group may be reliant on third parties to provide contracting services. There can be no assurance that these relationships will be successfully formed or maintained. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or financial performance of the Company. To the extent that the Group cannot engage contractors according to its future plans and budgets, its financial performance may be adversely impaired. In certain circumstances, members of the Group may be liable for the acts or omissions of its partners. If a third party pursues claims against any member of the Group or against a joint venture vehicle as a result of the acts or omissions of the Group's partners, the Group's ability to recover from such partners may be limited. Recovery under such arrangements may involve delays, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Company's financial performance and condition.

Valuation error.

Whilst the Company intends to invest in opportunities for longer term growth and expansion it is likely, as part of its investment decision, to ascribe some form of realisation value to each investment it makes. As such, the Company may miscalculate the realisable value of an investment in a project. A lack of reliable information, errors in assumptions or forecasts and/or an inability to successfully implement an investment, among other factors, could all result in the investment having a lower realisable value than anticipated. If the Company is not able to realise an investment at its anticipated levels of profitability, projected investment returns could be adversely affected.

Management of growth.

The Group's growth plans may place a significant strain on its management and operational, financial and personnel resources. Further, the ability of the Group to implement its strategy requires effective planning. Therefore, the Group's future growth and prospects will depend on its ability to manage this process. The value of an investment in the Company is dependent upon the Group achieving the aims set out in this Document. There can be no guarantee that the Group will achieve or manage the level of success that the Directors expect.

General economic climate.

The Company may acquire or make acquisitions in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions these companies and businesses may experience decreased revenues, financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing and increased funding costs. Any of the foregoing could cause the value of the investment to decline. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing sources of finance, which could make it more difficult or impossible for the Company to obtain funding for additional acquisitions and negatively affect the Company's net asset value and operating results. Factors that may contribute to the general economic climate include industrial disruption, interest rates and the rate of inflation. Accordingly, adverse economic conditions may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

The Company is reliant on its Directors and on the recruitment and retention of personnel.

The areas in which the Company intends to operate are 'people businesses' and the Company's performance will depend largely on its ability to recruit and retain senior managers and effective employees. Customer facing staff will be relied upon to present a positive image of the Company and good customer service will be essential in attracting and retaining customers. The inability of the Directors to attract and retain staff who are able to positively present the Group may have a negative impact on the Group's image and on the ability to attract customers, consequently affecting the financial viability of the Company.

In addition, the Group's business, development and prospects are dependent upon the continued services and performance of its Directors. The Directors believe that the experience and commercial relationships of the Directors help to provide the Group with a competitive edge. The Directors believe that the loss of the services of any of its Directors for any reason, or failure to attract and retain necessary personnel in the future, could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

Following completion of an acquisition, the Directors will evaluate the personnel of the acquired target and may determine that the Group requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired target will be adequate or qualified to carry out the Company's strategy, or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy.

Due diligence process.

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate, based on the facts and circumstances applicable to each potential project, before making an acquisition. The objective of the due diligence process will be to identify material issues which might affect an investment decision. When conducting due diligence and making an assessment regarding an acquisition, the Company will be required to rely on the resources available to it, including public information and, in some circumstances, third party investigations. As a result, there can be no assurance that the due diligence undertaken with respect to any potential project will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such a project. Further, there can be no assurance as to the adequacy of information provided during any due diligence exercise or that such information will be accurate and/or remain accurate in the period from conclusion of the due diligence exercise until the desired investment has been made. Due diligence may also be insufficient to reveal all of the past and future liabilities relating to the operations and activities of the target, including but not limited to liabilities relating to litigation, breach of environmental regulations or laws, governmental fines or penalties, pension deficits or contractual liabilities. Any failure in

the due diligence process may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Investments in unquoted companies, joint ventures or projects.

The Company may invest in or acquire unquoted companies, joint ventures or projects which may, *inter alia*:

- be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition;
- have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors;
- have limited financial resources;
- be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals;
- prove illiquid in terms of the ability to realise value (should a decision be taken to divest); and/or
- require additional capital.

Investments in unquoted companies and companies quoted on exchanges other than the Official List may by their nature, involve a higher degree of risk than investments in companies listed on the Official List. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will therefore be uncertain and involve a higher degree of risk than investment in a company on the Official List.

All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Investments at an early stage of development.

The Company may make acquisitions in entities or businesses at a relatively early stage of development. There can be no assurances that such operations will successfully develop. Furthermore, such operations may require the injection of further capital at a level that the Company, or any third party, is unable or unwilling to meet. Such an outcome may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

If DI is disposed of and one or more acquisitions are completed, the Company will be a holding company whose principal source of operating cash will be income received from the businesses it has acquired.

If DI is disposed of and one or more acquisitions are completed, the Company will be dependent on the income generated by the acquired businesses to meet the Company's expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company and other factors which may be outside the control of the Company. If an acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Internal control and financial risk management.

The Company's future growth and prospects will depend on the Directors' ability to manage the Group and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. The Group maintains systems which are designed to provide reasonable but not absolute assurance against material loss and to manage rather than eliminate risk. The key features of the Group's systems of internal control are as follows:

- management structure with clearly identified responsibilities;

- production of timely and comprehensive historical management information to the Board;
- detailed budgeting and forecasting;
- day to day hands on involvement of the Executive Director and senior management; and regular Board meetings and discussions with the Non-Executive Directors.

The Group's activities expose it to several financial risks including cash flow risk, liquidity risk and foreign currency risk. In the event that such risks are not effectively managed, the Company's business, operations, financial performance, cash flow and future prospects could be adversely affected.

Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on the Company's business, financial condition and results of operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the Official List.

Costs associated with potential acquisitions.

The Company expects to incur certain third party costs associated with the sourcing of suitable acquisitions. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any prospective targets will be successful, the greater the number of deals that do not reach completion, the greater the likely adverse impact of such costs on the Company's performance, financial condition and business prospects.

Change in the Company's strategy.

The Company's strategy may be modified and altered from time to time, therefore it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those presently expected to be used and disclosed in this Document.

Arrangements with K2.

On 3 October 2022, K2 subscribed for shares in DI, following which the Company and K2 held 51 per cent. and 49 per cent. of DI respectively. On the same date, the Company and K2 also entered into a deed of assignment of loan, pursuant to which the Company agreed to assign its legal and beneficial right and interest in all amounts owed by DI to the Company to K2 (approximately £4.2 million (including a loan of £100,000 advanced by the Company to DI)) (the "**K2 Intra-Group Loan**"). In consideration for the assignment of the debt, K2 agreed to: (a) pay the Company the amount of £100,001 on 3 October 2022 (or such later date as agreed); and (b) to fully fund DI so as to enable it to carry on its business in the ordinary course until such time as K2 ceases to hold any shares in DI. The assignment of the loans resulted in the Group incurring a finance charge on consolidation of £3.1 million. Further, K2 then signed a suretyship/guarantee agreement with both Working Capital Partners (Pty) Ltd ("**WCP**") and Euro 2 Afrisko Limited ("**Afrisko**"), binding K2 as guarantor and this contract personally bound Andrew Monk and Marcia Manarin as surety and co-debtors for the debts due by DI to both WCP and Afrisko. K2 has signed a subordination agreement in relation to the loans due by DI to K2, with an expiry date of 31 October 2023. Should K2 choose to request repayment of the loans due by DI, this will severely impact DI's ability to continue as a going concern.

In addition, in October 2022, the Company granted K2 an option to acquire the remaining 51 per cent. of DI from the Company. If K2 exercises this option, the Company will no longer have an operating business and as a result, the listing of the Company's Ordinary Shares may be suspended.

The Directors are in the process of re-negotiating the loan arrangements and grant of the option to K2, however, there is no guarantee that the Directors will be successful in doing so or agreeing to terms that are acceptable to the Company. This could have a material adverse effect on the Group's business, financial condition and results of operations. The board of DI will be requesting this subordination to be reinstated, as should it not be reinstated, then the loans due to both WCP and Afrisko become due and payable. K2 is responsible for the repayment of these loans.

The Board has determined that the Company has no repayment obligations on behalf of DI under any cross-guarantee arrangement between the Company, DI and any creditors of DI. Additionally, the Company has no obligation to repay the K2 Intra-Group Loan on behalf of DI. Furthermore, the Board believes the likelihood of K2 calling up the K2 Intra-Group Loan is low, given that should K2 call up the K2 Intra-Group Loan, DI would become insolvent and K2 would be in breach of the assignment agreement and would become liable to the creditors of DI under the various cross-guarantees.

2. RISKS RELATING TO DI

Reliance on key customers and key suppliers.

DI generated approximately 90 per cent. of its revenues in the year ended October 2022 from its top ten customers. The risks associated with reliance on these customers are recognised by the Directors, and it is intended that the Group will continue to expand both its customer base and its product range so as not to be so reliant on its key customers. Dominance of a select few customers has the potential to force erosion of prices and, by extension, profit margins. Additionally, there is the risk that loss of a key customer and inability to locate an alternative buyer for that proportion of product could result in a significant decrease in revenue.

The Directors consider that DI has built up a reliable supplier base for its externally sourced raw materials. At present, approximately 90 per cent. of raw materials and operating expenses, excluding employee costs, rentals and utilities are supplied by ten suppliers. While DI sources raw materials from a range of suppliers, there remains a risk of material impact in the short term if one of its key suppliers were to fail to supply in the future.

DI is subject to the economic and political conditions of operating in the African region.

DI's operations are principally focused in the Southern African region. Although the political and economic environment of this region has been stable in recent years, the Southern African region more generally has been subject to, and may continue to be subject to, changing political and economic conditions that could adversely affect the Group's business. These conditions include:

- war, terrorism, invasion, rebellion and/or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal and regulatory regimes;
- arbitrary or inconsistent government action;
- changes in labour and welfare benefit policies;
- inflation;
- economic impact of crime and corruption on the Group, its customers, suppliers and employees; and/or
- cancellation, nullification or unenforceability of contractual rights; and underdeveloped industrial and economic infrastructure.

Changes in these political and economic conditions could lead to decreased sales, reduced profit margins, and financial instability for DI and any such changes could have a material adverse effect on the Group's business and results of operations and therefore on the Company's financial performance.

Energy reliability.

Eskom generates approximately 90 per cent. of the electricity used in South Africa¹ and historically has not always met the demand of customers. Despite measures to address the crisis, South Africa declared a "state of national disaster" in February 2023. Load-shedding has significantly increased over the past five years, and is expected to worsen in 2023, with an expected equivalent of 200 full-day cuts compared

¹ Official Website of the International Trade Administration "South Africa – Country Commercial Guide" dated 6 May 2023 accessible at <https://www.trade.gov/country-commercial-guides/south-africa-energy>

with 157 in 2022 and 22 in 2019². This will have a broad impact on the economy, with electricity-intensive sectors such as mining, paper, metals and retail being the most affected. DI may experience some loss of production if it experiences load shedding; this is unlikely to affect production volumes as production can be made up. It may however impact margins as the production may have to be made up with overtime which increases production costs.

Sector risk.

The agriculture and agri-processing sectors are highly competitive markets and many of the competitors will have greater financial and other resources than the Group and as a result may be in a better position to compete for opportunities.

The development of these enterprises involves significant uncertainties and risks including unusual climatic conditions such as drought, improper use of pesticides, availability of labour and seasonality of produce, any one of which could result in damage to, or destruction of, crops, environmental damage or pollution. Each of these could have a material adverse impact on the business, operations and financial performance of the Group.

The market price of agricultural products and crops is volatile and affected by numerous factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in agricultural prices could render less economic, or un-economic, any development or investing activities to be undertaken by the Group. Certain agricultural projects involve high capital costs and associated risks. Unless such projects enjoy long term returns, their profitability will be uncertain resulting in potentially high investment risk.

Operating in the food production industry comes with various risks that businesses need to manage. Some common risks associated with this industry are as follows:

- food safety - ensuring the safety and quality of food products is crucial. Contamination, improper handling, storage, or processing can lead to foodborne illnesses, product recalls, legal issues and damage to the brand's reputation;
- compliance and regulatory issues - the food production industry is subject to numerous regulations and standards regarding hygiene, labelling, packaging, ingredient sourcing and more. Non-compliance can result in penalties, fines, product recalls and potential closure of the business;
- supply chain disruptions - food production relies on complex supply chains involving sourcing raw materials, transportation and storage. Disruptions such as natural disasters, crop failures, labour shortages, or problems with suppliers can lead to delays, increased costs and potential product shortages;
- changing consumer preferences - consumer preferences and dietary trends are continually evolving. Shifts in demand for organic, natural, sustainable or plant-based products can pose challenges for businesses that need to adapt their production processes and product offerings accordingly;
- price volatility - the food production industry is often affected by price fluctuations in raw materials, energy and transportation costs. This volatility can impact profit margins and make financial planning challenging for businesses;
- product liability - if a food product causes harm or illness to consumers, the Group could face legal claims and lawsuits. Product liability risks include issues such as allergen mislabelling, contamination or inadequate quality control;
- labour challenges - recruiting and retaining skilled workers can be a challenge in the food production industry. High turnover rates, labour shortages, wage pressures and the need to comply with labour regulations can impact productivity and increase costs; and
- economic factors - economic conditions, such as recessions or inflation, can affect consumer spending and demand for food products. Economic downturns may lead to decreased sales, reduced profit margins and financial instability for businesses in the food production industry.

2 Coface "South Africa – Economic Studies" last updated April 2023 accessible at <https://www.coface.com/Economic-Studies-and-Country-Risks/South-Africa>

It is important for food production businesses to implement robust quality control measures, maintain compliance with regulations, stay updated on industry trends and invest in risk management strategies to mitigate these risks and ensure the long-term success of their operations. Any failure to do so could have a material adverse effect on the Group's business and results of operations and therefore on the Company's financial performance.

Country risk.

There are certain key risks associated with doing business in South Africa:

- crime - South Africa has relatively high levels of crime, including theft, robbery and violent crimes. Businesses may face security challenges, such as burglary, fraud and organised crime. It is important to take appropriate security measures and be cautious in certain areas;
- political instability - South Africa has experienced periods of political instability and social unrest in the past. Political protests, strikes and demonstrations can disrupt business operations and lead to uncertainty. Changes in government policies and regulations may also impact businesses;
- economic challenges - South Africa's economy faces various challenges, including high unemployment rates, income inequality and slow economic growth. These factors can affect consumer spending power and market demand;
- infrastructure limitations - some areas of South Africa, particularly rural regions, may have inadequate infrastructure, including transportation, electricity supply and telecommunications. This can pose logistical challenges for businesses operating in these areas;
- bureaucracy and corruption - like many countries, South Africa has bureaucratic processes and regulations that businesses must navigate. Corruption can be a concern in some sectors and it is important to be aware of the risks and take appropriate measures to mitigate them;
- skills shortage - while South Africa has a well-educated workforce, there is a significant skills shortage in certain sectors. Finding qualified and skilled employees may be challenging, particularly in specialised fields;
- currency volatility - fluctuations in the South African Rand can impact the profitability of businesses, especially those engaged in international trade. Exchange rate risks should be carefully managed;
- HIV/AIDS epidemic - South Africa has one of the highest HIV/AIDS prevalence rates in the world. This can have a significant impact on the workforce, productivity and healthcare costs for businesses; and
- regulatory environment - businesses operating in South Africa are required to comply with various regulations and laws. It is important to understand and navigate the regulatory framework to avoid penalties and legal issues.

Foreign exchange exposure and repatriation of funds.

The Group trades with suppliers internationally and therefore incurs costs in foreign currencies. As a result, the Group is exposed to exchange rate risk. Fluctuations in the British Pound exchange rate against the South African Rand and/or the US Dollar can materially impact the profitability of businesses, especially those engaged in international trade. The Group does not currently hedge its exposure so is subject to fluctuations in exchange rates that could harm its business, operating results and financial condition.

South Africa, where DI is based, maintains strict controls on access to foreign currency and the repatriation of funds. Any changes in exchange controls may limit its ability to distribute any profits.

3. RISKS RELATING TO TAXATION, POLICY AND REGULATION

Food safety and regulation.

The food production industry is subject to numerous regulations and standards regarding hygiene, labelling, packaging, ingredient sourcing and more. Ensuring the safety and quality of food products is crucial for the Group. Contamination, improper handling, storage or processing can lead to foodborne illnesses, product recalls, legal issues and damage to the brand's reputation. DI operates a Food Safety System Certification ("FSSC") compliant facility in Cape Town. The FSSC provides a framework for effectively managing the

organisation's food safety responsibilities, is fully recognised by the Global Food Safety Initiative and is based on existing ISO Standards. If DI were to lose its certification, or if a food product were to cause harm or illness to consumers, the operations and financial condition of the Group could be adversely affected. In addition, if the Group was to be found responsible for issues such as allergen mislabelling, contamination or inadequate quality control, the Group may face legal claims and lawsuits which could also have an adverse effect on the operations and financial condition of the Company and members of the Group.

Any non-compliance with food safety regulations may adversely affect the Group's operations and / or result in penalties, fines, product recalls and potential closure of the business.

Risks associated with taxes in arrears

As at the date of this Document, DI is in arrears with certain taxes in South Africa. This was as a result of cash flow constraints and losses incurred during Covid-19. As at 30 August 2023, the amount of tax in arrears was approximately £237,000. The board of directors of DI is in discussion with the South African Revenue Service for a repayment plan but there is no guarantee that the South African Revenue Service will agree to grant DI any relief or payment extension. A negative outcome of such discussion could result in adverse tax consequences, such as interest being levied or late payment fees and other penalties being imposed for the unpaid taxes.

Environmental risks and hazards.

The food production industry can have a significant environmental footprint, including greenhouse gas emissions, water usage and waste generation. All of the Group's operations are subject to environmental regulation in the areas in which it operates. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Increasing concerns about sustainability and climate change may require businesses to invest in eco-friendly practices and technologies.

There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations. Environmental hazards may exist in properties in which the Group holds interests that are unknown to the Group at present. The Board manages this risk by working with environmental consultants and by engaging with the relevant governmental departments and other stakeholders.

The Group is aware of the potential impact that DI may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing environmental aspects.

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

The Group's operating activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, production, exports, taxes, labour standards, occupational health standards and other matters. While the Directors believe that the Group is compliant with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of agreements applicable to the Group, which could have a material adverse impact on the Group's operations. The costs and delays associated with complying with applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with its strategy.

The Group has operations located in South Africa and the Group's activities may be affected in varying degrees by political instability and governmental regulations. Any changes in regulations or shifts in political attitudes in South Africa are beyond the control of the Group and may adversely affect its operations and financial performance. 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 and the financial performance of the Company.

DI is subject to the corporate law of the Republic of South Africa, including South Africa's broad-based black economic empowerment ("B-BBEE") requirements and, more broadly, laws that protect the rights of minority investors.

To operate in South Africa the Company must adhere to B-BBEE requirements. This is a framework introduced in law by the South African government in 2003 and implemented in 2004 along with the (Amended) Codes of Good Practice on B-BBEE, which came into force in 2015.

The aim of this legislation is to redress inequalities stemming from the period when Apartheid was in force. Amongst other things, the system encourages businesses to achieve a target level of ownership and management by black people, to employ and up-skill black people in the workplace, and to actively support black-owned businesses. Companies are graded against an applicable B-BBEE code, which generally comprises 5 elements:

- ownership;
- management control;
- skills development;
- enterprise and supplier development (including preferential procurement); and
- Socio-economic development.

Based on the relevant code, a B-BBEE score is calculated to determine a company's "B-BBEE Level" from 1 to 8, with 1 being the highest level.

DI's score for the financial year ending 31 October 2023 is expected to be maintained at B-BBEE Level 2.

If DI's BEE Level were at any time to reduce to "non-compliant" with the B-BBEE requirements and/or below any B-BBEE Level called for under any of its contracts or supply arrangements, the Company would need to assess how to improve DI's B-BBEE Level and/or consult with the relevant counterpart in order to maintain its contractual commitments. Depending on the affected existing and prospective contracts, this could have a material effect on the Group's profitability and business, as could any further changes to the South African B-BBEE legislation.

South African corporate law protects B-BBEE interests in other ways, as well. Under South African law, control of a private but incorporated business is normally given to the shareholders representing more than 50 per cent. of the shareholders. DI adheres to this principle and DI's ordinary resolutions therefore need to be approved by the majority (specifically, at least 51 per cent.) of its shareholders. Under South African law, ordinary resolutions comprise anything other than the following, which are deemed special resolutions:

- (a) certain amendments to the company's memorandum of incorporation;
- (b) approval of the voluntary winding-up of the company; or
- (c) approval of any proposed fundamental transaction, such as a sale of all or a greater part of a company's assets, a merger or a scheme of arrangement.

In terms of DI's memorandum of incorporation, a 61 per cent. majority is required for special resolutions. These percentages can be moved up or down by agreement under a special resolution within DI, but the gap in voting commitment must always be 10 per cent. between an ordinary and a special resolution. Accordingly, if a 51 per cent. majority is required for ordinary resolutions, the threshold for a special resolution cannot be set below 61 per cent.

However, to protect B-BBEE stakeholders, even if the 61 per cent. vote required to undertake a fundamental transaction is secured, South African law imposes another hurdle of compliance: if 15 per cent. of the shareholders are against a special resolution for a proposed fundamental transaction, court intervention becomes necessary to achieve a resolution. Thus, a company such as DI cannot implement the sale of all or a greater part of its assets, a merger or a scheme of arrangement (i.e., a fundamental transaction) without the approval of a court, if the special resolution adopting the fundamental transaction is opposed by those holding at least 15 per cent. of DI's voting rights.

In cases where more than 85 per cent. approval cannot be achieved for a fundamental transaction, South African law gives a related appraisal right to dissenting shareholders to require the company to pay such

dissenters the fair value of their shares. The appraisal right is triggered when a company undertakes a fundamental transaction proposed by a company, or where the company amends its memorandum of incorporation by altering the rights of shareholders in a materially adverse manner without their agreement.

Thus, in the event that the Company proposes a fundamental transaction for DI, for instance a sale of DI's assets, the Company would need to procure the consent of more than 85 per cent. of DI's shareholders to do so, absent of which a court order would become necessary to approve the transaction. If a court determined that the proposed sale was below the fair price, then the appraisal rule would apply and the dissenting shareholders would receive more than their pro rata portion of the sale proceeds to ensure that they receive a fair price for their shares. Compliance with corporate rules such as these could increase transaction fees for any potential sale of DI and discourage sales or mergers that Shareholders might consider favourable.

Bribery.

The Company may make acquisitions in countries where bribery is more prevalent than in the UK. The Company has put in place operational procedures to manage the potential issues that could arise under the UK Bribery Act 2010 (or equivalent legislation) but there can be no guarantee that future employees of the Group or its other associates or investments will abide by these procedures and, as such, the Company, its Directors and future employees of the Group could be exposed to criticism or prosecution under the UK Bribery Act 2010 or equivalent local legislation.

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

The Group is exposed to risks relating 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 complex legal and regulatory requirements where it operates, particularly with regard to taxation. There can be no certainty that the current taxation regime in the UK or in overseas jurisdictions within which the Group operates, or may operate within 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 Company's overall tax burden along with its financial position.

Legal system.

Jurisdictions in which the Group operates or might operate in the future, including South Africa, may have less developed legal systems than more established economies which could result in risks such as: (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

The Company may be subject to foreign investment and exchange risks.

The Company's functional and presentational currency is pounds sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in pounds sterling. Any target the Company acquires may denominate its financial information in a currency other than pounds sterling or conduct operations or make sales in currencies other than pounds sterling as is currently the case with DI.

When consolidating a business that has functional currencies other than pounds sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into pounds sterling. Due to the foregoing, changes in exchange rates between Pound Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Further, exchange rate fluctuations may also have a negative impact in revenues derived from individual investments. Although the Company may seek to manage its foreign exchange exposure in the future, including by active use of hedging and derivative instruments, it does not do so at present and there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

Taxation of returns from assets located outside of the UK may reduce any net return to Shareholders.

To the extent that the target(s) which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from it/them may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return available to Shareholders from an investment in the Company.

Holding company structure and restrictions on dividends.

In the event that the Option is exercised or DI is otherwise disposed of, the Company's operating results and its financial condition will be dependent on the trading performance of the acquisitions to be made by the Company. Acquisitions may result in a group structure in which the Company's ability to pay dividends will depend on the level of distributions, if any, received from members of the Group. Such distributions may, from time to time, be subject to restrictions on the members' ability to make distributions to the Company as a result of factors such as foreign exchange limitations, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Company's business, operating results and financial condition.

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) ("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. The Group relies on third-party service providers and its own employees to collect and process personal data and to maintain its databases. The Group is therefore 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/the Company's financial condition.

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

Sale of Ordinary Shares by major Shareholders and Directors.

In order to ensure an orderly market in the Ordinary Shares, the Directors and certain major Shareholders (being Golden Nice, Mr Ziwei Peng, (as the sole owner of Golden Nice), Ms Chen Fangling and Mr An Xiangyu) have entered into Orderly Market Arrangements with the Company and the Financial Adviser whereby they have agreed that for a period of 12 months following Admission only to deal or otherwise dispose of any interests in the Company with the prior consent of the Company (such consent to only be provided after a consultation with the Financial Adviser) in order to assist in the maintenance of an orderly market in the Ordinary Shares. Following the expiry of the first anniversary of Admission (or earlier in the event of a waiver of the provisions of the Orderly Market Arrangements), Shareholders who are subject to Orderly Market Arrangements may sell their Ordinary Shares in the public or private market.

Shareholders who are not subject to the Orderly Market Arrangements may sell their Ordinary Shares in the public or private market and in addition, the Company may undertake a public or private offering of Ordinary Shares.

The Company cannot predict what effect, if any, future sales 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, 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 issue equity securities in the future at a time and price that it deems appropriate.

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

Further details of the Orderly Market Arrangements are set out in paragraphs 23.2 and 23.3 of Part V of this Document.

The Directors will allocate their time between the Group and their other business interests, which may lead 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.

The Directors are required to commit such time as is necessary for them to fulfil their duties to the Group's affairs, however they are also engaged in other business endeavours. This could create a conflict of interest when the Directors are allocating their time between the Group's operations and their other commitments. If the Directors' other business affairs require them to devote more time to other business endeavours, it could limit their ability to provide sufficient attention to the Group's affairs and this could have a negative impact on the Company's ability to deliver its strategy.

Relationship Agreement with Mr Ziwei Peng and Golden Nice.

At the date of this Document and immediately on Admission, Mr Ziwei Peng, through his indirect holding of Ordinary Shares in Golden Nice, controls the voting rights in respect of approximately 29.28 per cent. of the issued share capital. Should Golden Nice choose to divest of its shareholding there is a risk that the share price would be adversely affected, and the overall success of the Group negatively impacted. Golden Nice 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 be conflicted with those of other Shareholders and existing or future business contacts. Accordingly, a relationship agreement has been entered into between Golden Nice, Mr Ziwei Peng, the Company and the Financial 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 23.5 of Part V of this Document.

Golden Nice and Mr Ziwei Peng have also agreed to be subject to the Orderly Market Arrangements, details of which are set out in paragraph 23.3 of Part V of this Document.

5. RISKS RELATING TO THE ORDINARY SHARES

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 of 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.

Terms of subsequent financings may adversely impact Shareholders' investments.

The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares at that time. The perception by the public that an offering may occur could also have an adverse effect on the market price of the Company's issued Ordinary Shares. The Group may have to raise equity, debt or preferred-share financing in the future. Investors' rights and the value of the investment in the Ordinary Shares could be reduced. In addition, if the Company issues convertible debt instruments that give the debt holders the right to convert all, or a portion, of their debt instruments into equity of the Company, the holders of Ordinary Shares could experience dilution, depending upon the debt conversion price, and the market price of the Ordinary Shares could be adversely affected. Interest on these debt securities would also increase costs and negatively impact operating results.

There is currently a limited market for the Ordinary Shares on the London Stock Exchange. A more active market for the Ordinary Shares may not develop or the existing market may become less active, which would adversely affect the liquidity and price of the Ordinary Shares.

There is currently a limited 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 may fluctuate due to a number of factors, including but not limited to, general economic conditions and forecasts, the Group's general business condition and the release of its financial results. Although the Company's current intention is that its securities should continue to trade on the Main Market, 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.

Liquidity and fluctuation and realisation of investment.

Admission to 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 Company can give no assurance that the trading market for the Ordinary Shares will be active or, if developed, will be sustained following Admission or otherwise. 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. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable. Dividend payments are not guaranteed.

Investments in the Ordinary Shares may be relatively illiquid. Investors should not expect that they would necessarily be able to realise their investment in the 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 price for the Ordinary Shares may fall below the price paid by investors for their Ordinary Shares. Dividend payments on the Ordinary Shares are not guaranteed. The ability of the Company to pay dividends on the Ordinary Shares will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

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

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

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.

The 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 does 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).

Statutory pre-emption rights have been disapplied, so any further issues of Ordinary Shares will dilute the percentage ownership of a Shareholder and may adversely affect the value of its Ordinary Shares.

At an annual general meeting of the Company held on 28 April 2023, the Directors were generally authorised by Shareholders 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 £26 million, of which up to a maximum aggregate nominal value of £26 million may be issued on a non-pre-emptive basis. If the Company does offer 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 should result in a large Shareholder, that Shareholder may be able to exert significant influence over the Company. 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.

The ability of Overseas Shareholders to bring actions or enforce judgements 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 Shareholders are set out in the Articles and are governed by the laws of England and Wales. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgement against any of the Directors and executive officers. There can be no assurance that an Overseas Shareholder will be able to enforce any judgements in civil or commercial matters or any judgements 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 judgement 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, the laws of England and Wales currently limit significantly the circumstances under which shareholders may bring derivative actions. Under the laws of England and Wales, 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, unless such rights are dis-applied 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 the 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 been 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.

NOTICE TO ALL SHAREHOLDERS AND NO INCORPORATION OF WEBSITE TERMS

Copies of this Document will be available on the Company's website, www.everestglobalplc.com, from the date of this Document. 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.

FORWARD-LOOKING STATEMENTS

Some of the statements under "Summary", "Risk Factors", "Part I - Information on the Group, Strategy and Market Overview" 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 funds raised on a timely basis;
- changes in economic conditions generally (and specifically in the UK and Southern African markets);
- 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 9 of Part V 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 Takeover Code or applicable law and regulations, the Company undertakes no obligation to update publicly 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.

THIRD-PARTY INFORMATION

This Document contains information about the Company's markets, acquisition strategy and other information concerning its operations. 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 and publicly available information.

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 this Document 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

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this Document, including capitalised abbreviations, are defined and/or explained in Part VI 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; all references to "€" or "euro" are to the lawful currency of the Euro zone countries; and all references to "ZAR" are to the South African Rand, the lawful currency of South Africa.

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.

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. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. 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 Shareholders 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 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 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 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 judgement against any of the Directors and executive officers. The Company is incorporated under the laws of England and Wales with two Directors residing in the UK and one of the Directors living overseas. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Director within the Overseas Shareholder's country of residence or to enforce against the Directors judgements 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 judgements in civil or commercial matters, or any judgements under the securities laws of countries other than the UK, against the Directors who are residents of the United Kingdom or countries other than those in which judgement is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors 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.

VALIDITY OF PROSPECTUS

This prospectus was approved on 31 October 2023 and is valid for a period of one year from that date. This prospectus will therefore cease to be valid on 30 October 2024. 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

Applications have been made for the Allotted Shares 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. As a consequence of being a company with a Standard Listing a significant number of the Listing Rules do not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA.

A company on the Standard Listing segment of the Official List 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 10 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 10 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 an 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, 6 and 7 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company is not 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 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.

Under the Listing Rules a Reverse Takeover is defined as a transaction, whether effected by way of a direct acquisition by the issuer or a subsidiary, an acquisition by a new holding company of the issuer or otherwise, of a business, a company or assets:

- (1) where any percentage ratio is 100 per cent. or more; or
- (2) which in substance results in a fundamental change in the business or in a change in board or voting control of the issuer.

When calculating the percentage ratio, the issuer should apply the class tests set out in the Listing Rules. For the purpose of LR 5.6.4R (2), the FCA considers that the following factors are indicators of a fundamental change:

- (1) the extent to which the transaction will change the strategic direction or nature of its business; or
- (2) whether its business will be part of a different industry sector following the completion of the transaction; or
- (3) whether its business will deal with fundamentally different suppliers and end users.

The Company has no intention to seek Shareholders' approval for any acquisition unless required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

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 in 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.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document 31 October 2023

Admission and commencement of unconditional dealings in the Allotted Shares 8.00 a.m. on 6 November 2023

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 and Cairn Financial Advisers LLP.

ADMISSION STATISTICS

Number of Existing Listed Ordinary Shares immediately prior to the Allotted Shares being issued	25,789,714
Number of Allotted Shares issued pursuant to the Subscriptions	25,726,000
Number of Allotted Shares issued pursuant to the Conversions	13,373,141
Total number of Allotted Shares issued	39,099,141
Total number of Ordinary Shares in issue as at the date of this Document and on Admission	64,888,855
Percentage of Share Capital represented by Allotted Shares	60.26 per cent.
Number of Warrants outstanding as at the date of this Document and on Admission	63,089,171
Number of Convertible Loan Notes outstanding as at the date of this Document and on Admission	5,089,000
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 Ordinary Shares as at the date of this Document and the new Ordinary Shares issued as a result of the exercise of the Warrants only)	49.30 per cent.
Allotted Shares as a percentage of the Fully Diluted Share Capital	29.38 per cent.

DEALING CODES AND WEBSITE

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

ISIN	GB00BKBS0353
SEDOL	BKBS035
TIDM	EVST
LEI	213800VWEF19LQCNB917
Website	www-everestglobalplc.com

DIRECTORS, SECRETARY AND ADVISERS

Directors	Xin (Andy) Sui (<i>Chief Executive Officer</i>) Robert Stuart Scott (<i>Non-Executive Director</i>) Simon Richard Declanay Grant-Rennick (<i>Non-Executive Director</i>)
Company Secretary	Stephen Edward Clow
Registered Office and business address of the Directors and Company Secretary	1st Floor 48 Chancery Lane London WC2A 1JF
Telephone Number of the Company	020 7073 0582
Trading Address of DI	104 Bofors Circle Epping Industrial 2 Cape Town, 7460 South Africa
Financial Adviser	Cairn Financial Advisers LLP 9 th Floor 107 Cheapside London EC2V 6DN
Solicitors to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Solicitors to the Financial Adviser	DMH Stallard LLP 6 New St Square New Fetter Lane London EC4A 3BF
Auditors and Reporting Accountants to the Company	RPG Crouch Chapman LLP 5 th Floor 14-16 Dowgate Hill London EC4R 2SU
Registrar	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

PART I

INFORMATION ON THE GROUP, STRATEGY AND MARKET OVERVIEW

1. Introduction

The Company was incorporated and registered in England and Wales on 17 January 2012 as a private limited company with the name “Latedusk Limited”. The Company’s name was changed by the Registrar of Companies on 14 April 2012 to “Anglo African Agriculture Limited”. The Company was re-registered on 8 May 2012 as a public limited company and, on the same date, the name of the Company was changed to “Anglo African Agriculture Plc”. The Company changed its name from Anglo African Agriculture Plc to “Everest Global Plc” on 25 October 2022. The Company was admitted to the Official List of the FCA and to trading on the Main Market on 22 July 2015, with the objective of entering the food manufacturing sector in Africa, having acquired Dynamic Intertrade (Pty) Ltd (“DI”), a manufacturer and trader of blends of herbs and spices.

On 3 October 2022, K2 subscribed for shares in DI, following which the Company and K2 held 51 per cent. and 49 per cent. of DI respectively. Under a separate agreement with K2, entered into on the same date, the Board further agreed to put the Company’s 51 per cent. holding in DI under option to be acquired by K2, subject to the satisfaction of certain conditions.

If the Option is exercised in accordance with its terms, the Company will become a cash shell with approximately £800,000 of cash (as at the date of this Document) which will be used principally to implement its continuing strategy to invest in the wider food and beverage industry with a focus on the beverage distribution and production sector.

On 25 June 2023, the Company took a first step into the beverage distribution and production sector by entering into an agreement to provide a loan for £200,000 to Precious Link, a UK wine retailer. The Company believes Precious Link operates in a complementary sector and therefore the loan to Precious Link could assist the Company in expanding its activities further into the beverage distribution and production sector.

During the period from 3 October 2022 to 25 January 2023, the Company raised a total of £1.35 million through the issue of 25,726,000 Ordinary Shares for working capital purposes and, through the exercise of 5,971,000 Convertible Loan Notes, together with the accrued interest, into 13,373,141 Ordinary Shares, considerably reduced its outstanding debt. The number of Allotted Shares (being 39,099,141 Ordinary Shares) issued exceeds 20 per cent. of the number of securities in the Company already admitted to trading on the Main Market, being the maximum amount permitted under Prospectus Regulation Rule 1.2.4. The Company is therefore issuing this Document in order to comply with its requirements under Prospectus Regulation Rule 1.2.4 and with the Listing Rules, following which the Allotted Shares will be admitted to trading on the Main Market in accordance with Listing Rule 14.3.4R.

2. History and background of Everest

The Company is registered in England and Wales and is the holding company of the Group which is currently involved in the manufacturing and trading of blends of herbs and spices through its 51 per cent. held subsidiary DI. The Company’s Ordinary Shares were admitted to the Official List of the FCA and to trading on the Main Market on 22 July 2015.

By June 2014, the Company had acquired DI with the objective of entering the food manufacturing sector in Africa. DI is a manufacturer and trader of blends of herbs and spices. In November 2016, the Company acquired 46.8 per cent. of another company, DIA, for an initial consideration of £100,000, payable in 7,692,308 Ordinary Shares. DIA trades various protein products to the human and animal feed industries in southern Africa. In July 2023, the whole of the Company’s interest in DIA was sold back to its vendors for a consideration of £15,384.62. Further details of the disposal are set out in paragraph 23.24 of Part V of this Document.

Following a strategic review in 2018, the Company actively sought to expand its activities beyond the agricultural sector and on 30 August 2018, the Company announced a US\$1 million proposed loan facility to Comarco Group, which was advanced in November 2018 to help fund its working capital. The Directors’

intention was to undertake a Reverse Takeover of Comarco Group, however after 30 months of negotiations, and with 18 months under Covid-19 restrictions, the vendors decided, in September 2021, to withdraw from the proposed transaction. The loan was subsequently repaid, together with accrued interest of approximately US\$0.5 million, on 30 September 2021.

On 3 October 2022, the Company and K2 entered into certain related party arrangements in relation to DI. Pursuant to the arrangements, K2 subscribed for such number of new shares in the capital of DI that resulted in K2 holding 49 per cent. of the enlarged issued share capital of DI for consideration of ZAR11,000. In addition, the Company agreed to assign £4.2 million of debt owed by DI to the Company and to certain other parties, and which had been fully impaired in prior years, to K2 in consideration for K2 paying £100,001 to the Company and agreeing to fund DI so as to enable DI to carry on its business in the ordinary course, until such time as the Company ceased to hold any shares in DI.

This resulted in K2 having a non-controlling interest in DI and as such its share of DI's profits for the year ended 31 October 2022 amounted to £522 and its share of accumulated losses prior to acquisition amounted to £2.3 million. Additionally, the assignment of the loans resulted in the Group incurring a finance charge on consolidation of £3.1 million in the accounts to 31 October 2022.

Under a put and call option agreement, also dated 3 October 2022, the Company granted to K2 the option to acquire 11,430 shares in DI, being the remaining 51 per cent. of DI held by the Company, subject to the satisfaction of certain conditions and subject to certain time restrictions, for £1. If the Option is exercised the Company will become a cash shell with approximately £800,000 of cash (as at the date of this Document).

During the period from 3 October 2022 to 25 January 2023, the Company raised a total of £1.35 million through the issue of 25,726,000 Ordinary Shares for working capital purposes and, through the exercise of 5,971,000 Convertible Loan Notes, together with accrued interest, into 13,373,141 Ordinary Shares, reducing its outstanding debt. As at the date of this Document £254,450 Convertible Loan Notes remain outstanding.

Historically, the strategy of the Group has been to develop a group with a focus on food, agriculture and agricultural related products. More recently, the Board extended its acquisition strategy to cover the wider food and beverage industry, with a focus on the beverage distribution and production sector, which is further explained in paragraph 4 of this Part I of this Document. In 2022, the Company entered an arrangement with K2 whereby K2 acquired 49 per cent. of the enlarged issued share capital of DI from the Company with the remaining 51 per cent. being put under the Option, which can be exercised subject to certain conditions being satisfied. Should K2 not exercise the Option to acquire the remaining 51 per cent. therefore taking 100 per cent. control of DI, the Company will look to dispose of its remaining 51 per cent. holding in DI as soon as possible, while continuing to run it to the best of its ability, with the aim of maximising returns to Shareholders.

On 25 June 2023, the Company took a first step into the beverage distribution and production sector by entering into an agreement to provide a loan of £200,000 to Precious Link, a wine retailer, incorporated and registered in England and Wales, located in South East England. The Company believes Precious Link operates in a complementary sector and therefore the loan to Precious Link could assist the Company to further expand its activities into the beverage distribution and production sector.

3. Key commercial activities of DI

DI manufactures spices, chilli and paprika-based products, which are packaged in bags ranging from 500g to 25kg and sold to the food manufacturing industry in South Africa. DI handles procurement, quality control, milling, blending and packaging to meet each customer's requirements and also develops batch-pack products on request. Bespoke customer services include:

- contract milling – the milling and sieving of any dried food product to the customer's specification;
- contract blending – the blending of any dry mix for use in the food industry;
- contract packing – the packing of herbs, spices, spice blends and premixes for customers in the food manufacturing, food services and retail markets, under their own bespoke labels or alternatively under the DI logo;

- contract steam sterilisation – the steam treatment of dried foods products to reduce the overall microbacteria count to within acceptable legal limits; and
- product development - formulating of new blends with functional raw materials to meet the customer's requirements;

DI specialises in trading sweet and hot paprika, chilli flakes, coriander, ginger, onion and other herbs and spices. Gross profit margins on other trading lines are usually lower than those on chilli and paprika blended products. DI focuses on value-added batch-packs given the higher margins achievable on these products. The manufacturing and distribution facility in Cape Town is FSSC 22000 compliant and Kosher and HALAAL certified.

Historically, DI's revenue was seasonal (with an increase during October through to December just before traditional factory shutdown for plant maintenance and summer holidays in December), due to the demand for its unique blend of cayenne pepper used in the fishing industry's canned products, such as pilchards in chilli sauce, however as the business has grown, there are less pronounced peaks and troughs and a more regular sales cycle. December is the peak period for general retail sales during the annual holiday season, while the December to February quarter is a relatively lean sales period. The fishing industry awards business on a tender basis twice yearly, determining when the demand for chilli and paprika will increase, but as DI has grown its number of fishing clients, demand is more consistent month on month.

Raw materials procurement for DI suffers a degree of seasonality due to the limited chilli and paprika growing season. DI forward buys raw materials to ensure sufficient supply until the following season. Suppliers undergo audits for supply continuity, manufacturing quality, storage and distribution. DI has over recent years focused heavily on the procurement process and this is considered by the Directors to be a competitive advantage.

During the year ended 31 October 2022, DI supplied products to approximately 50 customers, all based in South Africa. The South African food industry accounted for 100 per cent. of turnover during this period. Generally, the majority of sales by DI are manufactured by DI with value added, with the minority of sales being generated through traded products (i.e. products which are bought by DI and then sold with no added value manufacturing involved) for the same reporting period. DI sources its raw materials from South African, Sub-Saharan African, Chinese and Indian suppliers. In respect of the year ended 31 October 2022, the top 10 suppliers accounted for approximately 90 per cent. by value of purchases and the top 10 customers accounted for approximately 95 per cent. by value of sales.

DI is committed to achieving sustainable growth in its core business segments, of milling and blending herbs and spices and bulk trading agricultural products, by focusing on increasing production volumes by acquiring new clients and maintaining optimal inventory levels. DI's aim is to expand its customer base while continuing to have a presence in the South African market, as well as starting to focus on the African continent and customers in the Northern hemisphere. Additionally, the Group thoroughly reviews DI's supplier base with the aim of sourcing high-quality raw materials at competitive prices.

On 21 June 2023, DI joined the Southern African Food Systems Transformation Alliance, a business-led collaboration comprising food producers and manufacturers working together to decrease food and allied product imports. Its goal is to invest in the transformation of Southern African food systems with the ambition for 80 per cent. of total viable sourcing to come from within the Southern African Development Community region by 2033. If achieved, this would mean DI would substantially increase its local purchases as well as provide access to potential new customers who are also members of the Southern African Food Systems Transformation Alliance.

4. Strategy

If K2 does not exercise the Option, the Group's strategy is to dispose of DI as soon as possible, with the aim of maximising returns to Shareholders, and to focus on its acquisition strategy in the wider food and beverage industry with a focus on the beverage distribution and production sector in the UK and Europe.

Acquisition strategy

The Company is focusing on using its cash resources to undertake one or more acquisitions of businesses (either shares or assets) in the beverage distribution and production sector in the UK and the rest of Europe.

Proposed acquisitions may be made in either quoted or unquoted companies and structured as direct acquisitions, joint ventures or as direct interests in a project. It is not anticipated that a separate custodian trustee or other fiduciary will be appointed to hold investments made by the Company. The Company does not have any specific acquisition targets under formal consideration and does not expect to engage in substantive negotiations with any target until after the date of this Document. There is no specific expected target value for any proposed acquisition. The Directors may consider it appropriate for the Company to take an equity interest in any proposed acquisition which ranges from a minority position to 100 per cent. ownership, however it is the Company's intention to acquire controlling stakes in targeted companies, businesses or assets. There will be no limit on the number of acquisitions the Company or its Group may make and the Company may invest in a number of propositions or in just one investment.

Following completion of an acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with the aim of generating value for Shareholders through operational expansion and improvements as well as potentially through additional complementary acquisitions. The Company is likely to raise funds and inject further capital into companies, businesses or assets that it has acquired in order to accelerate growth.

The Directors believe that their broad collective business experience and a track record in the areas of due diligence, law, financial modelling, corporatisation and integration, in conjunction with their connections in the food and beverage industry through, *inter alia*, operating DI, will assist them in the identification and evaluation of suitable investment opportunities and will enable the Company to pursue its strategy. The Directors will undertake the initial project assessments and due diligence on prospective investments themselves with additional independent technical advice as they judge to be required. The Company proposes carrying out a comprehensive and thorough investment review and due diligence process on any potential investment prior to investing any funds. The Board will collectively take decisions on any investments. The Company will not have a separate investment manager. The Board's collective experience is considered to be sufficient for managing the implementation of the Company's acquisition strategy at this stage of its existence. However it is intended that appropriate additional board appointments may be made once the Company makes an acquisition.

It is the current intention of the Directors to use their existing cash resources for general working capital purposes, such as the Company's ongoing costs and expenses including Directors' fees and salaries, due diligence costs and other costs of sourcing, reviewing and pursuing acquisitions. The Company may need to raise additional finance to make its first, and any future, acquisitions. This is likely to involve the issue of further Ordinary Shares to investors to fund such acquisitions. The Company does not currently intend to fund the initial acquisition with debt or other borrowings but may do so if appropriate. There are no restrictions on the level of borrowings or leverage by the Company. The Directors may offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash resources for working capital purposes.

The Company's primary objective is that of securing the best possible value for Shareholders, consistent with achieving, over time, both capital growth and income for Shareholders through developing profitability coupled with dividend payments on a sustainable basis.

The first acquisition, which the Company is aiming to make within 12 months of the date of this Document, will be treated as a Reverse Takeover on the basis that the Option is exercised, requiring an application for the enlarged Company to have its Ordinary Shares admitted to the Official List and to trading on the Main Market or to be admitted to another market. Subsequent acquisitions may also constitute Reverse Takeovers depending on their size and nature. If the Option is not exercised the first acquisition may or may not be a Reverse Takeover. Such classification will be determined by, *inter alia*, application of the class tests under the Listing Rules.

It should be noted that on 25 June 2023, the Company entered into an agreement to provide a loan of £200,000 to Precious Link, a wine retailer, incorporated and registered in England and Wales, located in South East England. The loan to Precious Link is seen by the Board as a first step to expanding its activities into the beverage distribution and production sector.

5. Investment identification and due diligence

Investment identification will depend primarily on the investment goals of the Company which will be driven by the industry focus, risk tolerance, need for asset and diversification, financial analysis, market analysis, return potential, liquidity, long term outlook and associated costs and fees.

Due diligence will be carried out by the Directors and such other professional advisers as are deemed necessary, by the Directors, at the relevant time in respect of, for example, financial and legal due diligence. When identifying potential acquisitions, the Company will consider among other things:

- deal flow – although the Board believes that several attractive potential opportunities exist, no commitments have been made on behalf of the Company. All potential opportunities will be sourced through the Directors' contacts in the industry and thoroughly researched;
- region/location analysis – research will be conducted to fully understand the fundamentals of each investment opportunity;
- financial analysis – a thorough financial analysis will take place prior to making any investment, where assumptions are identified and economics scoped;
- reserves analysis – investment opportunities will be carefully reviewed ahead of independent due diligence;
- project inspection – investment opportunities will be visited (as necessary) so that any additional issues and potential expenditures can be identified;
- capital markets view – consideration will be given to ensure the investment opportunity is in line with investors' expectations;
- independent due diligence – where considered necessary by the Directors, the Directors will instruct professional advisers to conduct further due diligence on a potential acquisition opportunity; and
- Board approval – the Company will not have a separate investment committee, all investments will be required to be approved by the Board.

6. Current trading and trends

By 31 October 2022, DI had completed its initial turnaround plan and broke even at the subsidiary level, even though audited financial statements for the Group for the same period still reported a loss. Positive operating income was generated by DI for four of the last six months of trading during the financial year ended 31 October 2022 and all six months during the unaudited 6 month period ended 30 April 2023.

The unaudited financial statements for the 6 month period ended 30 April 2023 (set out in Section C of Part IV of this Document) show operational profits driven by the following operational improvements in DI:

- increased sales due to a more focused sales strategy and additional sales staff;
- improved gross margins due to improved stock procurement;
- better operational planning;
- tighter control of operational activities; and
- stricter financial controls with a reduction of unforeseen expenditure.

These operational improvements in DI are expected to continue in the short to medium term while under the control of the Company. Foreign exchange profits during the 6 months to 30 April 2023 enhanced income for the Group, although the long-term debt position of the Group, and the cost associated with the debt, adversely impacted the financial results. The Directors believe that it is likely that the debt position of the Group will continue to impact the Group's results in the near term.

When considering the trends within DI over the last 3 years the following are noted:

1. Covid-19 had a significant impact on both revenue and margins. This was attributable to a general slowdown in sales and a change in product mix;

2. post Covid-19, however, and with new management, revenue is starting to rebound and in fact increased materially during the six months ended 30 April 2023 compared with the six-months ended 30 April 2022; and
3. growth in sales has put pressure on working capital. Although the absolute cost of funding has decreased, the relative cost has increased due to the general increase in interest rates.

Group costs have been kept under control year on year, however with inflationary pressures impacting everyday cost and DI having lost a number of staff members which need to be replaced, the Company is expecting costs to increase year on year.

Volume of paprika production in China is larger than in previous years, but the lingering issues pertaining to the Covid-19 situation continues to impact overall market availability. There does, however, appear to be a stabilisation of both the chilli and paprika markets from a price perspective. With pressure on the currency exchange rates negatively affecting the price of imported products and therefore margins in the current period, DI has started to import products such as paprika and chilli from the South African Development Community (SADC) region and has also been able to pass some costs onto customers. The Company anticipates that this, combined with its membership of the Southern African Food Systems Transformation Alliance, will help to limit its exposure to these increased costs.

The audited historical financial information on the Company for the three-year period to 31 October 2022 and the accountant's report thereon is set out in Sections B and A of Part IV of this Document respectively. The unaudited interims results for the six month period to 30 April 2023 and the comparable six month period to 30 April 2022 is set out in Section C of Part IV of this Document.

7. Market overview, investment opportunity and key industry trends

(a) South African food additives market

In 2022, the South African food additives market was projected to register a compound annual growth rate of 5.4 per cent. between 2022 and 2027³. The current estimated size of the South African spices and culinary herbs market is estimated to be US\$188.20 million⁴ – which at the exchange rate as at 23 October 2023 of ZAR 18.96 per US\$ is approximately ZAR 3,568 million. Using these estimates, DI commands less than 1.5 per cent. of the total market, giving it ample room to grow.

The Covid-19 pandemic disrupted the supply chain and also brought a halt to the production processes due to lockdown and government restrictions. Various studies have depicted that due to export restrictions, the export of food ingredients, including food additives, faced a negative impact of around 40 per cent.⁵ However, the overall processed food market showed a positive trend because of the higher dependency on convenience food during the pandemic.

The market is driven by the extensive use of additives in the food and beverage industry for different functions, including preservatives, flavour enhancers, emulsifiers, sweeteners and colorants. Also, the rising demand for convenience and packaged foods where additives are used in a higher quantity, is further fuelling growth. These products include DI's key products of sweet and hot paprika and associated blends.

The South African market is growing as it is an emerging economy, with a population that is very conscious of health and wellness. This has increased the demand for spices with associated health benefits. Alongside this section of the market, demand for convenience food is also high, which ultimately gives a boost to the food additive market. In processed and packaged foods, ensuring food safety and quality is a major concern, thus DI's FSSC certification is important.

³ Research and Markets "South Africa Food Additives Market – Growth, Trends, COVID-19 Impact, and Forecasts (2022 – 2027) accessed on 7 September 2023 at <https://www.researchandmarkets.com/reports/5178498/south-africa-food-additives-market-growth> and Mordor Intelligence "South African Food Additives Market Size & Share Analysis" accessed on 7 September 2023 at <https://www.mordorintelligence.com/industry-reports/south-africa-food-additives-market-industry>

⁴ Statista "Spices & Culinary Herbs – South Africa" accessed on 7 September 2023 at <https://www.statista.com/outlook/cmo/food/sauces-spices/spices-culinary-herbs/south-africa>

⁵ Mordor Intelligence "South African Food Additives Market Size & Share Analysis" accessed on 7 September 2023 at <https://www.mordorintelligence.com/industry-reports/south-africa-food-additives-market-industry>

Herbs and spices manufacturing market

Globally the spices and seasonings market size is valued at approximately US\$19.35 billion in 2023 and is expected to grow to US\$25.4 billion by 2030, a compound growth rate (CAGR) of 4.62 per cent. during the period⁶. The increased awareness of the health benefits of spices such as pepper, turmeric and ginger, together with the rising number of people cooking at home, are key market drivers enhancing the market's growth. In addition, the Directors believe that the growth in population will potentially increase the growth in the spices market.

Population growth, middle class growth and urbanisation

With the population of Africa increasing, and potentially reaching nearly 2.5 billion by 2050, demand for food products is set to increase substantially⁷. At the same time, a growing middle class cohort and increased urbanisation is likely to further increase demand for food products within the continent.

Trends

The Directors believe that major trends in the spices and seasoning market in South Africa, as led by the European market, are as follows:

- awareness of allergens and toxic substances leads to stricter controls;
- heat treatment, rather than radiation, is becoming essential for European buyers;
- sustainable sourcing is not a trend, but a requirement;
- more transparency throughout the supply chain;
- increasing demand for organic and natural spices in Europe;
- demand for new flavours fuel the market for ethnic foods in Europe;
- growth in demand for spices with health benefits;
- innovations in (consumer) packaging and sustainable materials;
- the growing importance of origin and origin protection in Europe; and
- new origins in Asia and Africa.

In addition to European trends percolating within the South African context, private labels are growing faster than those of large brands, mainly due to financially-constrained consumers trading down. Out of home dining and demand for convenience meals has increased and boosted demand for sauces, dressings and condiments from fast food outlets and restaurants. The growth of the processed food industry is also fuelling demand for spices and seasonings. There is also growing demand for vegan options.

(b) *The beverage distribution and production sector in the UK and Europe*

The European alcohol beverage market is diverse, encompassing various types of beverages such as beers, wines, spirits and other alcoholic drinks. The market size can vary from year to year due to factors such as economic conditions, consumer preferences and regulatory changes. In 2020, the Western European alcoholic beverage market was valued at around €359 billion (approximately US\$377 billion), according to data from the trade association spiritsEUROPE⁸. In 2023, the alcoholic

⁶ <https://www.marketresearchfuture.com/reports/spices-seasonings-market-6606> – US\$19.35 billion in 2023; Fortune Business Insights “Spices and Seasonings Market Size, Share & COVID-19 Impact Analysis” published in April 2022 and accessible at <https://www.fortunebusinessinsights.com/industry-reports/spices-and-seasonings-market-101694>; Polaris Market Research “Spices and Seasoning Market Size” published in January 2022 and accessible at <https://www.polarismarketresearch.com/industry-analysis/spices-seasonings-market>

⁷ Statista “Forecast of the total population of Africa from 2020 to 2050” published on 28 April 2023 and accessible at <https://www.statista.com/statistics/1224205/forecast-of-the-total-population-of-africa/>; International Monetary Fund “African Century” published in September 2023 accessible at <https://www.imf.org/en/Publications/fandd/Issues/2023/09/PT-african-century>; Global Food Security accessed on 8 September 2023 at <https://www.foodsecurity.ac.uk/challenge/#:~:text=A%20growing%20population%20means%20more,produce%2C>

⁸ Statista Market Forecast – Alcoholic Drinks – Europe accessed on 13 September 2023 at <https://www.statista.com/outlook/cmo/alcoholic-drinks/europe>; IndustryArc “Europe Alcoholic Beverages Market – Forecast (2023 – 2028) accessed on 13 September 2023 at <https://www.industryarc.com/Report/7515/europe-alcoholic-beverages-market.html>

beverage market in the UK alone was valued at approximately £60 billion (circa US\$64.1 billion)⁹. This valuation included sales of beer, wine, spirits and other alcoholic drinks.

The Directors believe that the opportunities in the beverage distribution and production sector are significant given the considerable size of the industry and the multilevel of players which allows for many entrants both on a vertical and horizontal basis.

Albeit very competitive, the industry allows for small players to gain a foothold and grow. There is a growing trend of consumers seeking unique and high-quality alcoholic beverages that has led to an increase in demand for craft beers, small-batch spirits and boutique wineries. Innovative flavours and ingredients can set products apart in the market. Infusions, botanicals and creative aging processes can create novel and appealing options for consumers.

Consumers are trending towards more environmentally conscious and sustainable practices which are becoming a differentiating factor. Implementing eco-friendly production methods, packaging and sourcing can appeal to environmentally conscious consumers. Distribution via online and direct-to-consumer sales has grown significantly. Building an online presence and offering direct-to-consumer sales can help a company reach a broader audience and establish a loyal customer base.

With the rise of health-conscious consumers, there is also increasing demand for alcohol alternatives, such as non-alcoholic beers, mocktails and alcohol-free spirits. The Directors believe that developing innovative and appealing non-alcoholic options could be a good opportunity, with embracing and celebrating local traditions and cultural identity being a strong selling point. Distinctive regional products with a strong sense of place can also attract tourists and consumers looking for authentic experiences.

Export and import opportunities exist where new products have local or international appeal. Further distribution trends such as collaborations and partnerships with other businesses, such as restaurants, hotels and event organisers, can expand a company's reach and create mutually beneficial relationships. Finally premiumisation, the offering of high-end, premium products targeted at consumers willing to pay a premium for quality and exclusivity, may, in the view of the Directors, be a profitable strategy.

8. Competition

(a) *In respect of DI*

Competition in the South African spice sector is fierce among brands and private labels, with consumers generally focused on price. The industry is dominated by major food companies that have economies of scale. There is pressure to reduce prices and brands that are unable to invest in price promotions are losing ground as price is the leading sales driver in packaged food.

While almost all spices are imported, most condiments are produced locally, with the largest manufacturers in the seasonings, dressings and sauces sector being Unilever, Tiger Brands and Libstar. Spices are imported mainly from India, China, Pakistan, Turkey and Nigeria. Demand for spices and seasonings increased during the Covid-19 pandemic as sales of some spices linked to health benefits, such as ginger, turmeric and garlic, increased. Spices are used extensively in the food industry and demand is increasing globally due to the increasing preference for more flavourful and healthy foods as well as the demand for international cuisine, whereby customers are keener to eat food and prepare recipes from developing countries where specific spices are required.

The spice industry, including seasonings, condiments and sauces, has numerous players and is therefore very competitive. Many of the key players are customers and/or suppliers of DI.

(b) *In respect of the beverage distribution and production sector*

The competitive space in the beverage distribution and production sector is large and varied with, as an example, over 5,000 brands of distilled spirits on the market in the US, with several new entrants arriving each year. There are both large multinationals and localised micro-breweries and distilleries.

⁹ Statista Market Forecast “Alcoholic Drinks – UK” accessed on 13 September 2023 at <https://www.statista.com/outlook/cmo/alcoholic-drinks/united-kingdom#:~:text=Alcoholic>

Global companies such as Anheuser-Busch InBev, Diageo, Pernod Ricard and Constellation Brands dominate the market with extensive portfolios of beer, wine and spirit brands. They have significant resources for marketing, distribution and research giving them a competitive edge. There are also numerous mid-sized producers that have established themselves as reputable brands in specific beverage categories. Such mid-sized producers typically focus on quality, innovation and unique offerings to compete effectively.

The rise of the craft movement has led to the emergence of many small, independent and local producers. Craft beer, boutique wineries and artisanal spirits have gained popularity by offering distinct flavours and experiences. Finally, retailers and restaurants often develop their own private label brands to offer exclusive products at competitive prices. These brands can create a strong value proposition for consumers.

Added to the competitive landscape is the imported vs. domestic paradigm. In some markets, imported alcoholic beverages are popular due to their perceived exotic appeal. Domestic brands often compete by emphasising local identity and cultural significance.

Health and wellness trends have also had an impact on the market. With consumers becoming more health-conscious, the popularity of non-alcoholic alternatives such as mocktails, alcohol-free beer and low-alcohol beverages has grown and, as a result, competition between producers for this section of the market has increased.

9. 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 Group 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 section entitled "Additional Information" set out in Part V of this Document.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises three Directors including two Non-Executive Directors, one of whom is independent, and one Executive Director. The Directors collectively have broad experience and a track record in the areas of due diligence, law, financial modelling, corporatisation and integration and, in their view, are therefore well placed to implement the Company's business objectives and strategy. The Company will be reliant on the Board to deliver the Company's business strategy. As acquisitions are made, it is the intention of the Board to supplement its skill set in the areas most relevant to the business or businesses acquired. 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. Details of the Directors are set out below:

Xin (Andy) Sui (Chief Executive Officer) aged 40

Andy has over 11 years of investment banking experience. Andy started his career at Barclays Capital on the trading desk. He eventually became Chief Risk Officer at Union Bank of India (UK) managing a balance sheet of over \$1 billion of assets. Andy is also a co-founder of London Capital Homes Ltd, managing over 120 residential properties and focusing on UK northern city property development projects. Andy has a Masters degree in finance from the London School of Economics and a number of financial market qualifications.

Robert Stuart Scott (Non-Executive Director) aged 55

Robert has principal responsibility for the day-to-day operation and management of DI. He has over 30 years' financial and investment management experience with the last twenty years specifically focussed on executive management, finance, corporate governance, acquisitions and investor management. He served as Country Manager for Lonrho Africa Limited and has served as the General Manager of Uramin Inc's South African operations. He has held executive and senior positions with a number of companies across various countries in Southern Africa. He has been involved in a broad number of industries including mining, food manufacturing, hotels, agriculture, shipping, consumer products and construction. Robert has been a Director of DI for approximately 12 years and is responsible for setting its strategy with management and ensuring implementation as well as for the financial function of the Group. He has served on a number of other public and private company boards. Robert began his career and qualified as a Chartered Accountant (CA(SA)) with Deloitte South Africa after obtaining his Certificate of Theory of Accounting (CTA) from the University of Cape Town.

Simon Richard Declanay Grant-Rennick (Non-Executive Director) aged 65

Simon graduated from Camborne School of Mines (BSc Hons Mining Engineering, ACSM) and has been actively involved in the mining and metal trading industry for over 40 years. During his career, Simon has been active in the agricultural space in Southern Africa, from the growing of macadamia nuts to chillies and paprika, amongst other crops. Simon has served as chairman and executive director of various private and public companies in Australia, America and the UK over various global industries in agriculture, mining, property and technology.

Further details of the Directors' service agreements and letters of appointments (as applicable) are set out in paragraph 8.2 of Part V of this Document.

2. Strategic decisions

The Board is responsible for the Company's objectives and business strategy and its overall supervision.

Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board provides leadership within a framework of appropriate and effective controls. The Board sets up, operates and monitors the corporate governance values of the Company, and has overall responsibility for

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

3. 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 UK Corporate Governance Code published by the Financial Reporting Council. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and, so far as is practicable given the Group's size and nature, adopts and complies with the QCA Code on a comply or explain basis.

The Directors are aware that there are certain provisions of the QCA Code with which the Company is not complying. 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.

The Company holds 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 Group, setting the strategic direction of the Group and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Group 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 Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

As a company with a Standard Listing, the Board takes appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

The Company's Standard Listing means that it is not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List.

4. Committee terms of reference

The Board has established an Audit Committee and a Remuneration Committee both of which are currently comprised of the entire Board. As the Company grows, it is the Board's intention that the committees will comprise Non-Executive Directors only, a majority of which will be independent. Both the Audit Committee and the Remuneration Committee are currently chaired by Simon Grant-Rennick, being the Board's only independent Non-Executive Director.

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

Audit Committee terms of reference

The Audit Committee, which also encompasses the monitoring of risks posed to the Group on an ongoing basis, has responsibility for, among other things, the monitoring of the financial integrity of the Group's financial statements and the involvement of its auditors in that process. It focuses 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 the half-yearly reports remains with the Board.

The Audit Committee meets no less than twice a year at the appropriate times in the reporting and audit cycle. It also meets 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

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

The Remuneration Committee meets 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.

5. 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, or will be prior to Admission, communicated to all employees of the Group.

The Company has included confidentiality obligations within its contracts with its Directors 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 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.

All marketing and communications are approved by the Board prior to release. Where inside information is to be disclosed, the Company seeks such professional advice as it considers is required in all the 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.

6. Conflicts of interest

Save as disclosed below, there are no potential conflicts of interests between the duties of each Director to the Company and his private interests or other duties.

Robert Scott, a director of the Company, also holds, indirectly, shares in K2. As at the date of this Document, K2 owns 49 per cent. of the Company's subsidiary, DI, and is entitled to exercise the Option in certain circumstances.

(a) General

Other potential areas for Directors' conflicts of interest in relation to the Group include:

- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as to the other entities with which they are affiliated. They may therefore encounter conflicts of interest in determining to which entity a particular business opportunity should be presented. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity;
- the Directors may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by the Group; and
- 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. Each of 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 not only cause a conflict of interest but also have a negative impact on the Company's ability to deliver its strategy.

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.

7. Arrangements with major Shareholders, customers, suppliers and others

Aside from the Relationship Agreement summarised at paragraph 23.5 and the Orderly Market Arrangements, summarised at paragraphs 23.2 and 23.3 of Part V of this Document respectively, there are no arrangements or understandings with Shareholders. In addition, there are no arrangements or understandings with customers, suppliers or others, pursuant to which any of the Directors was selected as a member of the administrative, management or supervisory bodies or members of the senior management of the Company.

8. Dividend policy

The Company has never declared or paid any dividends on the Ordinary Shares. The Company intends to pay dividends on future earnings, only when it is commercially appropriate to do so. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. The Company's current intention is to retain any earnings for use in its business operations and the Company does not anticipate declaring any dividends in the foreseeable future.

9. Orderly Market Arrangements

The Directors and Shareholders set out in this paragraph have undertaken to the Company 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 with the prior consent of the Company (such consent to only be provided after a consultation with the Financial Adviser and in accordance with the reasonable requirements of the Company and the Financial Adviser) so as to ensure an orderly market in the Share Capital for a period of twelve months following the date of this Document.

Shareholder	Number of Ordinary Shares on Admission	Percentage of Ordinary Shares on Admission
Golden Nice ⁽¹⁾	19,000,000	29.28%
Ms Chen Fangling	6,363,000	9.81%
Mr An Xiangyu	6,363,000	9.81%
Robert Scott ⁽²⁾	552,599	0.85%
Andy Sui	nil	nil
Simon Grant-Rennick	nil	nil

(1) Both Golden Nice and Mr Ziwei Peng, the 100 per cent. owner of Golden Nice, have entered into an Orderly Market Arrangement.

(2) Robert Scott indirectly holds his Ordinary Shares through Vidacos Nominees Limited.

These Orderly Market Arrangements will not apply in the event of an intervening court order, a takeover becoming or being declared unconditional, or the death of the respective Orderly Market Significant Shareholder or Director. Further details of the Orderly Market Arrangements are set out in paragraphs 23.2 and 23.3 of Part V of this Document.

10. Relationship Agreement

At the date of this Document, Mr Ziwei Peng, through his holding of Ordinary Shares in Golden Nice, will control the exercise of voting rights in respect of approximately 29.28 per cent. of the issued share capital on Admission. In addition, Mr Ziwei Peng, through his holding in Golden Nice, holds warrants over new Ordinary Shares in the capital of the Company and convertible loan notes. Accordingly, the Relationship Agreement has been entered into between Mr Ziwei Peng, Golden Nice, the Company and the Financial Adviser to ensure that the Company is able to carry on its business independently of its significant shareholder Golden Nice together with Mr Ziwei Peng 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 23.5 of Part V of this Document.

11. Share option schemes

The Company does not currently have a share option scheme in place. 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 these objectives is the ability to incentivise and reward staff, including Directors, through the grant of options. As a result the Company intends to establish a share option scheme in the future.

The total number of Ordinary Shares that may be committed under any share option scheme established by the Company in the future will represent a maximum of 10 per cent. of the Company's issued share capital from time to time.

PART III

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 £1,000 (“**Nil Rate Amount**”) of dividend income in the 2023-24 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 8.75 per cent. to the extent that it is within the basic rate band, 33.75 per cent. to the extent that it is within the higher rate band and 39.35 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 £6,000 of gains from tax for the tax year 2023-24).

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at a rate of 25 per cent. from 1 April 2023 on any chargeable gain realised on a disposal of Ordinary Shares. The rate of 25 per cent. will apply to companies where the total taxable profits are £250,000 and above, but where a company has taxable profits of less than £50,000 then the corporation tax will be at a rate of 19 per cent. Where the Company has profits in the range of £50,001 to £249,999 then marginal relief will apply which implements a gradual increase in corporation tax up to the maximum 25 per cent.

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 the 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 Ordinary Shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Ordinary 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, other than as explained below:

(a) *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 Ordinary 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.

(b) *Ordinary Shares transferred through CREST*

Paperless transfers of Ordinary 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 Ordinary Shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

PART IV

HISTORICAL FINANCIAL INFORMATION ON THE GROUP

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

SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

SECTION C: UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION ON THE COMPANY

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

The Directors
Everest Global Plc
1st Floor
48 Chancery Lane
London
WC2A 1JF

And

The Members
Cairn Financial Advisers LLP
9th Floor
107 Cheapside
London EC2V 6DN

30 October 2023

Dear Sirs

Everest Global Plc ("Company")

Introduction

We report on the financial information on the Company set out in Section B of this Part IV (Financial Information on the Group") which comprises the statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity for the three years ending 31 October 2022. The report is prepared in accordance with UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 31 October 2023 ("Prospectus"), a true and fair view of the state of affairs of the Company as at the three years ended 31 October 2022 and of its profits, cash flows and statement of changes in equity for that period in accordance with International Financial Reporting Standards.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with the International Financial Reporting Standards.

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

Basis of preparation

This financial information has been prepared for inclusion in the Prospectus of the Company on the basis of the accounting policies set out in note 2 to the financial information set out in Section B of this Part IV (Historical Financial Information on the Company). This report is required by item 11.2.1 of Annex 3 of the Prospectus Directive Regulation (No 2004/809/EC) and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under Prospectus 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 the Prospectus Directive Regulation (No 2004/809/EC), consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. 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.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the 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.

Basis for qualified opinion in the financial year ended 31 October 2022 ("FY22")

The Group recorded closing inventory of £175,875 in FY22. We were appointed after the balance sheet date and were unable to arrange attendance at the year-end counting of inventory. We were therefore unable to verify the closing value of inventory and the associated impact on cost of sales.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Jurisdictions outside of the UK

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.

Declaration

For the purposes of Prospectus Rule PRR5.3.2R (2)(f) we are responsible for this report as part of the Prospectus and we 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 item 1.2 of Annex 3 of the Prospectus Regulation.

Yours faithfully

RPG CROUCH CHAPMAN LLP

Chartered Accountants

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705)

SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Consolidated Statement of Comprehensive Income

	Notes	12 months ended 31 October 2022	12 months ended 31 October 2021	12 Months ended 31 October 2020
		£	£	£
Continuing operations				
Revenue	5	1,698,839	1,404,234	1,773,710
Cost of sales		(1,278,471)	(1,024,430)	(1,350,201)
Gross profit		420,368	379,804	423,509
Other income	6	1,264	–	3,000
Administrative expenses	9	(1,573,802)	(895,464)	(1,139,219)
Admission expenses		–	–	(140,151)
Impairments	10	–	–	(226,644)
Loss from operations		(1,152,170)	(515,660)	(1,079,505)
Finance costs	11	(3,418,549)	(224,631)	(96,943)
Finance income	12	157	155,658	140,963
Loss before taxation		(4,570,562)	(584,633)	(1,035,485)
Tax on loss	13	–	–	–
Loss for the year		(4,570,562)	(584,633)	(1,035,485)
Other comprehensive income		–	–	–
Total comprehensive loss for the period		<u><u>(4,570,562)</u></u>	<u><u>(584,633)</u></u>	<u><u>(1,035,485)</u></u>
Total loss attributable to ordinary shareholders		(4,571,084)	(584,633)	(1,035,485)
Total loss attributable to non-controlling interest		522	–	–
Loss per share				
Basic and diluted loss per share	14	Pence (17.79)	Pence (2.66)	Pence (5.16)

Consolidated Statement of Financial Position

	Notes	As at 31-Oct 2022 £	As at 31-Oct 2021 £	As at 31-Oct 2020 £
Assets				
Non-current assets				
Investment in subsidiaries	15	—	—	—
Long term intercompany loans	16	—	—	—
Property, plant and equipment	17	13,884	13,769	15,298
Right-of-use asset	28	250,446	341,905	409,424
Loan receivable		—	—	994,729
Total non-current assets		264,330	355,674	1,419,451
Current assets				
Investment in associate (held for sale)	15	6,154	6,154	6,154
Inventories	18	175,875	42,682	181,708
Trade and other receivables	19	282,529	297,800	291,939
Cash and cash equivalents	20	925,814	1,109,774	45,251
Total current assets		1,390,372	1,456,410	525,052
Total assets		1,654,702	1,812,084	1,944,503
Equity and Liabilities				
Share capital	22	923,258	439,322	439,322
Share premium account	22	3,040,115	2,571,247	2,571,247
Share-based payments reserve	23	302,176	83,377	83,377
Equity portion of convertible loan notes	25	42,539	74,935	—
Retained earnings		(6,681,706)	(4,416,527)	(3,831,894)
Total owners' equity		(2,373,618)	(1,247,646)	(737,948)
Non-controlling interest	24	(2,305,383)	—	—
Total equity		(4,679,001)	(1,247,646)	(737,948)
Liabilities				
Non-current liabilities				
Non-current lease liabilities	28	166,070	269,215	344,025
Borrowings	27	4,732,492	466,064	428,719
Convertible loan notes	26	710,274	778,065	250,000
Total non-current liabilities		5,608,836	1,513,344	1,022,744
Current liabilities				
Current lease liabilities	28	100,485	77,887	66,477
Trade and other payables	21	624,382	1,468,499	1,593,230
Total current liabilities		724,867	1,546,386	1,659,707
Total equity and liabilities		1,654,702	1,812,084	1,944,503

Consolidated Statement of Cash Flows

	Notes	12 months ended 31 October 2022	12 months ended 31 October 2021	12 months ended 31 October 2020
		£	£	£
Cash flows from operating activities				
Retained profit		(1,152,170)	(515,660)	(1,079,505)
Adjustments for:				
Depreciation	17, 28	84,960	78,109	38,322
Impairment of investment	10	–	139	226,644
(Profit)/Loss on PPE disposal	17	–	139	–
(Profit)/Loss on FX		(41,293)	(65,301)	74,572
Finance costs paid	11	(124,889)	(93,378)	(69,853)
Interest received	12	157	155,658	492
Profit on disposal of loans receivable		1	–	–
Changes in inventories		(133,193)	137,401	(119,133)
Changes in trade and other receivables		15,271	(8,363)	102,640
Changes in trade and other payables		(538,038)	262,565	719,314
Net cash flow from operating activities		(1,889,194)	(48,830)	(106,507)
Cash flows from investing activities				
Acquisition of PPE	17	(5,541)	(8,767)	(3,423)
FX movements	17	(7)	433	2,190
Loans receivable repaid	18	–	944,004	–
Net cash flow from investing activities		(5,548)	935,670	(1,233)
Cash flow from financing activities				
Proceeds from issue of share capital	22	650,000	–	102,676
Convertible loan notes issued	26	–	220,000	
Increase/(decrease) in borrowings	29	1,134,015	32,973	38,687
FX movements	29	–	(8,043)	26,941
Capital repayments of lease liability		(73,233)	(67,071)	(20,471)
Net cash flow from financing activities		1,710,782	177,859	147,833
Net cash flow for the period	29	(183,960)	1,064,699	40,093
Opening cash and cash equivalents		1,109,774	45,251	5,218
FX movements		–	(176)	(60)
Closing cash and cash equivalents		925,814	1,109,774	45,251

Consolidated Statement of Changes in Equity

Group	Share capital £	Share premium £	Share based payments reserve £	Equity portion of convertible loan notes £	Retained earnings £	Total equity £	Non- controlling interest £	Total equity £
Balance at								
31 October 2019	387,984	2,519,909	83,377	–	(2,796,409)	194,861	–	194,861
Shares issued	51,338	51,338	–	–	–	102,676	–	102,676
Loss for the year	–	–	–	–	(1,035,485)	(1,035,485)	–	(1,035,485)
Balance at								
31 October 2020	439,322	2,571,247	83,377	–	(3,831,894)	(737,948)	–	(737,948)
Equity portion of convertible loan notes issued during the year	–	–	–	74,935	–	74,935	–	74,935
Loss for the year	–	–	–	–	(584,633)	(584,633)	–	(584,633)
Balance at								
31 October 2021	439,322	2,571,247	83,377	74,935	(4,416,527)	(1,247,646)	–	(1,247,646)
Shares issued	260,000	390,000	–	–	–	650,000	–	650,000
Shares issued on conversion of convertible loan notes	147,463	221,194	–	–	–	368,657	–	368,657
Settlement of debt by the issue of shares	76,473	76,473	–	–	–	152,946	–	152,946
Extension of date of conversion of the convertible loan notes	–	–	–	(32,396)	–	(32,396)	–	(32,396)
Warrants issued during the year	–	(218,799)	218,799	–	–	–	–	–
Loss attributable to non-controlling interest on disposal of 49% of subsidiary	–	–	–	–	2,305,905	2,305,905	(2,305,905)	–
Loss for the year	–	–	–	–	(4,571,084)	(4,571,084)	522	(4,570,562)
Balance at								
31 October 2022	923,258	3,040,115	302,176	42,539	(6,681,706)	(2,373,618)	(2,305,383)	(4,679,001)

1. Accounting policies

General information

Everest Global plc ("Everest" or the "Company") is a company incorporated in the United Kingdom. The Company is admitted 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. The information within these financial statements and accompanying notes has been prepared for the year ended 31 October 2022 with comparatives for the years ended 31 October 2021 and 31 October 2020.

2. Basis of preparation and significant accounting policies

The consolidated financial statements of Everest have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom (IFRS as adopted by the UK), IFRS Interpretations Committee and the Companies Act 2006 ("Act") applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention in the Group's reporting currency of Pound Sterling.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year or in the year of the revision and future year if the revision affects both current and future year.

Going concern

These consolidated financial statements are prepared on the going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The Group has incurred significant operating losses and negative cash flows from operations as the Group continued to expand its operations during the year under review.

There remains an active and liquid market for the Group's shares.

As at 31 October 2022 the Group held £925,814 (2021: £1,109,774; 2020: £45,251) in cash and cash equivalents.

During the year, the Group raised additional equity funding of £650,000 (2021: £Nil; 2020: £102,676) in gross funding through share subscriptions to fund working capital. In addition, the Company converted £581,951.52 of convertible loan notes into new Ordinary Shares. As part of the assignment of certain debts to K2 Spice Limited ("K2") (previously VSA NEX Investments Limited), K2 has agreed to fund Dynamic Intertrade (Pty) Limited ("DI") so as to enable DI to carry on its business in the ordinary course until such time as the Company ceases to hold any shares in DI. K2 has signed a subordination agreement in relation to the loans due by DI to K2 with an expiry date of 31 October 2023. Should K2 choose to request the repayment of the loans by DI this will severely impact DI's ability to continue as a going concern.

The Directors have prepared cash flow forecasts. These forecasts consider operating cash flows and capital expenditure requirements for the Company and DI, available working capital and forecast expenditure, including overheads and other costs. The Directors are of the opinion that the Group has sufficient working capital and that no additional funding is required. However, post year end the Group raised £700,000 in additional capital. Based upon the Company's forecast, it has sufficient cash for the foreseeable future.

After careful consideration of the matters set out above, the Directors are of the opinion that the Group will be able to undertake its planned activities for the period to 31 July 2024 from production revenues and from additional fund raising and have prepared the consolidated financial statements on the going concern basis. Nevertheless there are uncertainties inherent in the Company meeting its revenue predictions and obtaining additional funds. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern. For this reason, the Directors believe that there is a material uncertainty relating to the Group as a going concern.

New and amended standards adopted by the Company

The Group has implemented IFRS as adopted by the UK. At the point of transition from IFRS as adopted by the EU the underlying requirements were identical. The following standards, amendments and interpretations are new and effective for the year ended 31 October 2022 and have been adopted. None of the IFRS standards below had a material impact on the financial statements.

- IFRS 16, Leases, commencement from 1 April 2021.
- IFRS4, IOAS 7 and IFRS16, commencement from 1 January 2021.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 November 2022 and have not been early adopted:

- IFRS 3 Business Combinations, commencement from 1 January 2022.
- IAS 16 Property, Plant and Equipment, commencement from 1 January 2022.
- IAS 37 Provisions, Contingent liabilities and Contingent Assets, commencement from 1 January 2022.
- IAS 1 Presentation of Financial Statements, commencement from 1 January 2023.
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, commencement from 1 January 2023.
- IAS 12 Deferred taxation, commencement from 1 January 2023.
- IFRS 17 Insurance Contracts, commencement from 1 January 2023.

The Directors anticipate that the adoption of these standards and the interpretations in future periods will not have a material impact on the financial statements of the Group.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed

to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business Combinations: Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment, at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, are measured in accordance with that standard.

Goodwill: Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Joint Ventures and Associates: A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20 per cent. and 50 per cent. of the voting rights. Joint ventures and associates are accounted for using the equity method, which involves recognition in the consolidated income statement of Everest's share of the net result of the joint ventures and associates for the year. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Everest's interest in a joint venture or associate is carried in the statement of financial position at its share in the net assets of the joint venture or associate together with goodwill paid on acquisition, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity accounted company (including any other receivables forming part of the net

investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred. Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

- Leasehold improvements – 33.3 per cent.
- Furniture, fixtures and equipment – 17 per cent.
- Plant and machinery – 20 per cent. and 33.3 per cent.

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss in the year in which the asset is derecognised.

Leased Assets

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 3 years but may have extension options for an additional 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term as per the table below:

- Year 1 – 15 per cent.
- Year 2 – 17 per cent.
- Year 3 – 20 per cent.
- Year 4 – 22 per cent.
- Year 5 – 26 per cent.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs; and
- restoration costs.

Payments associated with short term leases and 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 12 months or less. Low-value assets comprise moving equipment rented on a day to day basis.

Investments in Subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using specific identification and in the case of work in progress and finished goods, comprises the cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

When the inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as an expense in the year in which the reversal occurs.

Impairment

Non-derivative financial assets

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at Fair Value through Other Comprehensive Income ("FVOCI") are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A 12 month approach is followed in determining the Expected Credit Loss ("ECL").

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in Other Comprehensive Income ("OCI").

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures of recovery of the amounts due.

Financial Instruments

The Group classifies non-derivative financial assets into the following categories: loans and receivables and Fair Value through Profit and Loss ("FVTPL") and Fair Value through OCI ("FVTOCI") financial assets.

The Group classifies non-derivative financial liabilities into the following category: other financial liabilities.

i. Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Gains or losses on derecognition of financial liabilities are recognised in profit or loss as a finance charge.

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ii. Loans and receivables – measurement

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

iii. Assets at FVOCI – measurement

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in OCI and accumulated in the revaluation reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

iv. Non-derivative financial liabilities – measurement

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

v. Convertible loan notes and derivative financial instruments

The presentation and measurement of loan notes for accounting purposes is governed by IAS 32 and IFRS 9. These standards require the loan notes to be separated into two components:

- a derivative liability; and
- a debt host liability.

This is because the loan notes are convertible into an unknown number of shares, therefore failing the 'fixed-for-fixed' criterion under IAS 32. This requires the 'underlying option component' of the loan note to be valued first (as an embedded derivative), with the residual of the face value being allocated to the debt host liability (refer financial liabilities policy above).

Compound financial instruments issued by the Group comprise convertible notes denominated in British pounds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

The Group's financial liabilities include amounts due to a Director, trade payables and accrued liabilities. These financial liabilities are classified as FVTPL and stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the reporting period are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.

Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over goods or services to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Sale of goods	Customers obtain control of the goods when the goods have been delivered to them and have been accepted at their premises or the agreed point of delivery. Invoices are generated at that point in time net of rebates and discounts. Invoices are generally payable within 30 days. No settlement discounts are provided for. The sale of the goods are not subject to a return policy.	Revenue is recognised when the goods are delivered and have been accepted by the customers at their premises or the agreed point of delivery.
Interest revenue	Interest income is recognised in the income statement for all interest-bearing instruments (whether classified as held-to-maturity, FVTOCI, FVTPL, derivatives or other assets) on an accrual basis using the effective interest method based on the actual purchase price including direct transaction costs.	Once a financial asset has been written down to its estimated recoverable amount, interest income is thereafter recognised based on the effective interest rate that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

Cost of Sales

Cost of sales consists of all costs of purchase and other directly incurred costs.

Cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), if any, and transport, handling and other costs directly attributable to the acquisition of goods. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Cost of conversion primarily consists of hiring charges of subcontractors incurred during conversion.

Finance Income and Finance Costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- dividend income.

Interest income and expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset, if the asset is no-longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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 assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Provisions and Contingencies

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the effect of discounting is material, the amount recognised for a provision is the present value at the reporting date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of comprehensive income.

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Share Capital

Ordinary Shares are classified as equity. Proceeds from issuance of Ordinary Shares are classified as equity. Incremental costs directly attributable to the issuance of new Ordinary Shares are deducted against share capital and share premium.

Foreign Currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on translation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the re-translation of non-monetary items in respect of which gains, and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, assets and liabilities of the Group's foreign operations are translated from South African Rand into the presentation currency of the Group of Pound Sterling at the rate of exchange prevailing at the end of the reporting year, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

The principal exchange rates during the year are set out in the table below:

<i>Rate compared to Pound Sterling</i>	<i>Year end rate 2022</i>	<i>Year end rate 2021</i>	<i>Year end rate 2020</i>
South African Rand	21.04	20.83	21.02
US Dollar	1.15	1.37	1.31

Employee Benefits

Salaries, annual bonuses, paid annual leave and the cost to the Group of non-monetary benefits are accrued in the year in which employees of the Group render the associated services. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director who makes strategic decisions.

3. Critical accounting estimates and judgements

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

In the application of the Group's accounting policies, which are described above, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Inventory Valuation

Inventory is valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market conditions and the historical experience of selling products of a similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. The Group reviews its inventories in order to identify slow-moving merchandise and uses mark-downs to clear merchandise. Inventory value is reduced when the decision to mark-down below cost is made.

Impairment of Long term Inter-Company Receivables

The Group's management reviews long-term inter-company receivables on a regular basis to determine if any provision for impairment is necessary. The policy for the impairment of long-term inter-company receivables of the Group is based on, where appropriate, the evaluation of collectability, the trading performance of the relevant subsidiary and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding amounts, including the current and estimated future trading performance of the relevant subsidiary. If the financial conditions of

inter-Company debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, a provision for impairment may be required.

Impairment of Receivables

The Group's management reviews receivables on a regular basis to determine if any provision for impairment is necessary. The policy for the impairment of receivables of the Group is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding amounts, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment may be required.

Incremental borrowing cost of Right-of-Use Assets and Lease Liabilities

In assessing the Group's right-of-use assets and lease liabilities, the Group has to assess its incremental borrowing costs. As an approximation of the Group's incremental long term borrowing costs, the Group estimated the borrowing costs associated with similar long term, asset based financing arrangements. The Group based the implied incremental borrowing costs on the South African prime lending rate applicable at the date of commencement of the agreement and added an appropriate lending premium that would be typically applied by lenders. At the year end the estimated incremental borrowing costs used amounted to 8.5 per cent. (2021: 8.5 per cent.; 2020: 8.5 per cent.).

Income Taxes

The Group is subject to income taxes in South Africa and the UK. The South African income taxes are administered by South African accountants. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the year in which such determination is made.

Share-Based Payments

The fair value of share-based payments recognised in the income statement is measured by use of the Black-Scholes model, which considers conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour based on past experience, future expectations and benchmarked against peer companies in the industry.

Equity portion of Convertible Loan Notes

The Group provides for the equity portion of convertible loan notes by applying an estimated interest rate in determining the present values of the convertible loan notes and the interest payable thereon over the life of the convertible loan notes.

Depreciation and Amortisation

The Group depreciates property, plant and equipment and amortises the leasehold buildings and land use rights on a straight-line method over the estimated useful lives. The estimated useful lives reflect the Directors' estimate of the years that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

4. Segmental reporting

In the opinion of the Directors, the Group has one class of business, being the trading of agricultural materials. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is South Africa. All revenues and costs are derived from the single segment.

5. Revenue

	Group Year ended 31 October 2022 £	Group Year ended 31 October 2021 £	Group Year ended 31 October 2020 £
Major product/service lines			
Sale of agricultural materials	1,698,839	1,404,234	1,773,710
Primary geographic markets			
South Africa	1,698,839	1,404,234	1,773,710
Timing of revenue recognition			
Products transferred at a point in time	1,698,839	1,404,234	1,773,710

6. Other Income

	Group Year ended 31 October 2022 £	Group Year ended 31 October 2021 £	Group Year ended 31 October 2020 £
Settlement discounts received	(1)	–	3,000
Profit on disposal of loan to subsidiary	–	1	–
Profit on disposal of property plant and equipment	1,264	–	–
	1,263	1	3,000

7. Personnel expenses and staff numbers (including Directors)

Number	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
The average number of employees in the year were:			
Directors	3	4	4
Management	3	2	2
Accounts and administration	2	2	2
Sales	1	3	3
Manufacturing/warehouse	8	13	13
Total	17	24	24
The aggregate payroll costs for these persons were:			
Average ratio of executive pay verses average employee pay	£232,273	£278,499	£285,288
Average Directors	0.85	1.01	1.06
Average of all employees	£11,974	£11,742	£12,474
Average of non-Director employees	£13,663	£11,604	£11,887

8. Director's remuneration

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
<i>Salaries and Fees</i>			
David Lenigas (resigned)	–	9,000	12,000
Robert Scott	12,000	12,000	12,000
Andrew Monk (resigned)*	12,923	13,966	13,896
Matt Bonner (resigned)	11,000	12,000	12,000
	<hr/>	<hr/>	<hr/>
	35,923	46,966	49,896
	<hr/>	<hr/>	<hr/>

* Included in Andrew Monk's remuneration is £1,923 (2021: £1,966; 2020: £1,896) for National Insurance.

No pension contributions were made by the Company on behalf of its Directors other than for Andrew Monk. Included in Andrew Monk's remuneration are pension contributions amounting to £330 (2021: £360; 2020: £Nil).

At the year-end a total of £33,587 (2021: £62,126; 2020: £194,266) was outstanding in respect of Directors' emoluments

9. Expenses – Analysis by nature

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
<i>Auditor's remuneration for audit services: Parent</i>			
Auditor's remuneration for audit related services	45,000	27,256	27,070
Under-provision of prior year audit fee	–	1,500	1,500
Auditor's remuneration for audit services: Subsidiary	11,530	–	–
Brokership fees	17,308	3,536	3,065
Legal and professional fees	15,000	39,724	66,494
Registrar fees	(269,522)	36,089	320,999
Depreciation on property, plant and equipment (Note 17)	3,034	5,138	1,783
Depreciation on IFRS 16 Right-of-Use Asset (Note 28)	5,419	10,590	16,893
(Gain) /Loss on exchange	79,541	67,519	21,549
Personnel expenses (Note 7)	1,061,452	145,055	123,962
Other administrative expenses	232,273	278,499	285,288
	372,767	280,558	270,616
<i>Subtotal</i>	<hr/>	<hr/>	<hr/>
Admission and regulatory expenses	1,573,802	895,464	1,139,219
	<hr/>	<hr/>	<hr/>
<i>Total administrative expenses</i>	<hr/>	<hr/>	<hr/>
	1,573,802	895,464	1,279,370
	<hr/>	<hr/>	<hr/>

10. Impairments

During the financial year, the recoverability of the investment was evaluated and in management's estimation, it was considered necessary to impair the goodwill on consolidation, the investment in the subsidiary and the intercompany loans receivable.

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Impairment of goodwill	–	–	226,644
Impairment of investment in subsidiary	–	–	–
Impairment of inter-company loans receivable	–	–	–
	<hr/>	<hr/>	<hr/>
	–	–	226,644
	<hr/>	<hr/>	<hr/>

11. Finance costs

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Interest paid on borrowings	124,889	93,378	55,309
Interest accrued on convertible loan notes	135,775	99,785	30,082
Lease liability	25,995	31,468	11,552
Finance charges associated with disposal of inter-company loan to K2 Spice Limited (previously VSA NEX Investments Limited) (Note 30)	3,131,890	–	–
	<hr/>	<hr/>	<hr/>
	3,418,549	224,631	96,943
	<hr/>	<hr/>	<hr/>

Finance costs represent interest and charges in respect of the discounting of invoices, the interest accrual for the Convertible Loan Notes issued and the interest charged on capitalised right-of-use lease liability.

12. Finance Income

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Interest earned on loan receivable	–	149,359	140,471
Interest earned on inter-company loan receivable	–	–	–
Interest earned on favourable bank balances	157	6,299	492
	<hr/>	<hr/>	<hr/>
	157	155,658	140,963
	<hr/>	<hr/>	<hr/>

13. Taxation

The charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Tax Charge	—	—	—
Factors affecting the tax charge			
Loss on ordinary activities before taxation	(584,633)	(584,633)	(1,035,485)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.0% (2019: 19.0%)	(111,080)	(111,080)	(196,742)
Tax effect of expenses not deductible for tax	10,569	1,934	—
Overseas tax rate differences from the UK rate (26%)	16,296	—	42,927
Tax effect of utilisation of tax losses	—	—	153,815
Tax effect of utilisation of tax losses	15,415	92,850	—

The Company has excess management expenses of £1,043,509 (2021: £1,043,509; 2020: £868,259) available for carry forward against future trading profits. The deferred tax asset in these tax losses at 19.0 per cent. of £193,369 (2021: 19.0 per cent. of £193,369; 2020: 19.0 per cent. of £164,969) has not been recognised due to the uncertainty of recovery.

14. Loss per share

Loss per share data is based on the Group result for the year and the weighted average number of shares in issue. Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of Ordinary Shares in issue during the year:

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Loss after tax	(4,570,562)	(584,633)	(1,035,485)
Weighted average number of Ordinary Shares in issue	25,690,228	21,966,087	20,074,325
Basic and diluted loss per share (pence)	(17.79p)	(2.66p)	(5.16p)

Basic and diluted loss per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

As at 31 October 2022 there were 46,162,855 (2021: 21,966,087; 2020: 21,966,087) shares in issue, 38,363,171 (2021: 10,754,956; 2020: 12,421,622) outstanding share warrants and zero (2021: 897,809; 2020: 897,809) outstanding options. The share warrants are potentially dilutive.

15. Investments

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Investment in subsidiary			
– Cost of investment	–	–	–
– Impairment of investment	–	–	–
	_____	_____	_____
Carrying value	–	–	–
	_____	_____	_____

15.1. Investment in Associate

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Investment in Dynamic Intertrade Agri (Pty) Ltd (held for sale)	6,154	6,154	6,154
Equity accounted profit for the period	–	–	–
Impairment of investment	–	–	–
	_____	_____	_____
Carrying value	6,154	6,154	6,154
	_____	_____	_____

Management has committed to selling the Company's investment in the associate, Dynamic Intertrade Agri (Pty) Ltd. The asset is available for immediate sale to a willing buyer. A buyer for the asset has been identified and a preliminary price of £6,154 has been discussed. It was anticipated that the sale will be concluded within the last financial year ending 31 October 2021, however Covid-19 delayed the process. Accordingly, for the current year the investment is reflected under current assets as held for sale. As part of the process of selling the Group's investment in the associate a fair value exercise was undertaken. Management considered the financial performance of the Company, the price that a willing buyer was prepared to pay for the investment as well as the prevailing market conditions. Based on the above, the Directors are of the opinion that the fair value of the Company is £6,154.

As at 31 October 2022, the Company directly and indirectly held the following subsidiary and associate:

Name of Company	Country of incorporation and place of business	Proportion (%) of equity interest 2022	Proportion (%) of equity interest 2021	Proportion (%) of equity interest 2020
Principal activities				
Dynamic Intertrade (Pty) Limited	Trading in Agricultural Products	51%	100%	100%
Dynamic Intertrade Agri (Pty) Limited	Agricultural commodity trading and distribution	46.8% Designated as Held for Sale	46.8% Designated as Held for Sale	46.8% Designated as Held for Sale

15.2. **Investment in Subsidiary**

Information about the Group's shareholding in Dynamic Intertrade (Pty) Ltd at the end of the reporting period is as follows:

	2022	2021	2020
Dynamic Intertrade (Pty) Ltd			
Percentage Held			
Brought forward as at 1 November	100%	100%	100%
Percentage disposed of on subsidiary issuing shares on 3 October 2022	49%	0%	0%
Carried forward as at 31 October	51%	100%	100%

The Group acquired 100 per cent. of Dynamic Intertrade (Pty) Ltd in 2012 from Corestar Holdings Ltd. On 3 October 2022, DI issued shares to K2 such that Everest retains 51 per cent. interest in DI and K2 now holds 49 per cent. of DI.

	2022	2021	2020
	2022	2021	2020
	£	£	£
Profit / (Loss) allocated to non-controlling interests for the year	522	–	–
Non-controlling Interests	(2,305,383)	–	–

The reconciliation of non-controlling interests in note 25 includes an analysis of the profit or loss allocated to non-controlling interests of each subsidiary where the non-controlling interest is material. There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities.

During the year, the Group allowed K2 to subscribe for 49 per cent. of DI. There were no proceeds accruing to the Company. An amount of £2.903 million (being the proportion share of the carrying amount of net assets in DI has been transferred to non-controlling interests (see note 31). There was no gain or loss on disposal of DI.

16. Long term inter-company loans

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Loan to Dynamic Intertrade (Pty) Ltd			
– Amount receivable	–	–	–
– Impairment of loan	–	–	–
Carrying value	–	–	–

The loan, which is held solely in DI, is unsecured and bears interest at rates linked to LIBOR +2 per cent. p.a. Given it sits in DI's accounts, the balances at Group level are zero. As indicated in Note 10, both the capital and the interest elements of the above loan have been fully impaired during the year ended 31 October 2020. The additional loan provided to the subsidiary was impaired during the current year. During the year, the Company assigned certain debts to K2. K2 has signed a subordination agreement in relation to the loans due by DI to K2 with an expiry date of 31 October 2023. Refer to Note 31 for more information.

17. Property, plant and equipment

Group	Leasehold Improvements £	Furniture, fixtures and equipment £	Plant and machinery £	Total £
Cost				
As at 31 October 2019	21,067	4,647	285,347	311,061
Additions	–	–	3,423	3,423
Disposals	–	–	–	–
Exchange difference	(1,496)	(330)	(20,258)	(22,084)
As at 31 October 2020	19,571	4,317	268,512	292,400
Additions	–	–	8,767	8,767
Disposals	–	–	(298)	(298)
Exchange difference	175	39	2,401	2,615
As at 31 October 2021	19,746	4,356	279,382	303,484
Additions	–	–	5,541	5,541
Disposals	–	–	–	–
Exchange difference	(194)	(56)	(29,986)	(30,236)
As at 31 October 2022	19,552	4,300	254,937	278,789
Accumulated depreciation				
As at 31 October 2019	19,243	3,519	257,461	280,223
Additions	1,217	408	15,268	16,893
Disposals	–	–	–	–
Exchange difference	(1,375)	(253)	(18,386)	(20,014)
As at 31 October 2020	19,085	3,674	254,343	277,102
Charge for the year	477	363	9,750	10,590
Released on disposal	–	–	(159)	(159)
Exchange difference	158	23	2,001	2,182
As at 31 October 2021	19,720	4,060	265,935	289,715
Charge for the year	24	173	5,222	5,419
Released on disposal	–	–	–	–
Exchange difference	(194)	(40)	(29,995)	(30,229)
As at 31 October 2022	19,550	4,193	241,162	264,905
Net book value				
As at 31 October 2020	486	643	14,169	15,298
As at 31 October 2021	26	296	13,447	13,769
As at 31 October 2022	2	107	13,775	13,884

The holding Company held no tangible fixed assets at 31 October 2022, 2021 and 2020.

18. Inventories

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Raw materials	175,875	40,116	171,943
Finished goods	—	2,566	9,765
Carrying value	175,875	42,682	181,708

The Group's subsidiary DI has entered into a funding agreement with Euro 2 Afrisko Ltd whereby Euro 2 Afrisko pay the suppliers directly and this is then repaid by DI to purchase stock from suppliers where deposits are required. This funding is secured by a lien over the inventory and a cession of the debtors.

19. Trade and other receivables

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Financial instruments			
Trade receivables	256,824	257,332	272,130
Deposits	14,360	2,028	5,963
Other receivables	11,219	28,737	12,163
Non-financial instruments			
Prepayments	126	9,703	1,683
Carrying value	282,529	297,800	291,939
Current	282,529	297,800	291,939
Non-current	—	—	—
	282,529	297,800	291,939

The Group's subsidiary DI has entered into a funding agreement with Euro 2 Afrisko Ltd whereby Euro 2 Afrisko pay the suppliers directly and this is then repaid by DI to purchase stock from suppliers where deposits are required. This funding is secured by a lien over the inventory and a cession of the debtors.

The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

As at 31 October 2022 the Group does not have any contract assets nor any contract liabilities arising out of contracts with customers relating to the Group's right to receive consideration for agricultural products sold but not billed. Group trade receivables represent amounts receivable on the sale of agricultural products and are included after provisions for doubtful debts.

Credit and market risks, and impairment losses

The Group did not impair any of its trade receivables as at 31 October 2022, as all trade receivables generated during the financial year, and outstanding at 31 October 2022 are considered to be recoverable during the ordinary course of business.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 30.

The Directors consider that the carrying amount of trade receivables and other receivables approximates their fair value.

20. Cash and cash equivalents

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Cash on hand	925,814	1,109,774	45,251
	<hr/>	<hr/>	<hr/>
	925,814	1,109,774	45,251

21. Trade and other payables

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Trade payables	582,180	1,274,105	1,500,098
Other payables	–	153,515	53,546
Related party payables	42,202	40,879	39,586
	<hr/>	<hr/>	<hr/>
	624,382	1,468,499	1,593,230

Trade payables represent amounts due for the purchase of agriculture materials and administrative expenses. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Included in 'Other payables' is a loan from G Roach: The loan bears interest at the South African prime overdraft rate. The interest will be calculated and paid when the loan is repaid. The loan is repayable as decided upon from time to time.

The related party payables comprise:

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
M Bonner	25,357	24,562	24,052
R Scott	16,845	16,317	15,534
	<hr/>	<hr/>	<hr/>
	42,202	40,879	39,586

Terms:

M Bonner: The loan bears interest at the South African prime overdraft rate. The interest is calculated and paid quarterly. The loan is repayable as decided upon from time to time.

R Scott: The loan bears interest at the South African prime overdraft rate. The interest is calculated and paid quarterly. The loan is repayable as decided upon from time to time.

Subsequent to the year end, R Scott agreed to waive the amounts owed to him from the Company. Please refer to disclosure note 33 for details.

22. Share capital and share premium

	Number of shares	Nominal value £	Share premium £	Total £
Allotted, called up and fully paid share capital and share premium				
Balance at 31 October 2019	19,399,198	387,984	2,519,909	2,907,893
Share issue	2,566,889	51,338	51,338	102,676
Balance at 31 October 2020	21,966,087	439,322	2,571,247	3,010,569
Share issue	—	—	—	—
Balance at 31 October 2021	21,966,087	439,322	2,571,247	3,010,569
Share issue on settlement of debt 29 April 2022	3,823,627	76,473	76,473	152,946
Share issue on conversion of convertible loan notes 3 October 2022	7,373,140	147,463	221,194	368,657
Share issue 3 October 2022	13,000,000	260,000	390,000	650,000
Warrants issued during the year	—	—	(218,799)	(218,799)
Balance at 31 October 2022	46,162,854	923,258	3,040,115	3,963,373

Share capital is the amount subscribed for shares at nominal value.

During the 2019 financial year the Company consolidated all existing and issued shares and share options on the basis of 20 existing shares/options for 1 new share/option.

Retained losses represent the cumulative loss of the Group attributable to equity shareholders.

Share-based payments reserve relate to the charge for share-based payments in accordance with IFRS 2.

During the prior year the Company placed these shares and as the number of placing shares comprised more than 20 per cent. of the Company's issued share capital, and although the placing shares has been allotted, admission of the placing shares required publication of a Prospectus within a twelve-month period.

23. Share based payments reserve

The Company does not have a share-ownership compensation scheme for senior executives of the Company. However senior executives may be granted options to purchase Ordinary Shares in the Company.

Warrants

During the 2019 financial year the Company consolidated all existing and issued shares and share options on the basis of 20 existing shares/options for 1 new share/option.

There are 38,363,171 warrants to subscribe for Ordinary Shares at 31 October 2022 (2021: 10,754,956; 2020: 12,421,622).

Date of Grant	As at 1 November 2020	As at 1 November 2021	Expired / exercised / vested / issued	As at 31 October 2022	Exercise price	Exercise/vesting date From	Exercise/vesting date To
Warrants							
09/05/2012	138,066	138,066	(138,066)	—	20p	09/05/2012	05/09/2022
27/11/2018	8,050,000	8,050,000	(8,050,000)	—	20p	27/11/2018	30/09/2022
24/07/2020	1,666,667	—	—	—	5p	24/07/2020	24/07/2021
24/07/2020	2,566,890	2,566,890	(2,566,890)	—	5p	24/07/2020	24/07/2022
03/10/2022	—	—	8,050,000	8,050,000	5p	03/10/2022	01/02/2024
03/10/2022	—	—	2,566,890	2,586,890	5p	03/10/2022	01/02/2024
03/10/2022	—	—	13,000,000	13,000,000	5p	03/10/2022	31/12/2024
03/10/2022	—	—	7,373,141	7,373,141	5p	03/10/2022	31/12/2024
03/10/2022	—	—	7,373,141	7,373,141	10p	03/10/2022	31/12/2024
	<u>12,421,622</u>	<u>10,754,956</u>	<u>27,608,216</u>	<u>38,363,172</u>			

Warrants were attached to the convertible loan notes ("CLNS") issued on 23 March 2021, with an exercise price of 5.0p per Ordinary Share and expire 12 months after the CLNS are converted. These warrants will only be issued once the convertible loan notes issued on 23 March 2021 are converted into Ordinary Shares.

Warrants were attached to Ordinary Shares which were issued in a subscription on 24 July 2020 on a 1-for-1 basis, with an exercise price of 5.0p per Ordinary Share and expired on 24 July 2021, being 12 months from allotment of the subscription shares. Further warrants were attached to any new Ordinary Shares that are issued as a result of conversion of any CLNS, on a 1-for-1 basis on the same terms as the warrants issued on 24 July 2020.

Warrants were attached to Ordinary Shares which were issued in a subscription on 14 September 2018 on a 1-for-1 basis, with an exercise price of 20.0p per ordinary share and expire on 14 September 2019, being 12 months from allotment of the subscription shares. Further warrants were attached to any new Ordinary Shares that are issued as a result of conversion of any loan notes, on a 1-for-1 basis on the same terms as the warrants. A maximum of 20,450,222 new Ordinary Shares could potentially be issued in the event that all warrants issued on 14 September 2018 and loan note warrants are exercised.

An investor subscribed for 13,000,000 new Ordinary Shares in the Company at a price of 5p per share, representing a capital injection of £650,000 (gross and net) into the Company. The new Ordinary Shares were accompanied by 1 for 1 warrants at 5p in the Company's Ordinary Share capital, equating to 13,000,000 warrants exercisable at any time before 31 December 2024.

The Company agreed with 35 per cent. of the convertible loan note holders to accelerate the conversion of 5,971,000 convertible loan notes and accrued but unpaid interest into 7,373,141 new Ordinary Shares at a conversion price of 5p. The conversion of 5,971,000 convertible loan notes plus accrued but unpaid interest resulted in the issue of 7,313,141 new Ordinary Shares as well as 7,373,141 5p warrants and 7,373,141 10p warrants, with all warrants expiring on 31 December 2024.

The estimated fair value of the options in issue was calculated by applying the Black-Scholes option pricing model.

The assumptions used in the calculation were as follows:

Share price at date of grant	£0.0040
Exercise price	£0.05 to £0.10
Expected volatility	49%
Expected dividend	0%
Contractual life	2.25 years
Risk free rate (based on 2 year UK Bond market)	4.00%
Estimated fair value of each option	£0.002845 – £0.009710

Options

At 31 October 2022 there were no share options issued to the Directors or past Directors of the Company. During the current year no share options were granted (2021: 897,809; 2020: nil).

The movement on the share-based payment charge for the year was £nil (2021: £nil; 2020: £nil) in respect of the issued options. The details of warrants and options are as follows:

Date of Grant Options	As at		Exercised/ vested/ Forfeit	As at		Exercise Price	Exercise/ vesting date	
	1 November 2020	1 November 2021		31 October 2022	Exercise Price		From	To
09/05/2012	183,905	183,905	(183,905)	–	20p	09/05/2012	05/09/2022	
13/08/2014	91,952	91,952	(91,952)	–	20p	13/08/2014	05/09/2022	
29/04/2016	441,952	441,952	(441,952)	–	11p/20p	29/04/2016	05/09/2022	
20/09/2017	180,000	180,000	(180,000)	–	20p	29/09/2017	05/09/2022	
	897,809	897,809	(897,809)	–				

The Remuneration Committee's aim is to remunerate Executive Directors competitively and to reward performance. The Remuneration Committee determines the Company's policy for the remuneration of Executive Directors, having regard to the QCA Code and its provisions on directors' remuneration.

The number of options outstanding to the Directors that served in the year, as at 31 October 2022, were as follows:

<i>Director</i>		2022 Options	2021 Options	2020 Options
Andrew Monk		–	191,952	191,952
Robert Scott		–	50,000	50,000
Matthew Bonner		–	180,000	180,000
Total		–	421,952	421,952

The estimated fair value of the options in issue was calculated by applying the Black-Scholes option pricing model.

The assumptions used in the calculation were as follows:

Share price at date of grant	£0.0050
Exercise price	£0.0075 to £0.01
Expected volatility	65%
Expected dividend	0%
Contractual life	1.1 years
Risk free rate	1.63%
Estimated fair value of each option	£0.003764 – £0.0378

The share options outstanding at the year-end had a weighted average remaining contractual life of nil years (2021: 0.5 years; 2020: 1.5 years).

24. Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	2022 £	2021 £	2020 £
<i>Dynamic Intertrade (Pty) Ltd</i>			
Current assets	450,386	313,043	487,296
Non-current assets	264,330	355,674	15,298
Current liabilities	(522,082)	(391,816)	(792,897)
Non-current liabilities	(4,898,562)	(4,066,056)	(3,321,159)
	<u>(4,705,928)</u>	<u>(3,789,155)</u>	<u>(3,611,462)</u>
Equity attributable to the owners of the Company	(4,705,928)	(3,789,155)	(3,611,462)
Non-controlling interests	–	–	–
	<u>(4,705,928)</u>	<u>(3,789,155)</u>	<u>(3,611,462)</u>

	2022 £	2021 £	2020 £
<i>Dynamic Intertrade (Pty) Ltd</i>			
Revenue	1,698,839	1,404,234	1,737,583
Expenses	(2,615,612)	(1,585,303)	(2,217,959)
Loss for the year	(916,773)	(181,069)	(480,376)
Loss attributable to owners of the Company	(916,773)	(181,069)	(480,376)
Loss attributable to the non-controlling interests	—	—	—
Loss for the year	(916,773)	(181,069)	(480,376)
Other comprehensive income attributable to owners of the Company	—	—	—
Other comprehensive income attributable to the non-controlling interests	—	—	—
Other comprehensive income for the year	—	—	—
Total comprehensive income attributable to owners of the Company	(916,773)	(181,069)	(480,376)
Total comprehensive income attributable to the non-controlling interests	—	—	—
Total comprehensive income for the year	(916,773)	(181,069)	(480,376)
Net cash outflows from operating activities	(786,055)	(98,062)	(408,867)
Net cash outflows from investing activities	(4,415)	(8,876)	(3,423)
Net cash inflows from financing activities	792,436	87,906	431,140
Net cash inflow / (outflow)	1,966	(19,032)	18,850
	2022 £	2021 £	2020 £
Non-controlling interest			
Balance at 1 November	—	—	—
Equity attributable to non-controlling interest on disposal of 49% of DI	(2,305,905)	—	—
Share of profits for the year	522	—	—
Balance at 31 October	(2,305,383)	—	—

During the period under review the Company and K2 Spice Limited (“**K2**”) entered into certain related party arrangements in relation to Dynamic Intertrade (Pty) Ltd (“**DI**”). K2 was a 100 per cent. subsidiary of VSA Capital. At the time the arrangements were entered into Andrew Monk was a Director of the Company, VSA Capital and K2 and is deemed to have significant influence over VSA Capital and K2. Pursuant to the arrangements, K2 subscribed for such number of new shares in the capital of DI resulting in K2 holding 49 per cent. of the enlarged issued share capital of DI for a consideration of ZAR10,982; the Company agreed to assign certain debts owing by DI, amounting to £4.2 million which had been fully impaired in prior years, to the Company and certain other parties to K2 in consideration for K2 paying to the Company £100,001 and agreeing to fund DI so as to enable DI to carry on its business in the ordinary course until such time as the Company ceases to hold any shares in DI. This assignment agreement resulted in K2 having a non-controlling interest in DI and as such its share of the FY22 profits amounted to £522, its share of accumulated losses prior to acquisition amounted to £2,305,905. Additionally, the assignment of the loans resulted in the Group incurring a finance charge on consolidation of £3.1 million. K2 has signed a subordination agreement in relation to the loans due by DI to K2 with an expiry date of 31 October 2023. Should K2 choose to request the repayment of the loans due by DI this will severely impact DI’s ability to continue as a going concern. Under a put and call option agreement the Company granted to K2 the option to acquire 11,430 shares in DI, being the remaining 51 per cent. of DI held by the Company, subject to the satisfaction of certain conditions and subject to certain time restrictions, for £1.

25. Equity portion of convertible loan notes

During the 2021 financial year, on the 23rd of March 2021, the Company converted £383,000 owed to the Directors and a Company owned by a Director for 7,660,000 convertible loan notes and, simultaneously, issued 4,400,000 convertible loan notes to the value of £220,000 for cash. During the current financial year the Company extended the conversion date of the convertible loan notes to 31 December 2024. The equity portion of the convertible loan notes is presented below.

	Group Year ended 31 October 2022 £	Group Year ended 31 October 2021 £	Group Year ended 31 October 2020 £
Equity portion of convertible loan notes issued during the year (per note 26)	42,539	74,935	—
Carrying value	42,539	74,935	—

26. Convertible loan notes

	Group Year ended 31 October 2022 £	Group Year ended 31 October 2021 £	Group Year ended 31 October 2020 £
Convertible loan notes	710,274	778,065	250,000
Carrying value	710,274	778,065	250,000

The loan notes holder will be paid an annual interest rate of 12 per cent. in cash, semi-annually, with a term of 24 months. The loan notes will not be admitted to trading on any exchange.

During the 2021 financial year, on 23 March 2021, the Company converted £383,000 owed to the directors and a Company owned by a director for 7,660,000 convertible loan notes and, simultaneously, issued 4,400,000 convertible loan notes to the value of £220,000 for cash.

During the 2020 financial year, as part of the subscription dated 24 July 2020, 3,333,333 additional share warrants were allocated to the capital portion of the convertible loan notes and 750,000 additional share warrants were allocated to the outstanding interest portion of the convertible loan notes, which at the subscription date was £37,500.

The new Ordinary Shares issued as a result of conversion of all convertible loan notes would represent 17,060,000 Ordinary Shares, or 43.71 per cent. of the issued share capital of the Company, as enlarged by the 2018 Fundraising (as defined below). On 14 September 2018 the Company issued £250,000 of convertible loan notes for 50,000,000 convertible loan notes of 0.50p with a conversion price of 0.75p (the **“Conversion Price”**). The subscription price of 0.50p pertaining to a subscription on 14 September 2018 for 161,000,000 Ordinary Shares (note: there was subsequently a 20:1 consolidation of the Ordinary Shares) and raising £805,000, was at the last closing price of 0.50p per Ordinary Share as at 13 September 2018 (the **“2018 Fundraising”**). Further, the Conversion Price represented a premium of 50.0 per cent. to this same closing price. The subscription on 14 September 2018 included the issue of 50,000,000 convertible loan notes of 0.50p with a conversion price of 0.75p which after the 20:1 share consolidation of 2018 resulted in there being 2,500,000 convertible loan notes of 10.0p with a conversion price of 15.0p.

If the convertible loan notes were converted, up to 17,810,000 new Ordinary Shares could be issued (“**Loan Conversion Shares**”). Two warrants are attached to any Loan Conversion Shares (“**Loan Conversion Warrants**”) at 5 pence and 10 pence each. A maximum of 32,510,222 new Ordinary Shares could potentially be issued in the event that all Loan Conversion Warrants are exercised. The fair value of the liability component, included in non-current liabilities, is calculated using a market interest rate for an equivalent non-convertible loan note at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholder’s equity in ‘Equity portion of convertible loan notes’ (Note 25).

The carrying amounts of the liability component of the convertible loan notes at the balance sheet date are derived as follows:

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Liability component at the beginning of the financial year	910,759	282,909	255,819
Face value of the convertible loan notes issued on 23 March 2021	–	603,000	–
Conversion of convertible loan notes to shares on 3 October 2022	(368,656)	–	–
Equity portion on extension of conversion date	32,396	–	–
Equity conversion component	–	(74,935)	–
Accumulated amortisation of interest expense	135,775	99,785	30,082
Accumulated payments of interest	–	–	(2,992)
Liability component at the end of the financial year	<u>710,274</u>	<u>910,759</u>	<u>282,909</u>
Current portion included in current liabilities	–	132,694	32,909
Long term portion included in long term liabilities	<u>710,274</u>	<u>778,065</u>	<u>250,000</u>
Liability component at the end of the financial year	<u>710,274</u>	<u>910,759</u>	<u>282,909</u>

As part of the of 3 October 2022 investment agreement with Golden Nice, the Company agreed with the convertible loan note holders to accelerate the conversion of 5,971,000 convertible loan notes and accrued but unpaid interest into 7,373,141 new Ordinary Shares in the Company at a conversion price of 5.0p.

27. Borrowings

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Euro 2 Afrisko Ltd			
– Inventory financing	417,891	401,696	256,400
Onga Wari CRS (PTY) LTD			
– Inventory financing	–	16,560	52,808
Working Capital Partners			
– Accounts receivable financing	140,063	47,808	119,511
Loan from K2	<u>4,174,538</u>	–	–
Carrying value	<u>4,732,492</u>	<u>466,064</u>	<u>428,719</u>

The Group's subsidiary DI has entered into a funding agreement with Euro 2 Afrisko Ltd whereby Euro 2 Afrisko pay the suppliers directly and this is then repaid by DI to purchase stock from suppliers where deposits are required. This funding is secured by a lien over the inventory and a cession of the debtors.

The borrowings are secured by a security agreement from the Company. The loans bear interest at 14 per cent. per annum.

The board of DI will be requesting this subordination to be reinstated as should it not be reinstated then the loans due to both WCP and Afrisko become due and payable, and K2 is responsible for the payments of the loans to WCP and Afrisko.

28. Leases

Right-of-Use Assets and Lease Liability

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Operating lease commitments disclosed as at 31 October	347,102	410,502	–
Discounted using the incremental borrowing rate at date of initial application	–	–	–
Additions to leases during the year	–	–	430,973
Lease payments	(73,233)	(67,072)	(20,471)
Exchange difference	(7,313)	3,672	–
Lease liability recognised in the statement of financial position	266,556	347,102	410,502
Of which:			
Current lease liabilities	100,485	77,887	66,477
Non-current lease liabilities	166,070	269,215	344,025
	266,556	347,102	410,502

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 October 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The recognised right-of-use assets relate to the following types of assets:

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Properties	250,446	341,905	409,424

On the 3 March 2020 a new lease was signed for the Group's main trading address, 104 Bofors Circle, Epping Industrial 2, Cape Town, South Africa with commencement date of 1 July 2020. On the commencement date, the Group recognised a lease liability and right-of-use asset of £430,973.

Impact on earnings per share

Depreciation on the right-of-use asset amounting to £73,233 (2021: £67,072; 2020: £21,549) and interest on the right-of-use lease liability of £25,995 (2021: £31,468; 2020: £11,552) were charged to the statement of profit and loss for the current year. As a result, the earnings per share decreased by 0.005p.

29. Notes to the statement of cash flows

	Group Year ended 31 October 2022	Group Year ended 31 October 2021	Group Year ended 31 October 2020
	£	£	£
Cash and cash equivalents	925,814	1,109,774	45,251
Borrowings	(4,731,969)	(466,064)	(428,719)
Convertible loan notes	(710,274)	(778,065)	(250,000)
Right-of-Use lease liability	(266,555)	(347,102)	(410,502)
Net debt	(4,782,985)	(481,457)	(1,043,970)
Cash and liquid investments	925,814	1,109,774	45,251
Fixed rate instruments	(5,708,799)	(1,591,231)	(1,089,221)
Net debt	(4,782,985)	(481,457)	(1,043,970)

Net debt reconciliation for the Group

	Cash and cash equivalents £	Borrowings £	Convertible loan notes £	Right-of-use lease liability £	Total debt £	Net debt £
Net debt as at 31 October 2019	5,218	(363,091)	(250,000)	–	(613,091)	(607,873)
Cash flows	40,093	(38,687)	–	20,471	(18,216)	21,877
Non-cash transactions	–	–	–	(430,973)	(430,973)	(430,973)
Foreign exchange adjustments	(60)	(26,941)	–	–	(26,941)	(27,001)
Net debt as at 31 October 2020	45,251	(428,719)	(250,000)	(410,502)	(1,089,221)	(1,043,970)
Cash flows	1,064,699	(32,973)	(220,000)	67,071	(185,902)	878,797
Non-cash transactions	–	–	(383,000)	–	(383,000)	(383,000)
Equity portion of convertible loan notes	–	–	74,935	–	74,935	74,935
Foreign exchange adjustments	(176)	(4,372)	–	(3,671)	(8,043)	(8,219)
Net debt as at 31 October 2021	1,109,774	(466,064)	(778,065)	(347,102)	(1,591,231)	(481,457)
Cash flows	(183,960)	(1,134,015)	–	73,233	(1,060,782)	(1,244,742)
Non-cash transactions	–	(3,131,890)	67,791	–	(3,064,099)	(3,064,099)
Foreign exchange adjustments	–	–	–	7,313	7,313	7,313
Net debt as at 31 October 2022	925,814	(4,731,969)	(710,274)	(266,556)	(5,708,799)	(4,782,985)

The non-cash transactions of £3,131,890 relate to the finance charges incurred by the Group on assignment of certain debts owed by DI to K2.

30. Financial instruments – Fair values and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade and other receivables and trade and other payables classified as held-for-sale are not included in the table below. As at 31 October 2021 the Group did not have any trade and other receivables nor any trade and other payables that were classified as held-for-sale.

The Group has not disclosed the fair values of financial instruments such as short-term trade receivables and payables because their carrying amounts are a reasonable approximation of their fair value.

Group as at 31 October 2022	Note	FVOCI - equity instruments	Carrying value			Fair value			
			Financial		Total £	Level 1 £	Level 2 £	Level 3 £	Total £
			assets at amortised cost	Other financial liabilities					
Financial assets measured at fair value									
Investment in associate		6,154	–	–	6,154	–	–	6,154	6,154
Loan receivable		–	–	–	–	–	–	–	–
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		6,154	–	–	6,154				
Financial assets not measured at fair value									
Trade and other receivables		–	271,184	–	271,184				
Cash and cash equivalents		–	925,814	–	925,814				
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		–	1,196,998	–	1,196,998				
Financial liabilities measured at fair value									
Lease Liability		–	–	–	–	–	–	–	–
Unsecured borrowings		–	–	(4,732,492)	(4,732,492)				
Convertible loan notes		–	–	(710,274)	(710,274)				
Trade and other payables		–	–	(624,382)	(624,382)				
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		–	–	(6,333,703)	(6,333,703)				

Group as at 31 October 2021	Note	FVOCI - equity instruments	Carrying value			Fair value			
			Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
			£	£	£	£	£	£	£
Financial assets measured at fair value									
Investment in associate		6,154	–	–	6,154	–	–	6,154	6,154
Loan receivable		–	–	–	–	–	–	–	–
		6,154	–	–	6,154				
Financial assets not measured at fair value									
Trade and other receivables		–	259,360	–	259,360				
Cash and cash equivalents		–	1,109,774	–	1,109,774				
		–	1,369,134	–	1,369,134				
Financial liabilities measured at fair value									
Lease Liability		–	–	(347,102)	(347,102)				
Unsecured borrowings		–	–	(466,064)	(466,064)				
Convertible loan notes		–	–	(778,065)	(778,065)				
Trade and other payables		–	–	(1,468,499)	(1,468,499)				
		–	–	(3,059,730)	(3,059,730)				
Financial liabilities not measured at fair value									
Group as at 31 October 2020	Note	FVOCI - equity instruments	Carrying value				Fair value		
		£	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
			£	£	£	£	£	£	£
Financial assets measured at fair value									
Investment in associate		6,154	–	–	6,154	–	–	6,154	6,154
Loan receivable		994,729	–	–	994,729	–	–	–	–
		1,000,883	–	–	1,000,883				
Financial assets not measured at fair value									
Intercompany loans receivable		–	–	–	–	–			
Trade and other receivables		–	290,256	–	290,256				
Cash and cash equivalents		–	45,251	–	45,251				
		–	335,507	–	335,507				
Financial liabilities measured at fair value									
Loans payable to K2		–	–	–	–	–			
		–	–	–	–	–			
Financial liabilities not measured at fair value									
Lease Liability		–	–	(410,502)	(410,502)				
Unsecured borrowings		–	–	(428,719)	(428,719)				
Convertible loan notes		–	–	(250,000)	(250,000)				
Trade and other payables		–	–	(1,593,230)	(1,593,230)				
		–	–	(2,682,451)	(2,682,451)				

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Associate	The value of the investment is adjusted annually based upon the Group's share of the associate's profit or loss.	None	None

There were no transfers between Levels 1 and 2 in either the current financial year or in the prior financial year.

C. Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity and cash flow risk; and
- market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee undertake ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit exposure. There was no impairment loss in the current year nor in the prior year.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which its customers operate. Details of concentration of revenue are included in Note 5.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and are reviewed regularly.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one month.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivables for which a no allowance is recognised because of collateral.

	Group 2022 £	Group 2021 £	Group 2020 £
As at 31 October the exposure to credit risk for trade receivables by geographic region was follows:			
South Africa	256,824	257,332	272,130
Other	—	—	—
	<hr/>	<hr/>	<hr/>
	256,824	257,332	272,130
As at 31 October the exposure to credit risk for trade receivables by counterparty was follows:			
Other	—	—	—
	<hr/>	<hr/>	<hr/>
	—	—	—
As at 31 October the exposure to credit risk for trade receivables by credit rating was follows:			
External credit ratings	—	—	—
Other	256,824	257,332	272,130
	<hr/>	<hr/>	<hr/>
	256,824	257,332	272,130

Expected credit loss assessment for corporate customers as at 31 October 2022 and 31 October 2021

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

The Company had no exposure to credit risk for the year ended 31 October 2022.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year amounted to nil.

Cash and cash equivalents

As at 31 October 2022, the Group held £925,814 in cash and cash equivalents (2021: £1,109,774; 2020: £45,251) and had a bank overdraft of £nil. The cash and cash equivalents are held with bank and financial institution counterparties which are rated Baa3 to A1+ by Moody's.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have

low credit risk based on the external credit ratings of the counterparties. On the implementation of IFRS 9 the Group did not impair any of its cash and cash equivalents.

Liquidity and cash flow risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity and cash flow risk

The following tables present the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Carrying value	Total £	Contractual cash flows					More than 5 years £
			2 Months or less £	2 to 12 Months £	1 to 2 Years £	2 to 5 Years £		
Group as at 31 October 2022								
Non- derivative financial liabilities								
Bank overdrafts	–	–	–	–	–	–	–	–
Unsecured shareholders' loans (K2)	(4,174,538)	(4,174,538)	–	–	–	–	–	(4,174,538)
Convertible loan notes	(710,274)	(710,274)	–	–	(710,274)	–	–	–
Secured loans	(557,954)	(557,954)	–	(557,954)	–	–	–	–
Right-of-use finance lease	(266,555)	(307,998)	(17,634)	(89,933)	(112,945)	(87,486)	–	–
Trade payables	(582,180)	(582,180)	(582,180)	–	–	–	–	–
Other payables	–	–	–	–	–	–	–	–
Related party payables	(42,202)	(42,202)	–	(42,202)	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(6,333,703)	(6,375,146)	(599,814)	(690,089)	(823,219)	(87,486)	(4,174,538)	
Derivative financial liabilities								
	–	–	–	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	–	–	–	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

As noted elsewhere the loan subordination agreement with K2 expires on 31 October 2023 but the loan does not have a fixed contract date. If DI stays within the Group, the Directors expect the loans to be repayable within 5 years.

Group as at 31 October 2021	Carrying value £	Contractual cash flows					
		Total £	2 Months or less £		2 to 12 Months £		1 to 2 Years £
			2 Months or less £	12 Months £			
Non- derivative financial liabilities							
Bank overdrafts	–	–	–	–	–	–	–
Unsecured shareholders' loans (K2)	–	–	–	–	–	–	–
Convertible loan notes	(778,065)	(778,065)	–	–	(778,065)	–	–
Secured loans	–	–	–	–	–	–	–
Right-of-use finance lease	(347,102)	(347,102)	(12,268)	(65,619)	(89,877)	(179,338)	–
Trade payables	(1,274,105)	(1,274,105)	(1,274,105)	–	–	–	–
Other payables	(153,515)	(153,515)	–	(153,515)	–	–	–
Related party payables	(40,879)	(40,879)	–	(40,879)	–	–	–
	<u>(2,593,666)</u>	<u>(2,593,666)</u>	<u>(1,286,373)</u>	<u>(260,013)</u>	<u>(867,942)</u>	<u>(179,338)</u>	<u>–</u>

Group as at 31 October 2020	Carrying value £	Contractual cash flows					
		Total £	2 Months or less £		2 to 12 Months £		1 to 2 Years £
			2 Months or less £	12 Months £			
Non- derivative financial liabilities							
Bank overdrafts	–	–	–	–	–	–	–
Unsecured shareholders' loans (K2)	–	–	–	–	–	–	–
Convertible loan notes	(250,000)	(250,000)	–	–	(250,000)	–	–
Secured loans	–	–	–	–	–	–	–
Right-of-use finance lease	(410,502)	(410,502)	(10,446)	(56,031)	(77,196)	(266,829)	–
Trade payables	(1,500,098)	(1,500,098)	(1,500,098)	–	–	–	–
Other payables	(53,546)	(53,546)	–	(53,546)	–	–	–
Related party payables	(39,586)	(39,586)	–	(39,586)	–	–	–
	<u>(2,253,732)</u>	<u>(2,253,732)</u>	<u>(1,510,544)</u>	<u>(149,163)</u>	<u>(327,196)</u>	<u>(266,829)</u>	<u>–</u>

Derivative financial liabilities

– – – – – – – –

The interest payments on the financial liabilities represent the fixed interest rates as per the respective contracts.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities other than trade payables. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

Group Foreign exchange risk	31 October 2022 GBP	2022 ZAR	31 October 2021 GBP	2021 ZAR
Trade and other receivables	–	5,708,637	–	5,605,406
Cash and cash equivalents	922,613	67,345	1,108,476	27,042
Unsecured shareholders' loans	–	(87,836,461)	–	–
Secured loans	–	(11,739,909)	–	(9,709,568)
Convertible loan notes	(710,274)	–	(778,065)	–
Right-of-use finance lease	–	(5,608,577)	–	(7,231,199)
Trade payables	(160,587)	(9,758,757)	(1,113,694)	(8,771,247)

Net statement of financial position exposure

51,752	(109,167,723)	(783,283)	(20,079,566)
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Next 6 months sales forecast

1,434,073	30,816,695	–	14,750,700
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Next 6 months purchases forecast

(1,231,550)	(26,464,641)	(131,337)	(10,763,660)
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Net forecast transaction exposure

202,523	4,352,054	(131,337)	3,987,040
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Net exposure

254,275	(104,815,669)	(914,620)	(16,092,526)
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Group Foreign exchange risk	31 October 2020 GBP	2020 USD	2020 ZAR
Loan receivable	–	1,307,472	–
Trade and other receivables	12,163	–	5,880,723
Cash and cash equivalents	25,624	–	412,539
Unsecured shareholders' loans	–	–	–
Secured loans	–	–	(6,933,134)
Convertible loan notes	(250,000)	–	–
Right-of-use finance lease	–	–	(9,058,788)
Trade payables	(1,202,316)	–	(8,771,247)

Net statement of financial position exposure

(1,414,529)	1,307,472	(18,469,907)
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Next 6 months sales forecast

–	–	24,584,495
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Next 6 months purchases forecast

(85,642)	–	(19,570,291)
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Net forecast transaction exposure

(85,642)	–	5,014,204
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Net exposure

(1,500,171)	1,307,472	(13,455,703)
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The following significant exchange rates in relation to the reporting currency are applicable:

	Average for the year			Year-end spot rate		
	2022	2021	2020	2022	2021	2020
United States Dollar (\$)	1.2610	1.3747	1.2818	1.1469	1.3683	1.3144
South African Rand (ZAR)	20.5000	20.2550	20.8703	21.0410	20.8331	21.0194

The presentation currency of the Group is British Pound Sterling.

The Group is exposed primarily to movements in USD and ZAR, the currency in which the Group receives most of its funding, against other currencies in which the Group incurs liabilities and expenditure.

Sensitivity analysis

Financial instruments affected by foreign currency risk include cash and cash equivalents, trade other receivables and trade and other payables. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Group's financial instruments (at year end) to changes in market variables, being exchange rates.

The following assumptions were made in calculating the sensitivity analysis:

- all income statement sensitivities also impact equity; and
- translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from this sensitivity as they have no monetary effect on the results.

	2022 +10%	2022 -10%	2021 +10%	2021 -10%	2020 +10%	2020 -10%
Base currency of British Pound Sterling:						
– United States Dollar (\$)						
– United States Dollar (\$)	0.1147	(0.1147)	0.1368	(0.1368)	0.1314	(0.1314)
– South African Rand (ZAR)	2.1041	(2.1041)	2.0833	(2.0833)	2.1019	(2.1019)

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:

- fluctuating other receivable and trade payable balances;
- fluctuating cash balances; and
- changes in currency mix.

Interest rate risk

The Group has entered into fixed rate agreements for its finance leases and shareholders loans. The Group does not hedge its interest rate exposure by entering into variable interest rate swaps.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as per the table below.

	Group 2022	Group 2021	Group 2020
Fixed rate instruments			
Financial assets	–	–	994,729
Financial liabilities	(5,608,836)	(1,513,344)	(1,022,744)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The Group is exposed to equity price risk, which arises from equity securities at FVOCI are held as a long-term investment.

The Group's investments in equity securities comprise small shareholdings in unlisted companies. The shares are not readily tradable and any monetisation of the shares is dependent on finding a willing buyer.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of cash and receivables and liabilities approximates the carrying values disclosed in the financial statements.

Capital management

The Group manages its capital resources to ensure that entities in the Group will be able to continue as a going concern, while maximising shareholder return.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued share capital and reserves. The availability of new capital will depend on many factors including a positive operating environment, positive stock market conditions, the Group's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist or will be made available to finance operations but controls over expenditure are carefully managed.

31. Related party transactions

Directors' fees

Andrew Monk, a Non-Executive Director of the Company (resigned : 3 October 2022), is a director of VSA Capital Limited and that Company provided services amounting to £36,000 (2021: £57,384; 2020: £113,575) to the Company during the year.

During the year ended 31 October 2022 £35,923 was paid to Directors of the Company (2021: £46,966; 2020: £49,896). At the year-end a total of £33,587 (2021: £62,126; 2020: £194,266) was outstanding in respect of Directors' emoluments.

Other related party transactions

Included in trade and other payables are the following related party financial liabilities:

	<i>Group As at 31 October 2022</i>	<i>Group As at 31 October 2021</i>	<i>Group As at 31 October 2020</i>
	£	£	£
M Bonner	25,357	24,562	24,052
R Scott	16,845	16,317	15,534
	<hr/>	<hr/>	<hr/>
	42,202	40,879	39,586

Terms:

M Bonner and R Scott: The loans bear interest at the South African prime overdraft rate. The interest will be calculated and paid when the loan is repaid. The loan is repayable as decided upon from time to time.

Outstanding Director's salaries and related party transactions

Included in trade and other payables are the following outstanding Directors' salaries and fees payable to related parties for other services:

	Group As at 31 October 2022 £	Group As at 31 October 2021 £	Group As at 31 October 2020 £
Company controlled by a former Director:			
VSA Capital	46,587	227,082	356,934
Directors' salaries outstanding			
– A. Monk (resigned)	10,587	37,126	31,266
– M. Bonner (resigned)	11,000	12,000	42,000
– D. Lenigas (resigned)	–	5,000	49,000
– R. Scott	12,000	8,000	37,000
	<u>33,587</u>	<u>62,126</u>	<u>159,266</u>

Arrangements with K2 Spice Limited (previously VSA NEX Investments Limited)

During the period under review the Company and K2 entered into certain related party arrangements in relation to DI as outlined below. K2 was a 100 per cent. subsidiary of VSA Capital at the date of the agreement. At the time the arrangements were entered into Andrew Monk was a Director of the Company, VSA Capital and K2 and is deemed to have significant influence over VSA Capital and K2.

Disposal of 49 per cent. equity interest in DI to K2

K2 subscribed for such number of new shares in the capital of DI resulting in K2 holding 49 per cent. of the enlarged issued share capital of DI for a consideration of ZAR10,982 and therefore became a significant shareholder in DI representing the non-controlling interest disclosed in the Group financial statements;

Put and call option for K2 to acquire remaining 51 per cent. of DI

At the same time a put and call option agreement was entered into with the Company granting to K2 the option to acquire 11,430 shares in DI, which represents the remaining 51 per cent. equity interest currently owned by the Company. This is subject to the satisfaction of certain conditions and a time restriction of 31 December 2023 for a consideration of £1.

Disposal of group loans in DI from the Company to K2 and entry into a loan subordination agreement

Simultaneously with the above subscription and to allow the equity in DI to be issued to K2, the Company agreed to assign certain debts owing by DI, amounting to £4.2 million which had been fully impaired in prior years, to the Company and certain other parties to K2 in consideration for K2 paying to the Company £100,001 and agreeing to fund DI so as to enable DI to carry on its business in the ordinary course until such time as the Company ceases to hold any shares in DI. This assignment agreement resulted in K2 having a non-controlling interest in DI and as such its share of the current year profits amounted to £522 and its share of accumulated losses prior to acquisition amounted to £2,305,905.

Additionally, the assignment of the loans resulted in the Group incurring a finance charge on consolidation of £3.1 million. K2 signed a subordination agreement in relation to the loans due by DI to K2 with an expiry date of 31 October 2023. Should K2 choose to request the repayment of the loans by DI this will severely impact DI's ability to continue as a going concern.

32. Controlling Party Note

There is no single controlling party.

33. Events subsequent to 31 October 2022

Subsequent to year end the Company appointed a new auditor as disclosed previously in this report.

On 24 January 2023, the Company announced the subscription (the “**Subscription**”) for 12,726,000 new Ordinary Shares the Company raised net proceeds totalling £699,930 at 5.5 pence per share representing a premium of 119 per cent. to the closing price of 2.51 pence on 20 January 2023, being the business day prior to agreement of the Subscription.

On 24 January 2023 the convertible loan note holder converted £300,000 of its debt to 6,000,000 new Ordinary Shares. In addition, the Company issued an additional 12,726,000 new Ordinary Shares to two new shareholders for an investment of £699,930 in February 2023.

On the 4 July 2023, the Company entered into an agreement to provide a loan to Precious Link (UK) Limited (“**Precious Link**”), a wine retailer, incorporated and registered in England and Wales, located within the Southeast of England. The loan is for a sum of £200,000, is unsecured and attracts interest at 10 per cent. per annum payable monthly in arrears. The loan is repayable on demand by the Company and is repayable on 5 business days’ notice from Precious Link.

On the 20 July 2023, the Company announced that it had sold its 46.8 per cent. equity stake in Dynamic Intertrade Agriculture (Pty) Ltd (“**DIA**”) to Athena Trading Worldwide Limited, a private company for a consideration of £15,384.62, payable in cash on completion. The contractual completion date is 31 July 2023. As such, the investment had been held in the balance sheet of the Group as an asset held for sale since the decision to sell DIA was made.

Robert Scott, a Non-Executive Director of the Company and related party (due to his position as Director of the Company as well as his shareholding and level of influence in both entities), entered into a related party arrangement with K2, pursuant to which Robert Scott agreed to release and discharge DI from any claims or demands, duties, obligations and liabilities under or in respect of the loans owing to Robert Scott by DI (“**Waiver**”) in consideration for the issue and allotment of 17,900 ordinary shares in K2 issued and allotted to Robert Scott. The Waiver is undated and is expected to come into effect when the parties to the Waiver agree to exchange which is expected during the period ending 31 October 2023.

SECTION C:

UNAUDITED HISTORICAL INTERIM FINANCIAL INFORMATION ON THE COMPANY

Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 April 2023

		6 months ended 30 April 2023	6 months ended 30 April 2022
	Notes	(unaudited)	(unaudited)
		£	£
Turnover			
Cost of sales		1,434,073	681,761
		(1,002,206)	<u>(545,163)</u>
Gross profit		431,867	136,598
Other Income		383,990	315,495
Administrative expenses	4	(339,223)	<u>(463,269)</u>
Operating profit / (loss)		476,634	(11,176)
Finance costs		(117,548)	(125,403)
Finance income		20,377	—
Profit / (loss) before taxation		379,463	(136,579)
Tax on Profit / (loss) on ordinary activities		—	—
Profit / (Loss) after taxation		379,463	<u>(136,579)</u>
Other comprehensive income		—	—
Total comprehensive income / (loss) for the year from continuing operations		379,463	<u>(136,579)</u>
Total comprehensive income / (loss) attributable to ordinary shareholders		137,570	(136,579)
Total comprehensive income / (loss) attributable to non-controlling interests		241,893	—
Total comprehensive income / (loss) for the period		379,463	<u>(136,579)</u>
Basic and diluted earnings per share	5	1.15p	(0.62p)

Interim Consolidated Statement of Financial Position
For the six months ended 30 April 2023

	Notes	6 months ended 30 April 2023 (unaudited)	6 months ended 30 April 2022 (unaudited)
		£	£
Assets			
Non-current assets			
Property, plant and equipment	6	25,632	11,266
Right-of-use asset	10	204,809	327,829
Total non-current assets		<u>230,441</u>	<u>339,095</u>
Current assets			
Investment in associate - (held for sale)	8	6,154	6,154
Inventories		211,983	34,847
Trade and other receivables		489,713	327,299
Cash and cash equivalents		1,405,609	503,399
Total current assets		<u>2,113,459</u>	<u>871,699</u>
Total assets		<u>2,343,900</u>	<u>1,210,794</u>
Equity and liabilities			
Share capital	9	1,297,778	515,795
Share premium	9	3,616,952	2,647,720
Share-based payments reserve		350,749	83,377
Equity portion of convertible loan notes		42,539	74,935
Retained earnings		(6,544,136)	(4,553,107)
Total owner's equity		<u>(1,236,118)</u>	<u>(1,231,280)</u>
Non-controlling interests		<u>(2,063,490)</u>	<u>–</u>
Total equity		<u>(3,299,608)</u>	<u>(1,231,280)</u>
Non-current liabilities			
Non-current lease liabilities	10	120,167	242,796
Borrowings		4,322,281	791,472
Convertible loan notes		450,802	778,065
Total non-current liabilities		<u>4,893,250</u>	<u>1,812,333</u>
Current liabilities			
Current lease liabilities	10	101,110	87,866
Trade and other payables		649,148	542,326
Total current liabilities		<u>750,258</u>	<u>630,192</u>
Total equity and liabilities		<u>2,343,900</u>	<u>1,210,794</u>

Interim Consolidated Statement of Changes in Equity

For the six months ended 30 April 2023

	Share capital £	Share premium £	Share-based payments reserve £	Equity portion of convertible loan notes £	Retained earnings £	Total shareholder's equity £	Outside shareholder's interest £	Total equity £
Balance at								
31 October 2021	439,322	2,571,247	83,377	74,935	(4,416,527)	(1,247,646)	–	(1,247,646)
Shares issue	76,473	76,473	–	–	–	152,946	–	152,946
Loss for the period	–	–	–	–	(136,579)	(136,579)	–	(136,579)
Balance at								
30 April 2022	515,795	2,647,720	83,377	74,935	(4,553,106)	(1,231,279)	–	(1,231,279)
Shares issued	260,000	390,000				650,000	–	650,000
Shares issued on conversion of convertible loan notes	147,463	221,194				368,657	–	368,657
Extension of date of conversion of the convertible loan notes	–	–	–	(32,396)		(32,396)	–	(32,396)
Warrants issued during the year	–	(218,799)	218,799	–		–	–	–
Loss attributable to non-controlling interest on disposal of 49% of subsidiary	–	–	–	–	2,305,905	2,305,905	(2,305,905)	–
Loss for the year	–	–	–	–	(4,434,505)	(4,434,505)	522	(4,433,983)
Balance at								
31 October 2022	923,258	3,040,115	302,176	42,539	(6,681,706)	(2,373,618)	(2,305,383)	(4,679,001)
Shares issue	254,520	445,410	–	–	–	699,930	–	699,930
Conversion of convertible loan notes to equity	120,000	180,000	–	–	–	300,000	–	300,000
Warrants issued during the period	–	(48,573)	48,573	–	–	–	–	–
Loss for the period	–	–	–	–	137,570	137,570	241,893	379,463
Balance at								
30 April 2023	1,297,778	3,616,952	350,749	42,539	(6,544,136)	(1,236,118)	(2,063,490)	(3,299,608)

Interim Statement of Cashflows
For the six months ended 30 April 2023

		<i>6 months ended 30 April 2023</i>	<i>6 months ended 30 April 2022</i>
	Notes	<i>(unaudited)</i>	<i>(unaudited)</i>
		£	£
Cash flows from operating activities			
Operating loss		476,634	(11,176)
Add: depreciation		45,369	37,547
Add: unrealised foreign exchange (gain) / loss		–	(26,728)
Add: (profit)/loss on disposal of property, plant and equipment		–	1,256
Finance costs		61,809	(185,777)
Interest received		20,377	–
Profit on disposal of loans receivable		–	–
Changes in working capital			
(Increase) / Decrease in inventories		(36,108)	(5,720)
(Increase) / Decrease in receivables		(207,184)	44,257
(Decrease) / Increase in payables		24,766	(715,968)
Net cash flow from operating activities		<u>385,663</u>	<u>(862,309)</u>
Investing activities			
Acquisition of property, plant and equipment		(28,287)	(257)
Disposal of property, plant and equipment		–	1,303
Foreign exchange movements		2,103	(19,593)
Net cash flow from investing activities		<u>(26,184)</u>	<u>(18,547)</u>
Cash flows from financing activities:			
Net proceeds from issue of shares	9	699,930	–
(Decrease) / Increase in borrowings		(527,815)	348,503
Foreign exchange movements		–	(23,095)
Capital repayments of lease liability		(51,799)	(50,863)
Net cash flow from financing activities		<u>120,316</u>	<u>274,545</u>
Net cash flow for the period			
Opening cash and cash equivalents		479,795	(606,311)
Foreign exchange movements		925,814	1,109,774
Closing cash and cash equivalents		<u>1,405,609</u>	<u>503,399</u>

Notes to the Interim Consolidated Financial Statements as at 30 April 2023

1 General information

Everest Global plc is a company incorporated in the United Kingdom. The Company is admitted 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. The information within these unaudited interim condensed consolidated financial statements and accompanying notes must be read in conjunction with the audited annual financial statements that have been prepared for the year ended 31 October 2022.

2 Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 April 2023 which have been prepared in accordance with International Accounting Standard No34, Interim Financial Reporting, as contained in International Financial Reporting Standards as adopted by the United Kingdom (IFRS as adopted by the UK), were approved by the Board and authorised for issue on 31 July 2023.

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 October 2022 have been applied in the preparation of these condensed consolidated interim financial statements. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards ("IFRS") as endorsed by the UK that are expected to be applicable to the consolidated financial statements for the year ending 31 October 2023 and on the basis of the accounting policies expected to be used in those financial statements.

The figures for the six months ended 30 April 2023 and 30 April 2022 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 October 2022 are extracts from the 2022 audited accounts. The independent auditor's report on the 2022 accounts was qualified on the basis that they were appointed after the year and could not verify the value of the inventory on hand held by the subsidiary at the year end, and included a material uncertainty in respect of going concern.

3 Segmental reporting

In the opinion of the Directors, the Group has one class of business, being the trading of agricultural materials. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is South Africa. All revenues and costs are derived from the single segment. Historically this segment has experienced a high demand for its products in the months of July to December with a lower-than-average demand in the months of January to March.

4 Company result for the period

The Company has elected to take the exemption under section 408 of the Act not to present the parent Company income statement account.

The operating profit of the Group for the six-month period ended 30 April 2023 was £476,634 (30 April 2022: loss of £11,176, year end 31 October 2022: loss of £1,152,170). The operating loss incorporated the following main items:

	6 months ended 30 April 2023 (unaudited)	6 months ended 30 April 2022 (unaudited)
Accounting and administration fees	16,626	24,413
Brokership fees	2,473	—
Legal and professional fees	57,514	32,164
Registrar fees	2,493	1,767
Personnel expenses	133,121	105,709
Finance charges associated with disposal of intercompany loan to K2 Spice Limited	—	—

As set in the annual financial statements for the year ended 31 October 2022, on 3 October 2022, the Company and K2 Spice Limited (previously VSA NEX Investments Limited) ("K2"), entered into certain related party arrangements in relation to Dynamic Intertrade (Pty) Ltd ("DI"). K2 was a 100 per cent. subsidiary of VSA Capital at the time the arrangements were entered into. At the time the arrangements were entered into Andrew Monk was a Director of the Company, VSA Capital and K2 and is deemed to have significant influence over VSA Capital and K2. Pursuant to the arrangements, K2 subscribed for such number of new shares in the capital of DI resulting in K2 holding 49 per cent. of the enlarged issued share capital of DI for a consideration of ZAR10,982; the Company agreed to assign certain debts owing by DI, amounting to £4.2 million which had been fully impaired in prior years, to the Company and certain other parties to K2 in consideration for K2 paying to the Company £100,001 and agreeing to fund DI so as to enable DI to carry on its business in the ordinary course until such time as the Company ceases to hold any shares in DI. This assignment agreement resulted in K2 having a non-controlling interest in DI and as such its share of the current year profits amounted to £522, its share of accumulated losses prior to acquisition amounted to £3,131,890. Additionally, the assignment of the loans resulted in the Group incurring a finance charge on consolidation of £3.1 million. K2 has signed a subordination agreement in relation to the loans due by DI to K2 with an expiry date of 31 October 2023. Should K2 choose to request the repayment of the loans due by DI this will severely impact DI's ability to continue as a going concern. Under a put and call option agreement the Company granted to K2 the option to acquire 11,430 shares in DI, being the remaining 51 per cent. of DI held by the Company, subject to the satisfaction of certain conditions and subject to certain time restrictions, for £1.

5 Earnings per share

Earnings per share data is based on the Group result for the six months and the weighted average number of Ordinary Shares in issue.

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of Ordinary Shares in issue during the period:

	6 months ended 30 April 2023 (unaudited)	6 months ended 30 April 2022 (unaudited)
	£	£
Profit / (loss) after tax	379,463	(136,579)
Weighted average number of Ordinary Shares in issue	<u>33,023,894</u>	<u>21,966,077</u>
Basic earnings / (loss) per share (pence)	1.15p	(0.62p)
Diluted earnings / (loss) per share (pence)	<u>0.36p</u>	<u>(0.62p)</u>

For the comparative figures as at 31 October 2022 and 30 April 2022, the basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 30 April 2023 there were 42,922,767 Ordinary Shares and 38,363,171 share warrants outstanding (31 October 2022: 24,196,767 Ordinary shares and 38,363,171 share warrants outstanding, 30 April 2022 there were 26,148,289 Ordinary Shares and 897,809 share warrants outstanding).

6 Property, plant and equipment

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

1. Furniture and fixtures	17%
Leasehold improvements	33%
Plant and equipment	20% and 33%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss in the year in which the asset is derecognised.

Group	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
As at 31 October 2021	19,746	4,356	279,382	303,484
Exchange difference	979	216	13,844	15,039
Additions	–	–	257	257
Disposals	–	–	(5,088)	(5,088)
As at 30 April 2022	20,725	4,572	288,395	313,692
Exchange difference	(1,173)	(272)	(43,830)	(45,275)
Additions	–	–	10,372	10,372
Disposals	–	–	–	–
As at 31 October 2022	19,552	4,300	254,937	278,789
Exchange difference	–	(350)	(32,380)	(32,730)
Additions	–	–	28,287	28,287
Disposals	–	–	–	–
As at 30 April 2023	19,552	3,950	250,844	274,346
Accumulated depreciation				
As at 31 October 2021	19,720	4,060	265,935	289,715
Exchange difference	977	205	13,298	14,480
Charge for the year	25	98	3,196	3,319
Released on disposal	–	–	(5,088)	(5,088)
As at 30 April 2022	20,722	4,363	277,341	302,426
Exchange difference	(1,172)	(245)	(38,205)	(39,622)
Charge for the year	–	75	2,026	2,101
Released on disposal	–	–	–	–
As at 31 October 2022	19,550	4,193	241,162	264,905
Exchange difference	–	(353)	(30,274)	(30,627)
Charge for the year	–	50	14,386	14,436
Released on disposal	–	–	–	–
As at 30 April 2023	19,550	3,890	225,274	248,714
Net Book Value				
As at 30 April 2022	3	209	11,054	11,266
As at 31 October 2022	2	107	13,775	13,884
As at 30 April 2023	2	60	25,570	25,632

The holding company held no tangible fixed assets at 30 April 2023, 31 October 2022 and 30 April 2022.

7 Subsidiaries

Everest Global plc holds investments in the following subsidiary undertakings as at 30 April 2023, which principally affected the profits, losses and net assets of the Group.

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of equity interest at 30 April 2023	Proportion (%) of equity interest at 30 April 2022
Dynamic Intertrade (Pty) Limited	Value added agricultural products	South Africa	51%	100%

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated, using the acquisition method, from the date that control is gained and are stated at cost less, where appropriate, provisions for impairment. Entities that do not comply with this policy, but over which the Group has a shareholding of between 20 and 50 percent of the voting rights are equity accounted from the date of acquisition and are stated at cost and adjusted for the results of these entities for the accounting period.

The remaining 49 per cent., a non-controlling interest, is held by K2. The circumstances surrounding this dilution of the Company's holding in DI is explained in the annual financial statements for the year ended 31 October 2022.

8 Investment in associate

	6 months ended 30 April 2023 (unaudited)	6 months ended 30 April 2022 (unaudited)
Investment in Dynamic Intertrade Agri (Pty) Ltd	6,154	6,154
Equity accounted profit/ (loss) for the period	—	—
Impairment of investment	—	—
Carrying value	6,154	6,154

9 Share capital

Ordinary Shares are classified as equity. Proceeds from issuance of Ordinary Shares are classified as equity. Incremental costs directly attributable to the issuance of new Ordinary Shares are deducted against share capital.

Allotted, called up and fully paid Ordinary

	Number of shares	Share capital	Share premium
	£	£	£
Shares of 2.0p each			
Balance at 31 October 2021	21,966,088	439,322	2,571,247
Share issue - 29 April 2022	3,823,627	76,473	76,473
Balance at 30 April 2022	25,789,715	515,795	2,647,720
Share issue on conversion of convertible loan notes 3 October 2022	7,373,140	147,463	221,194
Share issue 3 October 2022	13,000,000	260,000	390,000
Warrants issued - 3 October 2022	—	—	(218,799)

	Number of shares £	Share capital £	Share premium £
<i>Shares of 2.0p each</i>			
Balance at 31 October 2022	46,162,855	923,258	3,040,115
Share issue - 24 January 2023	12,726,000	254,520	445,410
Warrants issued - 24 January 2023	–	–	(29,045)
Conversion of convertible loan notes - 25 January 2023	6,000,000	120,000	180,000
Warrants issued - 24 January 2023	–	–	(19,528)
Balance at 30 April 2023	<u>64,888,855</u>	<u>1,297,778</u>	<u>3,616,952</u>

10 Leases

	6 months ended 30 April 2023 (unaudited) £	6 months ended 30 April 2022 (unaudited) £
Lease liability recognised in the statement of financial position at 31 October 2021		
Foreign exchange movements	266,555	347,102
Borrowing rate at date of initial application	(3,455)	17,200
Lease payments	9,975	17,223
	<u>(51,799)</u>	<u>(50,863)</u>
Lease liability recognised in the statement of financial position	<u>221,276</u>	<u>330,662</u>
Of which:		
Current lease liabilities	101,110	87,866
Non-current lease liabilities	120,167	242,796
	<u>221,277</u>	<u>330,662</u>

Right-of-Use Asset and Liability

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for comparable assets as of 1 November 2019. The weighted average lessee's incremental borrowing rate for comparable mortgage bonds applied to the lease liabilities on 1 November 2019 was 8.5 per cent., being the discount rate on the Group's borrowings. In the Directors opinion this is the discount rate that the Group would obtain should it be purchasing land and buildings. Without further security available the Group would be unlikely to secure funding from other sources and therefore the Directors believe the 8.5 per cent. rate applied is the most appropriate basis on which to base the IFRS 16 calculations.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 October 2022. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The recognised right-of-use assets relate to the following types of assets:

	6 months ended 30 April 2023 (unaudited)	6 months ended 30 April 2022 (unaudited)
Properties	204,809	327,829

11 Events Subsequent to 30 April 2023

On 4 July 2023, the Company entered into an agreement to provide a loan to Precious Link (UK) Limited (“**Precious Link**”), a wine retailer, incorporated and registered in England and Wales, located within the Southeast of England. The loan is for a sum of £200,000, is unsecured and attracts interest at 10 per cent. per annum payable monthly in arrears. The loan is repayable on demand by the Company and is repayable on 5 business days’ notice from Precious Link.

On 20 July 2023, the Company sold its 46.8 per cent. equity stake in Dynamic Intertrade Agriculture (Pty) Ltd (“**DIA**”) to Athena Trading Worldwide Limited, a private company, for a consideration of £15,384.62, payable in cash on completion. The contractual completion date is 31 July 2023. The investment in DIA had been held in the balance sheet of the Group as an asset held for sale since the decision to sell it had been made.

Robert Scott, a Non-Executive Director of the Company and related party (due to his position as Director of the Company as well as his shareholding and level of influence in both entities), entered into a related party arrangement with K2, pursuant to which Robert Scott agreed to release and discharge DI from any claims or demands, duties, obligations and liabilities under or in respect of the loans owing to Robert Scott by DI (“**Waiver**”) in consideration for the issue and allotment of 17,900 ordinary shares in K2 issued and allotted to Robert Scott. The Waiver is undated and is expected to come into effect when the parties to the Waiver agree to exchange which is expected during the period ending 31 October 2023.

PART V
ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names, registered office, business address and functions appear on page 38 of this Document, and the Company 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 this Document makes no omission likely to affect its import.

In connection with this Document, no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

2. The Group

- 2.1. The Company was incorporated and registered in England and Wales on 17 January 2012 under the Act with company number 07913053 as a private limited company with the name "Latedusk Limited". The Company's name was changed to "Anglo African Agriculture Limited" by the Registrar of Companies on 14 April 2012. The Company was re-registered as a public limited company and the name of the Company was changed to "Anglo African Agriculture Plc" on 8 May 2012. The Company changed its name from "Anglo African Agriculture Plc" to "Everest Global Plc" on 25 October 2022. Everest Global Plc is the Company's legal and commercial name.
- 2.2. The Company has its registered office and head office at 1st Floor, 48 Chancery Lane, London, England, WC2A 1JF. The Company's telephone number is +44 (0) 20 7073 0582. The Company's website can be found at www.everestglobalplc.com. The Company is domiciled in England. The Company's principal place of business is at 1st Floor, 48 Chancery Lane, London, WC2A 1JF, United Kingdom.
- 2.3. The principal legislation under which the Company operates is the Act, and the regulations made thereunder. The liability of the members of the Company is limited.
- 2.4. The principal activity of the Company is to act as the holding company of the Group.
- 2.5. The Company has two subsidiary companies, details of which, as at the date of this Document, are as follows:

<i>Name and company number</i>	<i>Principal activity</i>	<i>Country of incorporation and residence</i>	<i>Class and percentage of ownership interest and voting power</i>
Dynamic Intertrade (Pty) Limited (company number 2008/004693/07)	Manufacturing food products and trading in agricultural products	Republic of South Africa	51%
Everest Capital London Limited (company number 14541316)	Dormant	England and Wales	100%

- 2.6. Save for the acquisition of DI, the acquisition of a 46.8 per cent. stake in DIA pursuant to an agreement dated 2 November 2016 (which was subsequently sold on 31 July 2023) and incorporation of APV on 29 August 2012 (which was subsequently sold on 3 November 2017), since incorporation, the Company has not acquired or disposed of any companies or businesses and there are no other companies in which the Company has an interest other than those set out at paragraph 2.5 above.

3. Share Capital

- 3.1. The Company was incorporated on 17 January 2012 with 1 ordinary share of £1.00.
- 3.2. The following changes in the share capital have occurred since incorporation of the Company up to the last practicable date, being 30 October 2023:
 - (a) on 4 April 2012, the single ordinary share of £1 in issue in the capital of the Company was divided into 1,000 Ordinary Shares of £0.001 each;
 - (b) in the period of 4 April 2012 to 20 April 2012, 9,999,000 Ordinary Shares were issued by the Company and were allotted for cash at £0.001 per Ordinary Share to various investors, credited as fully paid;
 - (c) on 4 May 2012, 45,226,600 Ordinary Shares were issued by the Company and were allotted for cash at £0.01 per Ordinary Share to various investors, credited as fully paid;
 - (d) on 4 April 2013, 9,750,000 warrants were exercised, resulting in the issue and allotment of 9,750,000 Ordinary Shares at a price of 1.5p each;
 - (e) on 4 April 2013, pursuant to an acquisition agreement, 3,538,105 Ordinary Shares were issued and allotted to the selling shareholders of DI to satisfy the consideration for the purchase of 2,172 ordinary shares in the capital of DI (19 per cent. of the issued share capital of DI) by the Company;
 - (f) on 12 August 2013, 1,500,000 warrants were exercised, resulting in the issue and allotment of 1,500,000 Ordinary Shares at a price of 1.5p each;
 - (g) on 20 December 2013, Neil Herbert subscribed for 6,000,000 Ordinary Shares in the Company at a price of 1.7p each;
 - (h) on 9 July 2014, 7,600,000 Ordinary Shares were issued and allotted to the selling shareholders of DI to satisfy the consideration for the purchase of 7,037 ordinary shares in the capital of DI (the remaining 81 per cent. of the issued share capital of DI) by the Company (pursuant to which DI became a wholly owned subsidiary of the Company);
 - (i) on 9 July 2014, 3,526,761 Ordinary Shares were issued and allotted to VSA Capital at a price of 2.13p each. The Company owed VSA Capital, in its capacity as financial adviser and broker to the Company, £36,000 (including VAT) in connection with the re-admission of the Company to the ISDX Growth Market (now known as the AQSE Growth Market). VSA Capital agreed to release the Company from its liability to pay £24,000 of the amount due in cash in return for the issue of 3,526,761 Ordinary Shares;
 - (j) on 8 August 2014, 4,070,447 Ordinary Shares were issued and allotted at a price of 1.9p to two suppliers in consideration for the release of the Company from its liability to pay certain debts (which had, on 8 August 2014, been novated from DI to the Company), and 3,684,212 Ordinary Shares were issued and allotted at a price of 1.9p to various investors;
 - (k) on 11 April 2016, 15,000,000 Ordinary Shares were allotted to Directors, a related trust and an investor at a price of 0.5p and on 27 April 2016 the Registrar issued such shares;
 - (l) in the period of 19 September 2016 to 11 November 2016, 70,895,521 Ordinary Shares were allotted and issued at a placing price of 0.67p;
 - (m) on 17 March 2017, 7,692,308 Ordinary Shares were allotted and issued to satisfy the consideration for the purchase of 5,150 ordinary shares in the capital of DIA (46.8 per cent. of DIA's entire issued share capital) by the Company (at a price of 1.3p);
 - (n) on 4 May 2017, 18,500,000 Ordinary Shares were allotted and issued at a placing price of 0.65p;
 - (o) on 1 November 2017, 20,000,000 Ordinary Shares were allotted and issued at a placing price of 0.7p;
 - (p) on 1 October 2018, 161,000,000 Ordinary Shares were allotted and issued at a placing price of 0.5p;
 - (q) on 25 October 2019, as part of a share consolidation, 6 unconsolidated Ordinary Shares were issued and a total of 387,983,954 unconsolidated Ordinary Shares were consolidated on a 20-1 basis into 19,399,198 Ordinary Shares of 2p each in nominal value, further details of which are set out at paragraph 3.21 of this Part V of this Document;
 - (r) on 30 July 2020, 2,566,889 Ordinary Shares were allotted and issued at a placing price of 4p;

- (s) on 6 May 2022, 3,823,627 Ordinary Shares were allotted and issued to VSA Capital in settlement of outstanding professional fees of £152,945.08;
- (t) on 3 October 2022, 13,000,000 Ordinary Shares were allotted and issued to Golden Nice at a subscription price of 5p per share, raising £650,000 in aggregate. The Golden Nice Subscription Shares constituted 28.2 per cent. of the enlarged issued share capital of the Company at the time of the allotment. For each Golden Nice Subscription Share subscribed for, Golden Nice was granted by the Company a warrant to subscribe for a new Ordinary Share at an exercise price of £0.05 per Ordinary Share. As such, Golden Nice was granted warrants to subscribe for 13,000,000 new Ordinary Shares in connection with the Golden Nice Subscription.

On the same date 7,373,141 Ordinary Shares were allotted and issued in connection with the 2022 Conversion, further details of which are set out in paragraph 6.3 of this Part V of this Document;

- (u) on 19 January 2023, Ms Chen Fangling and Mr An Xiangyu subscribed for 12,726,000 2023 Subscription Shares (in aggregate) at a price of 5.5 pence per share, raising proceeds totalling £699,930. The 2023 Subscription Shares represented approximately 21.62 per cent. of the Company's share capital as enlarged by the 2023 Subscription Shares as at the date of the 2023 Subscription. Ms Chen Fangling and Mr An Xiangyu also received a warrant to subscribe for one new Ordinary Share at an exercise price of 5.5 pence per Ordinary Share for each 2023 Subscription Share they subscribed for respectively. As such, Ms Chen Fangling and Mr An Xiangyu were each granted warrants to subscribe for 6,363,000 new Ordinary Shares in connection with the 2023 Subscription; and
- (v) on or around 25 January 2023, 6,000,000 Ordinary Shares were allotted and issued to Golden Nice as a result of the conversion of 2021 Convertible Loan Notes at a conversion price of 5p.

- 3.3. Pursuant to resolutions passed by Shareholders at an annual general meeting of the Company on 29 April 2022, the Directors were authorised to generally and unconditionally allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £26 million, in accordance with section 551 of the Act, on a non-pre-emptive basis. The Allotted Shares were issued pursuant to these authorities.
- 3.4. Pursuant to resolutions passed by Shareholders at an annual general meeting of the Company on 28 April 2023, the Directors were authorised to generally and unconditionally allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £26 million, in accordance with section 551 of the Act, on a non-pre-emptive basis.
- 3.5. Save for the allotments referred to in this Document, since incorporation, no capital of the Company has been allotted for cash or for consideration other than cash and save as described above, the Company has made no further allotments of Ordinary Shares since the date of incorporation.
- 3.6. The issued fully paid share capital of the Company at the date of this Document and on Admission is:

<i>Number of Ordinary Shares issued (fully paid)</i>	<i>Share Capital</i>
64,888,855	£1,297,777.10

- 3.7. There has not been more than 10 per cent. of the issued share capital of the Company that has been paid for with assets other than cash within the period covered by the historical financial information which can be found in Section B of Part IV of this Document.
- 3.8. There is no limit on the maximum amount of shares that may be allotted by the Company.
- 3.9. No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.10. No commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company within the period covered by the historical financial information which can be found in Section B of Part IV of this Document.

3.11. Save as disclosed in paragraph 5 of this Part V, on Admission no share capital of the Company will be under option or will be agreed conditionally or unconditionally to be put under option.

3.12. The Ordinary Shares are in registered form and are capable of being held in either certificated or uncertificated form. The Registrar is responsible for maintaining the share register.

3.13. The currency of the Ordinary Shares, including the Allotted Shares, is Pounds Sterling.

3.14. None of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Allotted Shares to be admitted to the Official List.

3.15. No application will be made for the Ordinary Shares to be admitted to listing or dealt on any other stock exchange. The Ordinary Shares will not be, and are not, admitted to trading on any stock exchange other than the Main Market.

3.16. The ISIN of the Ordinary Shares is ISIN GB00BKBS0353 and the SEDOL is BKBS035.

3.17. The net asset value per Ordinary Share is (5.1)p at 30 April 2023, being the latest balance sheet date of the Company. This compares to the Subscription prices of 5 pence and 5.5 pence per Subscription Share for the Golden Nice Subscription and 2023 Subscription respectively.

3.18. The rights attaching to the issued Ordinary Shares are uniform in all respects and all of the Ordinary Shares form a single class for all purposes. All the issued Ordinary Shares rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and rank *pari passu* in all other respects both as at the date of this Document and on Admission.

3.19. The Company has disapplied the statutory pre-emption provisions on the issue of equity securities for cash by resolutions passed at its Annual General Meeting held on 28 April 2023.

3.20. Save as disclosed in this Document:

- (a) the Company does not have in issue any securities not representing share capital;
- (b) there are no outstanding convertible securities issued by the Company;
- (c) no person has any preferential subscription rights for any share capital of the Company;
- (d) no share or loan capital of the Company is currently under option, or agreed conditionally to be put under option; and
- (e) there are no acquisition rights and or obligations over authorised but unissued share capital or any undertakings to increase the capital.

3.21. Share consolidation

At a general meeting held on 25 October 2019, a resolution was passed by Shareholders that the unconsolidated Ordinary Shares of 0.1p each in nominal value (the “**Unconsolidated Ordinary Shares**”), should be consolidated on a 20-for-1 basis, such that every 20 Unconsolidated Ordinary Shares would be consolidated into and re-designated as 1 Ordinary Share of 2p each in nominal value (the “**Share Consolidation**”). The issued share capital immediately prior to the general meeting was 387,983,954 Ordinary Shares of 0.1p each in nominal value. Following the Share Consolidation, which took place on 25 October 2019, the issued share capital consisted of 19,399,198 Ordinary Shares of 2p each in nominal value.

- (a) *Resulting share capital:* The Ordinary Shares created by the Share Consolidation have the same rights as the Unconsolidated Ordinary Shares.
- (b) *Rights attaching to the Ordinary Shares:* The Ordinary Shares on the implementation of the Share Consolidation have the same rights as the Unconsolidated Ordinary Shares, including voting, dividend and other rights.
- (c) *Effect on convertibles:* the entitlement of holders of options, warrants and convertible loan notes into Unconsolidated Ordinary Shares at the completion of the Share Consolidation were adjusted with immediate effect in order to reflect the effect of the Share Consolidation.

3.22. Serious loss of capital

As at the 6 months ended 30 April 2023, the value of the Company's net assets is less than half of its called-up share capital. In such circumstances, the Directors are required under section 656 of the Act to convene a general meeting of the Company for the purpose of considering whether any, and if so what, steps should be taken in relation to the situation. The Directors consider that the Company's strategy as set out in paragraph 4 of Part I of this Document, entitled "Strategy" is sufficient action to be taken in relation to the serious loss of capital. A general meeting of the Company will be convened to comply with the requirements of section 656 of the Act.

4. Substantial Shareholders

The Directors are aware of the following holdings of Ordinary Shares which will, as at the date of this Document and immediately following Admission, represent three per cent. or more of the voting rights of the Company:

Shareholder	Number of Ordinary Shares	Percentage of Share Capital	<i>As at the date of this Document and immediately following Admission</i>
Golden Nice	19,000,000	29.28%	
Lynchwood Nominees Limited ⁽¹⁾	9,071,555	13.98%	
Chen Fangling	6,363,000	9.81%	
An Xiangyu	6,363,000	9.81%	
VSA Capital Limited ⁽²⁾	5,700,639	8.79%	
HSBC Global Custody Nominee (UK) Limited ⁽³⁾	5,315,474	8.19%	
Interactive Investor Services Nominees Limited ⁽⁴⁾	3,279,836	5.05%	
Vidacos Nominees Limited ⁽⁴⁾	1,947,918	3.00%	

⁽¹⁾ Michael Paul Joseph holds 8,623,542 Ordinary Shares directly through Lynchwood Nominees Limited. Michael Joseph also holds 298,013 Ordinary Shares directly in his own name.

⁽²⁾ VSA Capital Limited holds 1,754,779 Ordinary Shares directly in its own name. VSA Capital Limited holds a further 3,945,860 Ordinary Shares through a nominee, HSBC Global Custody Nominee (UK) Limited.

⁽³⁾ Other than VSA Capital Limited's shareholding of 3,945,860, this Shareholder holds these Ordinary Shares on behalf of underlying investors and no underlying investor has notified the Company of a shareholding of 3 per cent. or greater. As far as the Company is aware, these Shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Ordinary Shares.

⁽⁴⁾ These Shareholders hold these Ordinary Shares on behalf of underlying investors and no underlying investor has notified the Company of a shareholding of 3 per cent. or greater. As far as the Company is aware, these Shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Ordinary Shares.

Any person who is directly or indirectly interested in three per cent. or more of the Company's issued share capital is required to notify such interests, and any increases of multiples of one per cent. to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules and such interests will be notified by the Company to the public. Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not have, and, following Admission, will not have, different voting rights from other holders of Ordinary Shares.

Save in respect of Golden Nice, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise ownership or control over the Company. The instruments that the Convertible Loan Notes were issued pursuant to include restrictions on the holder (being Golden Nice as at the date of this Document) from converting the Convertible Loan Notes if such conversion would result in the holder owning more than 29.9 per cent. of the issued share capital of the Company. Pursuant to the Relationship Agreement, Golden Nice and Mr Peng (the sole shareholder of Golden Nice) have agreed that they will not exercise warrants or convert convertible loan notes for Ordinary Shares in the Company if such exercise / conversion would result in them (alone or together with any persons "acting in concert" (as defined in the Takeover Code) with them), acquiring or being interested in shares (as defined in the Takeover Code) which, in aggregate, carry 29.99 per cent. or more of the voting rights of the Company.

5. Warrants and Options

5.1. As at the date of this Document and as at 30 April 2023, being the most recent balance sheet date of the Company, there are no outstanding options to subscribe for Ordinary Shares.

5.2. As at the date of this Document and as at 30 April 2023, being the most recent balance sheet date of the Company, 63,089,171 Warrants remain outstanding, as follows:

<i>Warrant Issue</i>	<i>Warrant Holder(s)</i>	<i>Number of Warrants</i>	<i>Date of Instrument</i>	<i>Exercise Price</i>	<i>Exercise Period</i>
November 2018 Warrants	Details of each holder are set out in paragraph 5.3 of this Part V below	8,050,000	27 November 2018 as amended on 26 November and 11 July 2022	5p	Up to 1 February 2024
August 2020 Warrants	Details of each holder are set out in paragraph 5.4 of this Part V below	2,566,889	17 August 2020	5p	Up to 1 February 2024
October 2022 Warrants	Golden Nice	13,000,000	3 October 2022	5p	Up to 31 December 2024
5p 2022 CLN Warrants	Details of each holder are set out in paragraph 5.5 of this Part V below	7,373,141	3 October 2022	5p	Up to 31 December 2024
10p 2022 CLN Warrants	Details of each holder are set out in paragraph 5.6 of this Part V below	7,373,141	3 October 2022	5p	Up to 31 December 2024
5.5p Warrants	Ms Chen Fangling	6,363,000	23 January 2023	5.5p	Up to 31 December 2024
5.5p Warrants	Mr An Xiangyu	6,363,000	23 January 2023	5.5p	Up to 31 December 2024
5p 2023 CLN Warrants	Golden Nice	6,000,000	24 January 2023	5p	Up to 31 December 2024
10p 2023 CLN Warrants	Golden Nice	6,000,000	24 January 2023	10p	Up to 31 December 2024
TOTAL:		63,089,171			

5.3. Details of the holders of the November 2018 Warrants as at the date of this Document are set out in the table below:

<i>Name of holder of November 2018 Warrants</i>	<i>Number of November 2018 Warrants</i>
Mr Brian Hall	100,000
Hargreave Hale Nominees Limited	250,000
JIM Nominees Limited	500,000
Mr Mike Joseph	5,000,000
Mr Antony Jon Laiker	100,000
Neville Registrars Limited	250,000
Mr Andrew Oliver	50,000
Pershing Nominees Limited	1,250,000
Mr Tavio Roxo	200,000
Widdington Limited	100,000
Winterflood Securities Limited	250,000

5.4 Details of the holders of the August 2020 Warrants as at the date of this Document are set out in the table below:

<i>Name of holder of August 2020 Warrants</i>	<i>Number of August 2020 Warrants</i>
Mr Matthew Bonner	128,578
Carimar International Limited	128,578
Mr Mike Joseph	750,000
Mr Anthony Jon Laiker	125,000
Mr Andrew Monk	500,000
Peel Hunt LLP	125,000
Mr Stephen Stone	500,000
VSA Capital Limited	122,233
Widdington Limited	187,500

5.5 Details of the holders of the 5p 2022 CLN Warrants as at the date of this Document are set out in the table below:

<i>Name of holder of 5p 2022 CLN Warrants</i>	<i>Number of 5p 2022 CLN Warrants</i>
Mr Matthew Bonner	347,645
Mr Mike Joseph	3,623,542
Mr David Lenigas	438,695
Level 27 Limited	413,863
Mr Andrew Oliver	165,545
Mr George Roach	289,704
Mr Robert Scott	339,368
VSA Capital Limited	1,754,779

5.6 Details of the holders of the 10p 2022 CLN Warrants as at the date of this Document are set out in the table below:

<i>Name of holder of 10p 2022 CLN Warrants</i>	<i>Number of 10p 2022 CLN Warrants</i>
Mr Matthew Bonner	347,645
Mr Mike Joseph	3,623,542
Mr David Lenigas	438,695
Level 27 Limited	413,863
Mr Andrew Oliver	165,545
Mr George Roach	289,704
Mr Robert Scott	339,368
VSA Capital Limited	1,754,779

Assuming exercise of all of the outstanding Warrants in full, the Warrants would represent 47.41 per cent. of the Fully Diluted Share Capital.

Further details of the instruments the Warrants were constituted under are set out at paragraphs 23.10, 23.11, 23.13, 23.14, 23.15, 23.17, 23.18 and 23.19 of this Part V of this Document.

6. Convertible loan notes

6.1. As at the date of this Document and as at 30 April 2023, being the most recent balance sheet date of the Company, £254,450 Convertible Loan Notes remain outstanding pursuant to convertible loan note instruments, further details of which are set out in the table below and in paragraphs 23.8 and 23.9 of this Part V of this Document:

Convertible Loan Note Issue	Date of Instrument		Number of Convertible Loan Notes outstanding	Holder of Convertible Loan Notes	Redemption Date	Conversion Price
£250,000 unsecured convertible loan notes of £0.05 each	1 October 2018 (as amended on 5 October 2020, 29 July 2022 and September 2023)	£162,500	3,250,000	Golden Nice	31 March 2025	£0.05 per Ordinary Share
£750,000 unsecured convertible loan notes of £0.05 each	31 March 2021 (as amended on 29 July 2022, 24 January 2023 and 29 September 2023)	£91,950	1,839,000	Golden Nice	31 March 2025	£0.05 per Ordinary Share
Total:		£254,450	5,089,000			

6.2. On 31 March 2021, the Company issued 12,060,000 2021 Loan Notes in the sum of £603,000 (by the conversion of existing sums due to creditors and by way of subscription from private investors).

6.3. On 3 October 2022, Golden Nice acquired £162,000 of the 2018 Loan Notes and £391,950 of the 2021 Loan Notes from various holders, being 65 per cent. of the Convertible Loan Notes outstanding at that time, at a 15 per cent. discount to their face value together with accrued but unpaid interest.

The Company also agreed with the remaining holders of Convertible Loan Notes to accelerate the conversion of the balance of £87,500 2018 Loan Notes and £211,050 2021 Loan Notes and accrued but unpaid interest into, in aggregate, 7,373,141 2022 Conversion Shares in the Company at a conversion price of 5p. In accordance with their terms, the Company granted each holder one warrant to subscribe for a new Ordinary Share at an exercise price of £0.05 per Ordinary Share for every 2022 Conversion Share issued.

Additionally, the Company also agreed to grant each holder one warrant to subscribe for a new Ordinary Share at an exercise price of £0.10 per Ordinary Share for every 2022 Conversion Share issued. Accordingly, the conversion of £87,500 2018 Loan Notes and £211,050 2021 Loan Notes plus accrued but unpaid interest resulted in the granting of 7,373,141 5p 2022 CLN Warrants and 7,373,141 10p 2022 CLN Warrants.

6.4. On or around 24 January 2023, the Company received a conversion notice from Golden Nice, pursuant to which Golden Nice notified the Company of the conversion of the 2021 Loan Notes in the aggregate sum of £300,000 into 6,000,000 Ordinary Shares at a price of 5 pence per share (being a premium of 25 per cent. to the closing price of 3.75 pence on 23 January 2023, being the business day prior to agreement of the conversion. As part of the 2023 Conversion, Golden Nice received a 5p 2023 CLN Warrant and a 10p 2023 CLN Warrant for every Ordinary Share issued in connection with the 2023 Conversion.

7. Memorandum and Articles of Association

The articles of association of the Company (the “**Articles**”) were adopted by the Company on 24 April 2017 and a brief summary of their terms is set out below. The summary is not a complete copy of the terms of the Articles:

7.1. **Unrestricted Objects**

By virtue of section 31(1) of the Act, the Company’s objects are unrestricted.

7.2. **Share Rights**

(a) *Voting rights attaching to Ordinary Shares*

Subject to the Act, subject to any special terms as to voting on which any shares may have been issued or may for the time being be held and subject to any suspension or abrogation of voting rights under these Articles, at any general meeting, every member who is present in person or by proxy shall: (a) on a show of hands have one vote and; (b) on a poll have one vote for every share held by them.

(b) *Purchase, redemption and conversion of own shares*

Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares, and may hold such shares as treasury shares or cancel them. There are no provisions dealing with the conversion of shares in the Articles.

(c) *Dividends*

Subject to the Act and 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. No dividend shall exceed the amount recommended by the Board. Subject to the Act, the Board may declare and pay such interim dividends as appears justified by the profits of the Company available for distribution. The Company may send payment by post or other delivery service to the registered address of the member or person entitled to it or to such person and such address as such member or person might direct in writing.

All dividends payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends that remain unclaimed for 12 years after they were first declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

(d) *Winding up*

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, subject to the provisions of the Act, divide among the members 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. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

(e) *Variation of rights*

- i. Subject to the Act, the rights attached to any class of shares can be varied or abrogated either by consent in writing of the holders of at least three quarters in nominal value of the issued share of that class (excluding any treasury shares) or with the authority of a special resolution passed at a separate meeting of the holders of the relevant class of shares.
- ii. These requirements also apply to any variation or abrogation of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying the variation rights.

- iii. All the provisions in the Articles as to general meetings apply, with any necessary modifications, to every class meeting except that the quorum at every such meeting shall not be less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class (excluding any treasury shares).

(f) *Transfer of shares*

- i. Each member may transfer all or any of his shares in certificated form by instrument of transfer in writing in any usual form or in a form approved by the Board. Such instrument shall 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. Each member may transfer all or any of his shares in uncertificated form by means of a relevant system in such manner provided in the uncertificated securities rules. The transferor of a share shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register of members in respect of it.
- ii. The Board may, in its absolute discretion, refuse to register the transfer of a share in certificated form unless:
 - a. it is a share which is fully paid up;
 - b. it is a share upon which the Company has no lien;
 - c. it is only for one class of share;
 - d. it is in favour of a single transferee or no more than four joint transferees;
 - e. it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and
 - f. it is delivered to the registered office of the Company together with the relevant share certificate(s) and such other evidence of the right to transfer as the Board may reasonably require.
- iii. In the case of uncertificated shares, the Board may refuse to register a transfer in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

(g) *Calls*

Subject to the Articles and the terms on which the shares were allotted, the Board may from time to time make calls on the members in respect of any monies unpaid on their shares (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue.

7.3. *General meetings*

- (a) *Meetings*
- (b) An AGM shall be held in each period of 12 months beginning with the day following the Company's accounting reference date where and when the Board determines. All meetings other than AGMs shall be called general meetings.
- (c) *Quorum*
 - i. No business shall be transacted at any general meeting unless a quorum is present. If a quorum is not present a chairman ("Chairman") of the meeting can still be chosen and this will not be treated as part of the business of the meeting. Two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.
 - ii. The Chairman may, with the consent of a quorate meeting and if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) as the meeting shall determine. However, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if

he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of. No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

(d) *Voting*

- i. At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.
- ii. Subject to the Act, a poll may be demanded by: the Chairman; or at least five members present in person (or by proxy) entitled to vote at the meeting; or a member or members present in person (or by proxy) representing at least one-tenth of the total voting rights of all the members having the right to vote at the meeting; or a member or members present in person (or by proxy) holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all the shares conferring that right.
- iii. At general meetings, resolutions shall be put to the vote by the Chairman and there is no requirement for the resolution to be proposed or seconded by any person. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- iv. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

7.4. *Directors*

(a) *Number*

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be at least two and not more than ten.

(b) *Directors' remuneration*

- i. Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Non-Executive Directors (other than amounts payable under any other provision of the Articles) must not exceed £100,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company. The fees are distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of the Articles and shall accrue from day to day.
- ii. If by arrangement with 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 may determine.

(c) *Executive Directors*

The salary or remuneration of any Director appointed to hold any employment or executive office under the Articles may be either a fixed sum of money, or may be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director under the Articles.

(d) *Appointment*

- i. Subject to the Articles and the Act, the Company may by ordinary resolution appoint a Director, either to fill a vacancy or as an addition to the existing Board.
- ii. Subject to the Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board.
- iii. No person, other than a retiring Director (by rotation or otherwise), shall be appointed or re-appointed a Director at any general meeting unless he is recommended by the Board; or at least seven but not more than 42 clear days before the meeting has received notice from a member that the member intends to propose a resolution for appointment or re-appointment of the Director.

(e) *Retirement*

- i. If appointed by the Board, a Director shall retire at the next AGM of the Company following such appointment and shall be eligible for re-appointment, but is not taken into account when deciding which and how many Directors should retire by rotation at such meeting.
- ii. Each Director shall retire from office at the third AGM after the AGM or general meeting at which he was previously appointed.
- iii. Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the AGM, has held such office for nine years or more, shall be subject to re-appointment at each AGM.

(f) *Removal*

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office, but without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company. Subject to the Articles, the Company may by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director.

(g) *Directors' pensions and benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities for any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and of his dependants.

(h) *Directors' expenses*

Each Director may also be paid his reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or any class meetings.

(i) *Directors' interests*

- i. Subject to the Act and provided he has declared the nature and extent of his interest as required, a Director who is in any way directly or indirectly interested in an existing or proposed transaction or arrangement with the Company may: be a party to any transaction or arrangement with the Company or in which the Company is directly or indirectly interested; act by himself or through his firm in a professional capacity for the Company (other than as auditor) and entitled to remuneration for professional services as if he were

not a Director; be or become a director or other officer of, employed by or a party to a transaction or arrangement with anybody corporate in which the Company is directly or indirectly interested; and hold any office or place of profit with the Company (except as auditor) in conjunction with his office of Director for such period and upon such terms, including as to remuneration as the Board may decide.

- ii. A Director shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- iii. Subject to certain exceptions, a Director cannot vote or be counted in the quorum on any resolution which may give rise to a conflict of interest.
- iv. If a question arises at a Board meeting about whether a Director (other than the chairman of the meeting) has an interest likely to give rise to a conflict, or whether he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the relevant Director is final and conclusive, unless the nature and extent of the Director's interests have not been fairly disclosed to the Directors. If the question arises about the chairman of the meeting, the question must be directed to the Directors. The chairman cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman is final and conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the Directors.

(j) *Borrowing powers*

Subject to these Articles and the Act, the Board may exercise all the powers of the Company to borrow money; indemnify and guarantee; mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company; create and issue debentures and other securities; and give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) *Appointment of Alternate Directors*

Each Director may appoint any person (including another Director) to be his alternate and at his discretion remove an alternate Director, by written notice delivered to the registered office. The appointment requires the approval of the Board unless previously approved or the appointee is another Director.

(l) *Capitalisation of Reserves*

The Board may, with the authority of an ordinary resolution of the Company, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of the share premium account of capital redemption reserve or other undistributable reserve.

8. Directors' interests and agreements

8.1. The interests of the Directors and their connected persons in the Share Capital of the Company, as of the date of this Document and immediately following Admission, all of which are beneficial, are as follows:

<i>Director</i>	<i>As at the date of this Document and immediately following Admission</i>			
	<i>Number of Ordinary Shares</i>	<i>Percentage of Share Capital</i>	<i>Number of Warrants</i>	<i>Percentage of Fully Diluted Share Capital</i>
<i>Robert Scott⁽¹⁾</i>	552,599	0.85	339,368 5p 2022 CLN Warrants and 339,368 10p 2022 CLN Warrants	0.93%
<i>Andy Sui</i>	–	–	–	–
<i>Simon Grant-Rennick</i>	–	–	–	–

(1) Robert Scott indirectly holds his Ordinary Shares through Vidacos Nominees Limited.

8.2. Directors' agreements

Service Agreement – Andy Sui

On 3 October 2022, Andy Sui entered into a service agreement with the Company under the terms of which Andy Sui agreed to act as Chief Executive Officer of the Company. The service agreement was effective from 3 October 2023 and shall continue unless terminated by either party on three months' notice in writing. Andy Sui will devote such time as is necessary for the proper performance of his duties during normal hours of business from 9 a.m. to 6 p.m. Monday to Friday and as may otherwise be necessary. The gross salary payable to Andy Sui is £36,000 per annum which shall accrue day-to-day and is payable monthly in arrears.

Letter of Appointment as a Non-Executive Director – Robert Scott

On 30 October 2023, Robert Scott executed a letter of appointment with the Company pursuant to which he agreed to act as a Non-Executive Director of the Company. The letter of appointment is effective from 30 October 2023 and shall continue unless terminated earlier by either party giving to the other not less than three months' prior written notice. Robert Scott is expected to devote such time as is necessary, being a minimum of ten days per month, for the proper performance of his duties, including (but not limited to) attendance at Board meetings and at annual general meetings. Robert Scott is paid a fee of £12,000 gross per annum, payable monthly in arrears. Robert Scott also provides accounting and financing services to the Company pursuant to his consultancy agreement with the Company dated 30 October 2023.

Letter of Appointment as a Non-Executive Director – Simon Grant-Rennick

On 3 October 2022, Simon Grant-Rennick executed a letter of appointment with the Company pursuant to which he agreed to act as a Non-Executive Director of the Company. The letter of appointment is effective from 3 October 2022 and shall continue unless terminated earlier by either party giving to the other not less than three months' prior written notice. Simon Grant-Rennick is expected to devote such time as is necessary for the proper performance of his duties, including (but not limited to) attendance at Board meetings and at annual general meetings. Simon Grant-Rennick is paid a fee of £12,000 gross per annum, payable monthly in arrears.

9. Working capital

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this Document.

10. Sources of cash, liquidity and capital resources

The Group's ability to finance its strategy in the 12 months following Admission and to meet the Group's obligations as they become due will be fulfilled by cash currently held by the Company. It will use such cash primarily to provide working capital to the Group to progress its intended strategy. As at the date of this Document, the Group had cash resources of approximately £800,000.

11. Capitalisation and indebtedness

The following table shows the Group's capitalisation and indebtedness as at 31 July 2023:

Rand: Sterling spot rate used = £1:22.946 ZAR

US Dollar: Sterling spot rate used = £1:1.2835 US\$

	31 July 2023 £'000
Total current debt	
Guaranteed	—
Secured	725
Working Capital Partners	183
Euro 2 Africa Trading	303
Deferred tax – PAYE and VAT	239
Unguaranteed/Unsecured	—
Total non-current debt	
Guaranteed	57
Standard Bank 'BizFlex' loan	57
Secured	—
Europe Middle East Trading (PTY) Ltd	—
Unguaranteed/Unsecured	4,363
Convertible loan notes	478
Shareholder loans	3,846
Directors loan account	39
Shareholder equity	5,309
Share capital	1,298
Share premium	3,617
Share based payment reserve	351
Equity portion of convertible loan notes	43
Total	10,454

As at the date of this Document, there has been no material change in the capitalisation of the Company since 31 July 2023.

The following table shows the Group's net indebtedness as at 31 July 2023:

	31 July 2023 £'000
A. Cash	985
B. Cash equivalent	—
C. Trading securities (1)	—
D. Liquidity (A)+(B)+(C)	985
E. Other current financial assets	
Loan receivable – Precious Link	202
	202
F. Current bank debt	—
G. Current portion of non current debt	725
H. Other current financial debt (2)	—
I. Current Financial Debt (F)+(G)+(H)	725
J. Net Current Financial Indebtedness (I)-(E)-(D)	(462)
K. Non current bank loans	57
L. Bonds Issued	—
M. Other non current loans	4,363
N. Non-current Financial Indebtedness (K)+(L)+(M)	4,420
O. Net Financial Indebtedness (J)+(N)	3,958

Notes:

- (1) Not applicable
- (2) Not applicable
- (3) There is no contingent or indirect indebtedness as of the date of this Document.

12. Further disclosures on Directors

12.1. The Directors currently are, and have during the five years preceding the date of this Document been, members of the administrative, management or supervisory bodies (apart from their directorship or position in the Company) or partners of the following companies or partnerships:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Xin (Andy) Sui	Everest Capital London Limited Everest Catering Trading Ltd Everest Food Trading Ltd EKA Foods Ltd EKA UK Holding Limited Shu Jie Trading Limited Shu Jie Ltd London Capital Land Group Limited London International Investments Ltd Red Global Trading Ltd	Elite Land Asset Management Limited Alesco China Ltd UK Fang Ltd Liverpool 01 Limited LCL Management Limited City Entertainment Holding Ltd City Entertainment Trading Ltd LCL Development Limited
Robert Scott	Open Rail NPC Dynamic Spice Trade (Pty) Ltd Arim Holdings (Pty) Ltd Main Street 795 (Pty) Ltd Riversdale Anthracite Colliery (Pty) Ltd The Blair Atholl Pre Primary School (Pty) Ltd Vryheid Anthracite Collieries (Pty) Ltd Coalvent Limited Submex Investments Ltd Coal Ventures Limited Dynamic Intertrade (Pty) Ltd Advanced Vacuum Alloys (Pty) Ltd	Coal Ventures South Africa (Pty) Ltd Comarco SADC (Pty) Ltd Dainfern Homeowners Association (Pty) Ltd Subpromex (Pty) Ltd K2014075547 (South Africa) (Pty) Ltd

Director	Current Directorships/Partnerships	Past Directorships/Partnerships
Simon Grant-Rennick	Caracal Gold plc African Tree Nuts Limited Evrima PLC 5-11 Cheyne Gardens RTM Company Limited DOB Capital Limited Igaine PLC Truelo Holdings Limited Selection Mines Limited ASP Corp Ltd IMFH Limited Langleycourt Properties Limited Caracal Holdings Limited	Tap Global Group PLC IM Performance Minerals Limited Elk Investments Limited Barnardo Capital Limited Jacoma Estates Limited All Active Asset Capital Limited Hellenic Dynamics PLC Just Bee Honey Limited Gunmakers Hall Limited Force Commodities Ltd Kardav Limited Glyncastle Plc All Active Asset Capital plc UK Defence Industries Limited Rangemaster Precision Arms Limited Trans-Africa Energy Limited

12.2. Save as set out in paragraph 12.3, as at the date of this Document, none of the Directors have:

- (a) had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences in the last five years;
- (b) had a bankruptcy order made against him or her or entered into an individual voluntary arrangement in the last five years;
- (c) 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 was acting in that capacity for that company or within the 12 months after he ceased to so act;
- (d) 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;
- (e) 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
- (f) 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.

12.3. The following matters are disclosed in connection with the statement set out at paragraph 12.2 of this Part V above:

- 12.3.1 Simon Grant-Rennick was a director of Glyncastle plc (previously Unity Power plc) and two of its subsidiaries, Glyncastle Mining Limited (previously Horizon Mining Limited) and Glyncastle Resource Limited (previously Unity Mine Limited), when these three companies went into administration on 30 October 2013. Statements of affairs for each of these companies dated 13 December 2013 stated an aggregate estimated deficiency as regards creditors of £225,995,950. A receiver was appointed to Glyncastle plc on 23 May 2018 and Mr Grant-Rennick ceased to be a director of this company on 27 January 2020. Glyncastle Mining Limited and Glyncastle Resource Limited both entered into Company Voluntary Arrangements

on 7 October 2016 and Mr Grant-Rennick ceased to be a director of both companies on 24 January 2018. Glyncastle PLC had outstanding creditors of approximately £234,547,330 and a winding up order was issued in November 2021 in respect of the company.

12.3.2 Robert Scott is the sole director of Advanced Vacuum Alloys (Pty) Ltd. Prior to Robert's appointment to the board of the company, the company was placed under business rescue. Robert Scott was appointed to the board of Advanced Vacuum Alloys (Pty) Ltd to restructure the business so that it could continue to trade as a going concern. However, following Robert's appointment, it was determined that the company would not be able to continue as a going concern and therefore a directors voluntary application was made to the High Court in South Africa to liquidate the company. The liquidation process is still ongoing but, so far as Robert Scott is aware, all creditors have been satisfied.

13. Regulatory disclosures

The Company regularly arranges the publication of announcements through a RIS system and following which it places such announcements on the Company's website. This section contains a summary of the information disclosed under the Market Abuse Regulation over the last 12 months which is relevant as at the date of this Document. In addition to the RIS system, full announcements can be accessed on the webpage of the Company: www.everestglobalplc.com/announcements

Inside information – suspension, publication of accounts and appointment of auditors

- (a) On 21 February 2023, the Company announced that: (1) it would be unable to publish its audited financial statements for the year ended 31 October 2022 by 1 March 2023, being the latest date permitted for publication of its financial results for the year ended 31 October 2022 under DTR 4.1.3R; (2) it had applied to the FCA for the listing on the Official List of the FCA of its Ordinary Shares to be temporarily suspended with effect from 7.30 a.m. on 1 March 2023 until publication of its audited financial statements for the year ended 31 October 2022; and (3) it expected to finalise the appointment of an auditor shortly.
- (b) On 1 March 2023, the Company announced that it had applied for and had been granted a temporary suspension of the listing on the Official List of its Ordinary Shares until such time as it published its audited financial statements for the year ended 31 October 2022.
- (c) On 28 April 2023, the Company announced the appointment of RPG Crouch Chapman LLP as its auditor.
- (d) On 27 July 2023, the Company announced the release of its audited full year results for the year ended 31 October 2022. The audited results included details of the related party agreements entered into with K2 as further detailed in Note 31 of the audited consolidated financial statements of the Group set out in Section B of Part IV of this Document.
- (e) On 31 July 2023, the Company announced the release of its half year results for the six months ended 30 April 2023.
- (f) On 1 August 2023, the Company announced that it had applied to the FCA to have the temporary suspension of its listing on the Official List of its Ordinary Shares lifted.
- (g) On 4 August 2023, the Company announced that the temporary suspension of its listing on the Official List of its Ordinary Shares had been lifted.

Inside Information – Other

- (a) On 3 October 2022, the Company announced:
 - an investment in the Company by Golden Nice, owned by Mr Ziwei Peng, in the form of a subscription for 13,000,000 new Ordinary Shares (constituting 28.2 per cent. of the then enlarged issued share capital of the Company) at a price of 5 pence per Ordinary Share (raising £650,000) (being the Golden Nice Subscription). For each Golden Nice Subscription Share subscribed for, Golden Nice was granted one October 2022 Warrant, with an exercise price of

5 pence per Ordinary Share, equating to 13,000,000 October 2022 Warrants in aggregate, exercisable at any time before 31 December 2024;

- the acquisition, from existing holders, by Golden Nice of 11,089,000 Convertible Loan Notes (being 65 per cent. of all outstanding convertible loan notes) at a 15 per cent. discount to their face value and accrued but unpaid interest, which if converted on 3 October 2022, would have resulted in the issue of 13,692,977 Ordinary Shares at a conversion price of 5p;
- the acceleration of the conversion of the balance of 5,971,000 Convertible Loan Notes and accrued but unpaid interest held by the remaining holders, into 7,373,141 new Ordinary Shares in the Company at a conversion price of 5p (being the 2022 Conversion);
- that, in accordance with their existing terms, each 2022 Conversion Share had attached to it a 5p 2022 CLN Warrant, with an exercise price of £0.05 per Ordinary Share;
- that, the Company had agreed that each 2022 Conversion Share would also have attached to it a 10p 2022 CLN Warrant, with an exercise price of £0.10 per Ordinary Share;
- that, the 2022 Conversion resulted in the granting of 7,373,141 5p 2022 CLN Warrants and 7,373,141 10p 2022 CLN Warrants, all of which will expire on 31 December 2024;
- that, the Convertible Loan Notes held by Golden Nice plus accrued but unpaid interest, amounting to £684,648.85 (as at 3 October 2022) with a face value of 5p each are capable of being converted (as at 3 October 2022) into 13,692,977 Ordinary Shares at a conversion price of 5p and if converted into Ordinary Shares, will be accompanied by 13,692,977 5p Warrants and 13,692,977 10p Warrants with an expiry date of 31 December 2024;
- the resignation of Andrew Monk and Matt Bonner from the Board and the appointment of Mr Xin (Andy) Sui, as CEO and Mr Simon Grant-Rennick as Non-Executive Director; and
- the change of the legal name of the Company to Everest Global plc and its TDIM symbol from "AAP" to "EVST".

(b) On 24 January 2023, the Company announced the subscription by Ms Chen Fangling and Mr An Xiangyu for 6,363,000 new Ordinary Shares each, raising net proceeds of £699,930 at a price of 5.5 pence per share. The 2023 Subscription was conducted principally to fund general working capital purposes. Each of Ms Chen Fangling and Mr An Xiangyu received one 5.5p Warrant for each 2023 Subscription Share they subscribed for respectively, conveying the right to subscribe for a further new Ordinary Share at an exercise price of 5.5p up until 31 December 2024.

(c) On 25 January 2023, the Company announced the conversion of £300,000 Convertible Loan Notes for 6,000,000 new Ordinary Shares (being the "2023 Conversion Shares") by Golden Nice, at a conversion price of 5 pence per share, in order to reduce its creditor position. Golden Nice received one 5p 2023 CLN Warrant and one 10p 2023 CLN Warrant for each 2023 Conversion Share.

(d) On 28 April 2023, the Company announced that all resolutions proposed at its AGM were passed.

(e) On 4 July 2023, the Company announced that it had made a £200,000 unsecured loan to Precious Link which attracts an interest rate of 10 per cent. per annum payable monthly in arrears and the intention to expand its business strategy into the wider food and beverage industry.

(f) On 20 July 2023, the Company announced that it had reached agreement with Athena Trading Worldwide Limited, a private company, for the sale of its 46.8 per cent. stake in DIA, for a consideration of £15,384.62, payable in cash on completion and that the contractual completion date was 31 July 2023.

(g) On 25 September 2023, the Company announced that due to delays in the Company's audit for the year ended 31 October 2022, it was unable to meet the regulatory deadline for the publication of this Document, being 2 October 2023.

(h) On 2 October 2023, the Company announced that it had agreed with Golden Nice to extend the redemption date of the Convertible Loan Notes to 31 March 2025.

General regulatory news

- (a) On 10 November 2022, the Company announced that it changed its name from Anglo African Agriculture Plc to Everest Global Plc.
- (b) On 13 April 2023, the Company announced the appointment of Cairn Financial Advisers LLP as its financial adviser.

14. Transferability

The Ordinary Shares are freely transferable and there are no restrictions on transfer.

15. Pension arrangements and bonus plans

As at the date of this Document, there are no pension arrangements or bonus plans in place within the Group.

16. Dilution of Ordinary Share Capital

16.1.39,099,141 Ordinary Shares were issued pursuant to the Subscriptions and the Conversions which together, resulted in a dilution of shareholders of the Company at the relevant time by a total of 151.61 per cent.

16.2.The Allottees are also the holders of warrants to subscribe for, in aggregate, 37,726,000 Ordinary Shares. If the Allottees exercised these warrants and no other warrants were exercised, this would result in the issue of 37,726,000 new Ordinary Shares as at the date of this Document. Such exercise would result in Shareholders being diluted from owning 100 per cent. of the issued share capital of the Company so as to constitute 63.24 per cent. of the issued share capital of the Company.

16.3.If all of the 63,089,171 Warrants outstanding as at the date of this Document were exercised, this would result in the issue of 63,089,171 new Ordinary Shares and, as at the date of this Document, Shareholders being diluted from owning 100 per cent. of the issued share capital of the Company so as to constitute 50.70 per cent. of the issued share capital of the Company.

17. Related party transactions

Save as set out below and in the audited consolidated financial statements of the Group in Section B of Part IV of this Document, there are no related party transactions that were entered into by the Group for the period covered by the historical financial information of the Group, up to the date of this Document.

Robert Scott, a Non-Executive Director of the Company and related party (due to his position as Director of the Company as well as his shareholding and level of influence in both entities), entered into a related party arrangement with K2, pursuant to which Robert Scott agreed to release and discharge DI from any claims or demands, duties, obligations and liabilities under or in respect of the loans owing to Robert Scott by DI (“**Waiver**”) in consideration for the issue and allotment of 17,900 ordinary shares in K2 issued and allotted to Robert Scott. The Waiver is undated and is expected to come into effect when the parties to the Waiver agree to exchange which is expected during the period ending 31 October 2023.

18. Statutory auditors

The auditor of the Company is RPG Crouch Chapman LLP (“**RPG**”), whose registered address is at 5th Floor, 14-16 Dowgate Hill, London EC4R 2SU. RPG have been auditor to the Company since 27 April 2023. Jeffreys Henry LLP, whose registered address is at Finsgate 5-7 Cranwood Street London EC1V 9EE, were auditors of the Company from prior to 1 November 2019 until 30 November 2022.

Both RPG and Jeffreys Henry LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and neither have any material interest in the Group as none of the following applies to them: (1) ownership of securities issued by any member of the Group or options to acquire or subscribe for securities of the Company; (2) former employment by the Company or any form of compensation provided to RPG or Jeffreys Henry LLP respectively; or (3) any connections to the financial intermediaries involved in the Subscriptions or the Admission.

19. Accounts and annual general meetings

The accounting reference date of the Company is 31 October and its most recent accounting period ended on 31 October 2022. The Company intends to make public its annual financial report within four months of each financial year end (or earlier if possible).

The Company has published its most recent unaudited half-yearly financial report in respect of the six-month period ending on 30 April 2023. The Company intends to make public its unaudited half-yearly financial reports within three months of the end of each interim period (or earlier if possible).

20. Significant change

Save as disclosed in paragraph 23.7 of this Part V of this Document, in relation to the £200,000 loan made by the Company to Precious Link on 25 June 2023, since 30 April 2023, being the end of the last financial period for which financial information has been published for the Group, until the date of this Document, there has been no significant change in the financial position or financial performance of the Group.

21. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares may take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

22. Takeover Code

22.1 The Company is subject to the provisions of the Takeover Code, including the rules regarding mandatory takeover offers, set out in the Takeover Code. Brief details of the Takeover Panel, the Takeover Code and the protections they afford are described below. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed public company with its registered office in the United Kingdom. As a listed public company with its registered office in the United Kingdom, the Company's Shareholders are entitled to the protections afforded by the Takeover Code. For the purpose of the Takeover Code, a takeover will include any transaction with an objective or potential effect (directly or indirectly) of obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

22.2 Mandatory Bids

Under Rule 9 of the Takeover 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 persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover 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. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, 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 such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and must be at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares

through or between a Rule 9 threshold without Takeover Panel consent. For the purposes of the Takeover Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company. Paragraph (2) of the definition of 'acting in concert' also presumes that a company is acting in concert with its directors (together with their close relatives and the related trusts of any of them) for the purposes of the Takeover Code unless the contrary is established.

22.3 **Squeeze-out Rules**

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 takeover offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Act must, in general, be the same as the consideration that was available under the takeover offer.

22.4 **Sell-out Rules**

The Act also gives minority Shareholders the right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares (being voting shares that carry voting rights in the Company), any holder of Ordinary Shares to which the offer relates who has not accepted the offer is entitled by a written communication to the offeror to require it to acquire its Ordinary Shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, the giving of the notice. If a Shareholder exercises his other rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

23. Material Contracts

The following contracts which: (i) other than contracts entered into in the ordinary course of business are or may be material and have been entered into by any member of the Group within the two years immediately preceding the date of this Document; or (ii) not being a contract entered into in the ordinary course of business have been entered into at any time before the date of this Document by any member of the Group where those contracts contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this Document.

23.1 **Transaction Engagement Letter – Financial Adviser**

Pursuant to an engagement letter dated 1 June 2023 between the Company and the Financial Adviser, the Company appointed and the Financial Adviser agreed to be appointed as the Company's financial adviser in connection with Admission. In consideration for its services, the Financial Adviser is entitled to a corporate finance fee.

23.2 **Orderly Market Arrangements – Directors**

An orderly market agreement dated 30 October 2023 was entered into by the Company, the Financial Adviser, and each of the Directors, pursuant to which each of the Directors has undertaken, save in certain circumstances, to be subject to Orderly Market Arrangements during the 12 months following Admission. The Directors hold, in aggregate, 552,599 Ordinary Shares representing 0.85 per cent. of the Share Capital. The Orderly Market Arrangements will not apply in the event of an intervening court order, a takeover becoming or being declared unconditional, or the death of the respective Director.

23.3 **Orderly Market Arrangements – Significant Shareholders**

An orderly market agreement dated 30 October 2023 was entered into by the Company, the Financial Adviser, and each of the Orderly Market Significant Shareholders, pursuant to which each of the Orderly Market Significant Shareholders has undertaken, save in certain circumstances, to be subject to the Orderly Market Arrangements during the 12 months following Admission. The Orderly Market Significant Shareholders hold, in aggregate, 31,726,000 Ordinary Shares representing 48.89 per cent. of the Share Capital. The Orderly Market Arrangements will not apply in the event of an intervening court order, a takeover becoming or being declared unconditional, or the death of the respective Orderly Market Significant Shareholders.

23.4 **Financial Adviser Engagement Letter**

A financial adviser agreement dated 21 March 2023 between the Company and the Financial Adviser, pursuant to which the Company appointed the Financial Adviser as the Company's financial adviser unless and 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.

23.5 **Relationship Agreement – Golden Nice and Mr Ziwei Peng**

On 30 October 2023, the Company, the Financial Adviser, Mr Ziwei Peng and Golden Nice entered into a relationship agreement, pursuant to which, conditional upon Admission, each of Mr Ziwei Peng and Golden Nice (together, the "**Significant Shareholders**") agreed that all transactions and relationships between them and any member of the Group will be conducted on terms that allow the Group to carry on its business independently of the Significant Shareholders, and all such transactions and relationships will be at arm's length, on a normal commercial basis and with the prior approval (confirmed in writing) of a Non-Executive Director.

The Significant Shareholders have agreed that they will not exercise their warrants or convert their convertible loan notes into Ordinary Shares in the Company if such exercise / conversion would result in them (alone or together with any persons "acting in concert" (as defined in the Takeover Code), acquiring or being interested in shares (as defined in the Takeover Code) which, in aggregate, carry 29.99 per cent. or more of the voting rights of the Company.

The Relationship Agreement will continue in full force and effect provided that: (i) the Ordinary Shares are admitted to trading on the Main Market (including any period of suspension of trading) or AIM (a market of that name operated by the LSE) or any other recognised investment exchange or overseas investment exchange in the EEA; (ii) there are no insolvency actions taken in relation to the Company; and (iii) the Significant Shareholders, individually or together, hold 15 per cent. or more of the rights to vote at a general meeting of the Company attaching to Ordinary Shares.

23.6 **Admission Agreement**

On 30 October 2023, the Company, the Directors of the Company and the Financial Adviser entered into an admission agreement ("**Admission Agreement**") pursuant to which the Financial Adviser agreed to act as the Company's financial adviser in relation to Admission subject to the terms and conditions of its transaction engagement letter dated 1 June 2023 (further details of which are set out at paragraph 23.1 of this Part V of this Document) and on an on-going basis following Admission subject to the terms and conditions of the financial adviser engagement letter dated 21 March 2023 (further details of which are set out at paragraph 23.4 of this Part V of this Document). In consideration of the Financial Adviser's services under this the Admission Agreement, upon Admission, the Company shall pay to the Financial Adviser in cash a fee (together with any VAT payable thereon).

23.7 **Loan Agreement – Precious Link**

On 25 June 2023, the Company (as lender), Precious Link (as the borrower) and Chen Feng (as the owner of Precious Link) entered into a loan agreement, pursuant to which the Company agreed to provide an unsecured loan of £200,000 to Precious Link. The loan attracts an interest rate of 10 per cent. per annum, payable monthly in arrears, and is repayable upon demand. Whilst the loan remains outstanding, Chen Feng grants the Company an option to acquire all the shares in Precious Link.

23.8 **October 2018 Convertible Loan Note Instrument**

The Company entered into a convertible loan note instrument dated 1 October 2018 (as amended on 5 October 2020, 29 July 2022 and 29 September 2023), pursuant to which unsecured convertible loan notes of £0.05 each were constituted. The aggregate principal amount of the 2018 Loan Notes is limited to £250,000. Initially, 50,000,000 2018 Loan Notes of £0.005 each were issued, but the Company undertook a 20:1 share consolidation in October 2019, which resulted in an adjustment and reduction of the number of 2018 Loan Notes in issue to 2,500,000 of £0.10 each. An amendment to the instrument was agreed in October 2020, pursuant to which it was agreed that the 2018 Loan Notes would be in integral multiples of £0.05 (rather than £0.10), which resulted in an increase in the number of 2018 Loan Notes to 5,000,000.

The interest rate payable on the 2018 Loan Notes is 12 per cent. per annum, compounded annually, and payable by the Company in cash, on the redemption date. The 2018 Loan Notes are redeemable on 31 March 2025.

The holders of the 2018 Loan Notes are entitled to convert the 2018 Loan Notes, and any accrued interest, into Ordinary Shares at a conversion price of £0.05 per Ordinary Share in integral multiples of £50,000, at any time prior to 31 March 2025 (the redemption date) by serving a conversion notice on the Company. Each of the converted Ordinary Shares will have attached to it a warrant to subscribe for a new Ordinary Share, at a price of £0.05 per Ordinary Share exercisable until 31 December 2025 and a warrant to subscribe for a new Ordinary Share at a price of £0.10 per Ordinary Share exercisable until 31 December 2026.

The 2018 Loan Notes are transferable by a holder to a party to whom such holder is permitted to transfer Ordinary Shares in accordance with the Articles. The 2018 Loan Notes are transferable in integral multiples of £50,000.

A holder of the 2018 Loan Notes may not convert any 2018 Loan Notes if such conversion would result in them owning more than 29.9 per cent. of the issued share capital of the Company.

On 3 October 2022, the holder of the 2018 Loan Notes at the time transferred £162,500 2018 Loan Notes to Golden Nice and converted the remainder (being £87,500 2018 Loan Notes) together with the accrued interest into 2,381,953 Ordinary Shares. As at the date of this Document, the sole holder of the 2018 Loan Notes is Golden Nice and 3,250,000 2018 Loan Notes remain outstanding.

23.9 **March 2021 Convertible Loan Note Instrument**

The Company entered into a convertible loan note instrument dated 31 March 2021 (as amended on 29 July 2022, 24 January 2023 and 29 September 2023), pursuant to which up to 15,000,000 unsecured convertible loan notes 2021 (the “**2021 Loan Notes**”) were constituted. The aggregate principal amount of the 2021 Loan Notes is limited to £750,000. The 2021 Loan Notes were issued in integral multiples of £0.05. The interest rate payable on the 2021 Loan Notes is 12 per cent. per annum, compounded annually and payable in cash on the day the 2021 Loan Notes are redeemed. The redemption date for the 2021 Loan Notes is 31 March 2025.

The holders of the 2021 Loan Notes are entitled to convert the 2021 Loan Notes, and any accrued interest, into Ordinary Shares, at a conversion price of £0.05, in integral multiples of £1,000, at any time prior to 31 March 2025 (being the redemption date) by serving a conversion notice on the Company. Each converted Ordinary Share will have attached to it a warrant to subscribe for a new Ordinary Share, at a price of £0.05 per Ordinary Share exercisable until 31 December 2025 and a warrant to subscribe for a new Ordinary Share at a price of £0.10 per Ordinary Share exercisable until 31 December 2026.

The 2021 Loan Notes are transferable. A holder of the 2021 Loan Notes may not convert any 2021 Loan Notes if such conversion would result in them owning more than 29.9 per cent. of the issued share capital of the Company.

On 31 March 2021, the Company issued 12,060,000 2021 Loan Notes in the sum of £603,000 (by the conversion of existing sums due to creditors and by way of subscription from private investors).

On 3 October 2022, Golden Nice acquired 7,839,000 2021 Loan Notes from various holders.

On or around 24 January 2023, the Company received a conversion notice from Golden Nice, pursuant to which Golden Nice notified the Company of the conversion of 2021 Loan Notes in the sum of £300,000 into 6,000,000 Ordinary Shares. As at the date of this Document, the holder of the 2021 Loan Notes is Golden Nice and 1,839,000 2021 Loan Notes remain outstanding.

23.10 2018 Warrant Instrument

The Company created a warrant instrument dated 27 November 2018 (as amended on 26 November 2019 and 11 July 2022), pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (“**November 2018 Warrants**”). The November 2018 Warrants are exercisable at a price of £0.05 per Ordinary Share and either in whole or in part on no more than one occasion on or before 1 February 2024. 8,050,000 November 2018 Warrants remain outstanding as at the date of this Document.

23.11 2020 Warrant Instrument

The Company created a warrant instrument dated 17 August 2020 (as amended on 11 July 2022), pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**August 2020 Warrants**”). The August 2020 Warrants are exercisable at a price of £0.05 per Ordinary Share and either in whole or in part on no more than one occasion on or before 1 February 2024. 2,566,889 August 2020 Warrants remain outstanding as at the date of this Document.

23.12 Subscription Letter – Golden Nice

Pursuant to a subscription letter from Golden Nice to the Company dated 3 October 2022, Golden Nice subscribed for 13,000,000 new Ordinary Shares, at a price of £0.05 per Ordinary Share, raising in aggregate £650,000. In connection with the Golden Nice Subscription, Golden Nice was granted the October 2022 Warrants (as defined in paragraph 23.13 of this Part V of this Document).

23.13 October 2022 Warrant Instrument – Golden Nice

The Company created a warrant instrument dated 3 October 2022, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**October 2022 Warrants**”). The October 2022 Warrants are exercisable at a price of £0.05 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. 13,000,000 October 2022 Warrants remain outstanding as at the date of this Document. The holder of the October 2022 Warrants is Golden Nice.

23.14 5p 2022 CLN Conversion Warrant Instrument

In connection with the 2022 Conversion, the Company created a warrant instrument dated 3 October 2022, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**5p 2022 CLN Warrants**”). The 5p 2022 CLN Warrants are exercisable at a price of £0.05 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. 7,373,141 5p 2022 CLN Warrants remain outstanding as at the date of this Document.

23.15 10p 2022 CLN Conversion Warrant Instrument

In connection with the 2022 Conversion, the Company created a warrant instrument dated 3 October 2022, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**10p 2022 CLN Warrants**”). The 10p 2022 CLN Warrants are exercisable at a price of £0.10 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. 7,373,141 10p 2022 CLN Warrants remain outstanding as at the date of this Document.

23.16 Subscription Letters – Ms Chen Fangling and Mr An Xiangyu

Pursuant to subscription letters from each of Ms Chen Fangling and Mr An Xiangyu to the Company dated 19 January 2023, Ms Chen Fangling and Mr An Xiangyu subscribed for 6,363,000 new Ordinary Shares each, at a price of £0.055 per Ordinary Share, raising in aggregate £699,930. In connection

with the 2023 Subscription, Ms Chen Fangling and Mr An Xiangyu were granted the 5.5p Warrants (as defined in paragraph 23.17 of this Part V of this Document).

23.17 5.5p Warrant Instrument – Ms Chen Fangling and Mr An Xiangyu

The Company created a warrant instrument dated 23 January 2023, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**5.5p Warrants**”). The 5.5p Warrants are exercisable at a price of £0.055 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. The holders of the 5.5p Warrants are Ms Chen Fangling and Mr An Xiangyu and 12,726,000 5.5p Warrants remain outstanding as at the date of this Document.

23.18 5p 2023 CLN Warrant Instrument

In connection with the 2023 Conversion, the Company created a warrant instrument dated 24 January 2023, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**5p 2023 CLN Warrants**”). The 5p 2023 CLN Warrants are exercisable at a price of £0.05 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. As at the date of this Document, the holder of the 5p 2023 CLN Warrants is Golden Nice and 6,000,000 remain outstanding.

23.19 10p 2023 CLN Warrant Instrument

In connection with the 2023 Conversion, the Company created a warrant instrument dated 24 January 2023, pursuant to which the Company constituted warrants to subscribe for new Ordinary Shares (the “**10p 2023 CLN Warrants**”). The 10p 2023 CLN Warrants are exercisable at a price of £0.10 per Ordinary Share and either in whole or in part on no more than one occasion on or before 31 December 2024. As at the date of this Document, the holder of the 10p 2023 CLN Warrants is Golden Nice and 6,000,000 remain outstanding.

23.20 DI Subscription Letter - K2

Pursuant to a subscription letter dated 3 October 2023 from K2 to DI, K2 agreed to subscribe for 11,000 new shares of ZAR 1 each in DI, representing 49 per cent. of the enlarged share capital of DI, for an aggregate subscription price of ZAR 11,000.

23.21 Assignment of loans to DI - K2

On 3 October 2022, the Company and K2 entered into a deed of assignment of loan. The Company had advanced certain monies to DI and agreed to assign its legal and beneficial right and interest in all amounts owed by DI to the Company to K2 in the amount of approximately £4.2m (including a loan of £100,000 advanced by the Company to DI) (the “**DI Debt**”).

In consideration for the assignment of the DI Debt, K2 agreed to: (a) pay the Company the amount of £100,001 on 3 October 2022 (or such later date as agreed); and (b) to fully fund DI so as to enable it to carry on its business in the ordinary course until such time as K2 ceases to hold any shares in DI.

K2 was a wholly owned subsidiary of VSA Capital at the time the agreement was entered into. At the time the agreement was entered into, Andrew Monk was a director of the Company, VSA Capital and K2 and was deemed to have significant influence over VSA Capital and K2. As such, this was a related party arrangement.

Following the assignment date, K2 would ensure that the Company is released from any guarantees given by it for the benefit of DI and, until such time as the Company is released from such guarantees, K2 shall fully and effectively on demand indemnify the Company from any liability under such guarantees. K2 would also fully fund DI so as to enable it to carry on its business in the ordinary course until such time as the Company ceases to hold any shares of DI in accordance with the terms of the put and call option agreement of the same date between the Company and K2.

23.22 **Deed of subordination - K2**

On 12 June 2023, K2 and DI entered into a subordination agreement (the “**Subordination Agreement**”). The loan amount subject to the Subordination Agreement owed by DI to K2 is ZAR 87,836,460.73 as of 31 October 2022. K2 agreed that, for a twelve-month period commencing on 31 October 2022, (a) they subordinate the loan amount owed to them for the benefit of the other creditors of DI, (b) the claims of creditors of DI, both present and future, will rank preferential to the subordinated claim of K2 and (c) K2 is not entitled to demand or sue for the repayment of any part of the amount owing by DI. The board of DI intends to request for this subordination to be reinstated as should it not be reinstated then the loans due to both Working Capital Partners (Pty) Ltd (“**WCP**”) and Euro 2 Afrisko Limited (“**Afrisko**”) become due and payable, and K2 is responsible for the payments of the loans to WCP and Afrisko.

23.23 **Put and call option – K2**

On 3 October 2022, the Company and K2 entered into a put and call option. K2 granted the Company an option to require K2 to purchase 11,430 ordinary shares of ZAR1.00 each in the capital of DI from the Company (the “**Put Option**”), which lapsed on 3 October 2023.

The Company granted K2 an option to purchase 11,430 ordinary shares of ZAR1.00 each in the capital of DI from the Company (the “**Call Option**”), following the acquisition by the Company of a material trading business or a controlling shareholding of a company with a material trading business, or the establishment by the Company of a material trading business or a subsidiary that has established a material trading business (the “**Call Option Conditions**”). As the Call Option Conditions were not satisfied or waived by the Company and the Put Option was not exercised by the Company by midday on 3 October 2023, the Call Option has become exercisable by K2 at any time during a 60-day period commencing on 4 October 2023. If it is not exercised during that period, the Call Option will lapse.

The consideration payable by K2 on exercise of either the Put Option or the Call Option is £1.00 in cash.

K2 was a wholly owned subsidiary of VSA Capital at the time the agreement was entered into. At the time the agreement was entered into, Andrew Monk was a director of the Company, VSA Capital and K2 and was deemed to have significant influence over VSA Capital and K2 and as such, this was a related party arrangement.

23.24 **Sale and purchase agreement - DIA**

On 31 July 2023, the Company entered into a sale and purchase agreement with Athena Trading Worldline Limited, pursuant to which the Company sold its 46.8 per cent. interest in DIA to Athena Trading Worldwide Limited for £15,384.62, payable in cash on completion. Completion took place on 31 July 2023 and the purchase price of £15,384.62 was received by the Company on 26 July 2023.

23.25 **2019 Import trade facilities agreement - DI**

An import trade facilities agreement between the Company, DI, Euro 2 Afrisko Limited (as lender) and Euro Middle East Trading (as lender’s agent) dated 7 October 2019 (the “**Import Trade Agreement**”), pursuant to which Euro 2 Afrisko Limited offered a trade facility to DI at an amount of ZAR5,000,000. Pursuant to the import trade agreement, the facility is secured by, among others, a special and general notarial covering bond over the movable assets of DI for ZAR5,000,000, a security cession of DI’s debt book, suretyship by the Company as guarantor and a pledge and cession in respect of shares and claims held by shareholders of DI.

DI is in default in relation to its repayment obligations under the Import Trade Agreement however a repayment plan has been structured with the lender and DI is currently making payment under this repayment plan.

23.26 **Suretyship – DI**

A suretyship/credit guarantee dated 21 November 2019 entered into by the Company, pursuant to which the Company has bound itself as surety and co-principal debtor in favour of Euro Middle East

Trading (PTY) Ltd for all the obligations of DI under the Import Trade Agreement and all amounts that Euro Middle East Trading (PTY) Ltd is entitled to claim from DI.

23.27 *2023 Import trade facilities agreement – DI*

An import trade facility agreement between DI (as borrower), K2 (as guarantor) and Euro 2 Afrisko Limited (as lender) dated 2 March 2023, pursuant to which Euro 2 Afrisko Limited provide a trade facility to DI limited at an amount of ZAR9,000,000. Pursuant to the agreement, the facility is secured by, among others, a special and general notarial covering bond over the movable assets of DI for ZAR5,000,000, a security cession of DI's debt book, suretyship by K2 as guarantor and a pledge and cession in respect of shares and claims held by shareholders of DI. The suretyship is also provided.

23.28 *A pre-agreement with Standard Bank of South Africa Limited – DI*

A pre-agreement statement and quotation setting out the terms of a business flexible facility agreement dated 1 June 2023 between DI and Standard Bank of South Africa Limited. The facility has a principal amount of ZAR2,077,600 and bears an interest rate of 22.5 per cent. over the expected term, which will fluctuate in line with DI's revenue (estimated at 276 days).

23.29 *Suretyship provided by the Company in favour of Working Capital Partners (PTY) Ltd*

A memorandum of an invoice discounting facility dated 22 October 2019 from Working Capital Partners (PTY) Ltd ("WCP") and DI, pursuant to which WCP will advance 73 per cent. of invoice value to DI upon presentation, subject to acceptance from WCP; and pursuant to which a 25 per cent. balance of purchase price will be due to DI against collection of debt by WCP.

24. Employees

- 24.1 As at the date of this Document, the Company has 1 employee, being Andy Sui, the Executive Director.
- 24.2 As at the date of this Document, DI has four directors, one of whom is also a director of the Company, and 14 permanent employees (excluding its directors).

25. Intellectual Property – patents and licences

- 25.1 The Company through DI owns the trademark and associated device "Dynamic Spiced" which was signed and sealed by the South African Register of Trade Marks on 14 January 2019. The registration is for a period of 10 years from 24 April 2017. The associated device is a logo.
- 25.2 The Company and DI own the domains www.everestglobalplc.com and www.dynamicintertrade.co.za respectively.

26. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Company is aware) in the twelve months prior to the date of this Document which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

27. Other information

- 27.1 Save in respect of the loan to Precious Link, further details of which are set out in paragraph 23.7 of this Part V, the Company has not made any material investments since 30 April 2023, being the date of the last published financial statements of the Company, nor are there any such investments in progress and/or firm commitments which have already been made.
- 27.2 Other than as provided by the Takeover Code and Part 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.

- 27.3 During the financial year ended 31 October 2022 until the date of this Document, there have been no public takeover bids (within the meaning of Part 28 of the Act) for the Ordinary Shares.
- 27.4 There have been no significant changes, significant new products or changes in the Group's regulatory environment impacting the Group's operations and principal activities since 31 October 2022, being the last published audited financial statements of the Group.
- 27.5 Save as disclosed in paragraph 4 of this Part V, the Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 27.6 Save as disclosed in paragraph 6 of Part I of this Document, there are no significant recent trends in the production, sales and inventory, and costs and selling prices for the Group since 31 October 2022, being the date of the last published financial statements of the Company to the date of this Document.
- 27.7 In accordance with Listing Rule 14.2.2, at Admission, at least 10 per cent. of the Ordinary Shares will be in public hands (as defined in the Listing Rules).
- 27.8 Save as disclosed in paragraph 6 of Part I of this Document, there are no known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.
- 27.9 Cairn Financial Advisers LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion of the references to its name in the form and context in which it appears.
- 27.10 RPG Crouch Chapman LLP of 5th Floor, 14-16 Dowgate Hill, London EC4R 2SU has given and 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 in Part IV of this Document:
 - 27.10.1 reporting accountant's report on the historical financial information on the Company; and
 - 27.10.2 the historical financial information on the Company for the three year period to 31 October 2022;
and has authorised the contents of those reports for the purposes of this Document.
- 27.11 RPG Crouch Chapman LLP accepts responsibility for the financial information set out in Section B of Part IV of this Document and their accountant's reports thereon set out in Section A of Part IV of this Document. To the best of their knowledge, the financial information set out in Section B of Part IV of this Document and their accountant's reports thereon set out in Section A of Part IV of this Document are in accordance with the facts and make no omissions likely to affect their import.
- 27.12 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.
- 27.13 Copies of the following documents will be available for inspection during normal business hours on any business day at the offices of Hill Dickinson LLP for at least one month after the date of Admission:
 - (i) this Document;
 - (ii) the memorandum and articles of association of the Company; and
 - (iii) the letters of consent referred to above from the Financial Adviser and RPG.

In addition, this Document will be published in electronic form and be available on the Company's website, www.everestglobalplc.com, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

The date of this Document is 31 October 2023

PART VI

DEFINITIONS

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

£ or Pound(s) Sterling	UK pound(s) sterling
10p 2022 CLN Warrants	the warrants to subscribe for new Ordinary Shares at an exercise price of £0.10 per Ordinary Share and constituted by a warrant instrument dated 3 October 2022, pursuant to which holders of convertible loan notes were granted warrants in connection with the 2022 Conversion, further details of which are set out in paragraph 23.15 of Part V of this Document
10p 2023 CLN Warrants	the warrants to subscribe for new Ordinary Shares at an exercise price of £0.10 per Ordinary Share constituted by a warrant instrument dated 24 January 2023, pursuant to which holders of convertible loan notes were granted warrants in connection with the 2023 Conversion, further details of which are set out in paragraph 23.19 of Part V of this Document
2018 Loan Notes	the unsecured convertible loan notes of £0.05 each constituted by a convertible loan note instrument dated 1 October 2018 (as amended on 5 October 2020, 29 July 2022 and 29 September 2023), further details of which are set out in paragraph 23.8 of Part V of this Document
2021 Loan Notes	the up to 15,000,000 unsecured convertible loan notes 2021 of £0.05 each constituted by a convertible loan note instrument dated 31 March 2021 (as amended on 29 July 2022, 24 January 2023 and 29 September 2023), further details of which are set out in paragraph 23.9 of Part V of this Document
2022 Conversion	the conversion of £87,500 2018 Loan Notes and £211,050 2021 Loan Notes and accrued but unpaid interest into 7,373,141 Ordinary Shares in October 2022, further details of which are set out in paragraph 3.2 of Part V of this Document
2022 Conversion Shares	7,373,141 Ordinary Shares issued in connection with the 2022 Conversion, further details of which are set out in paragraph 3.2 of Part V of this Document
2023 Conversion	the conversion of £300,000 2021 Loan Notes into 6,000,000 Ordinary Shares by Golden Nice in January 2023, further details of which are set out in paragraph 3.2 of Part V of this Document
2023 Conversion Shares	6,000,000 Ordinary Shares issued in connection with the 2023 Conversion, further details of which are set out in paragraph 3.2 of Part V of this Document
2023 Subscription	the subscription for 6,363,000 2023 Subscription Shares by each of Ms Chen Fangling and Mr An Xiangyu at a price of 5.5 pence per Ordinary Share on 24 January 2023, further details of which are set out in paragraph 3.2 of Part V of this Document
2023 Subscription Shares	the 12,726,000 Ordinary Shares issued to Ms Chen Fangling and Mr An Xiangyu (in aggregate) in connection with the 2023 Subscription, further details of which are set out in paragraph 3.2 of Part V of this Document

5.5p Warrants	the warrants to subscribe for new Ordinary Shares at an exercise price of £0.055 per Ordinary Share constituted by a warrant instrument dated 23 January 2023 and granted in connection with the 2023 Subscription
5p 2022 CLN Warrants	the warrants to subscribe for new Ordinary Shares at an exercise price of £0.05 per Ordinary Share constituted by a warrant instrument dated 3 October 2022, pursuant to which holders of convertible loan notes were granted warrants in connection with the 2022 Conversion, further details of which are set out in paragraph 23.14 of Part V of this Document
5p 2023 CLN Warrants	the warrants to subscribe for new Ordinary Shares at an exercise price of £0.05 per Ordinary Share constituted by a warrant instrument dated 24 January 2023, pursuant to which holders of convertible loan notes were granted warrants in connection with the 2023 Conversion, further details of which are set out in paragraph 23.18 of Part V of this Document
Act	the Companies Act 2006, as amended from time to time
Admission	the admission of the Allotted Shares to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market
AGM	annual general meeting
Allotted Shares	39,099,141 Ordinary Shares, being the Subscription Shares and the Conversion Shares
Allottees	the recipients of the Allotted Shares (being Golden Nice, Ms Chen Fangling and Mr An Xiangyu)
APV	African Projects and Ventures (Pty) Limited, a company incorporated and registered in the Republic of South Africa with registration number 2012/156634/07
Articles	the articles of association of the Company
August 2020 Warrants	the warrants to subscribe for new Ordinary Shares constituted by a warrant instrument dated 17 August 2020 (as amended on 11 July 2022), further details of which are set out in paragraph 23.11 of Part V of this Document
Board	the board of directors of the Company
certificated or in certificated form	an Ordinary Share which is not in uncertificated form
Comarco Group	a privately owned port and marine logistics group based in Mombasa, Kenya
Company or Everest	Everest Global Plc, a company incorporated in England and Wales with registered number 07913053
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 a company, irrespective of whether such interest or interests give <i>de facto</i> control

Conversion Shares	together the 2022 Conversion Shares and the 2023 Conversion Shares
Conversions	together the 2022 Conversion and the 2023 Conversion
Convertible Loan Notes	together the 2018 Loan Notes and 2021 Loan Notes
CREST	the paperless share settlement system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
DI	Dynamic Intertrade (Pty) Limited, the Company's 51 per cent. subsidiary
DIA	Dynamic Intertrade Agri (Pty) Limited, a company involved in the trading of agricultural products incorporated in the Republic of South Africa with company number 2005/028946/07
Directors	together, the Executive Director and the Non-Executive Directors
Disclosure and Transparency Rules or DTRs	the disclosure guidance and transparency rules of the FCA
Document	this document
EEA	the European Economic Area with territories comprising the European Union together with Norway, Iceland and Liechtenstein
EU	the European Union
Executive Director	the executive Director of the Company, being Xin (Andy) Sui
Existing Listed Ordinary Shares	the 25,789,714 Ordinary Shares in the issued share capital of the Company which are admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market as at the date of this Document (for the avoidance of doubt this excludes the Allotted Shares).
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
Financial Adviser	Cairn Financial Advisers LLP
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
FSSC	Food Safety System Certification
Fully Diluted Share Capital	the issued share capital of the Company on the basis that all Warrants in the Company are exercised and the Convertible Loan Notes (excluding interest) are converted
Global Food Safety Initiative	a business-driven initiative for the continuous improvement of food safety management systems, with the ambition to ensure confidence in the delivery of safe food to consumers worldwide

Golden Nice	Golden Nice International Group Limited, a company wholly owned by Mr Ziwei Peng, a business professional with interests in the renewable energy sector
Golden Nice Subscription	the subscription for the Golden Nice Subscription Shares by Golden Nice at a price of 5 pence per Ordinary Share in October 2022, further details of which are set out in paragraph 23.12 of Part V of this Document
Golden Nice Subscription Shares	the 13,000,000 Ordinary Shares issued to Golden Nice in connection with the Golden Nice Subscription, further details of which are set out in paragraph 23.12 of Part V of this Document
Group	the Company and its subsidiaries from time to time
HMRC	HM Revenue & Customs
Independent Non-Executive Director	the independent non-executive director of the Company, being Simon Grant-Rennick, as at the date of this Document
ISIN	International Securities Identification Number
K2	K2 Spice Limited, a company incorporated in England and Wales with company registration number 09686621, and previously known as VSA Nex Investments Limited
LEI	legal entity identifier
Listing Rules	the listing rules of the FCA
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 EU law as defined in the European Union (Withdrawal) Act 2018
Member States	member states of the EU
Non-Executive Directors	the non-executive directors of the Company, being the Independent Non-Executive Director and Robert Stuart Scott
November 2018 Warrants	the warrants to subscribe for new Ordinary Shares constituted by a warrant instrument dated 27 November 2018 (as amended on 26 November 2019 and on 11 July 2022), further details of which are set out in paragraph 23.10 of Part V of this Document
October 2022 Warrants	the warrants to subscribe for new Ordinary Shares constituted by a warrant instrument dated 3 October 2022, further details of which are set out in paragraph 23.13 of Part V of this Document
Official List	the Official List maintained by the FCA
Option	the put and call option agreement, pursuant to which the Company granted to K2 an option to purchase, and K2 granted the Company an option to require K2 to purchase 11,430 shares in DI, being the remaining 51 per cent. of DI held by the Company as at the date of this Document, subject to the satisfaction of certain conditions and subject to certain time restrictions, for £1, further details of which are set out in paragraph 23.23 of Part V of this Document

Orderly Market Arrangements	the orderly market agreement between: (1) the Company; (2) the Financial Adviser; and (3) the Orderly Market Significant Shareholders or the Directors dated 30 October 2023, further details of which are set out in paragraphs 23.2 and 23.3 of Part V of this Document
Orderly Market Significant Shareholders	each of Golden Nice, Mr Ziwei Peng, Ms Chen Fangling and Mr An Xiangyu
Ordinary Shares	ordinary shares of £0.02 each (or £0.001 each prior to the share consolidation on 25 October 2019) 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, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions
Premium Listing	a premium listing on the Official List under Chapter 6 of the Listing Rules
Prospectus Regulation	Regulation (EU) no. 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018
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
Registrar	Neville Registrars Limited whose registered office address is at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA
Regulation S	Regulation S promulgated under the Securities Act
Relationship Agreement	the agreement between: (1) the Financial Adviser; (2) the Company; (3) Mr Ziwei Peng; and (4) Golden Nice, as further detailed in paragraph 23.5 of Part V 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 for the purpose of disseminating regulatory announcements in respect of listed companies
Securities Act	the United States Securities Act of 1933, as amended
Share Capital	the issued ordinary share capital of the Company as at the date of this Document and on Admission and which, for the avoidance of doubt, includes the Allotted Shares
Shareholders or members	holders of Ordinary Shares
South Africa	the Republic of South Africa
Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules

Subscription Shares	together the Golden Nice Subscription Shares and the 2023 Subscription Shares
Subscriptions	together the Golden Nice Subscription and the 2023 Subscription
subsidiary	has the meaning given to it by section 1159 of the Act
Takeover Code	the UK City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers
UK Corporate Governance Code	the UK Corporate Governance Code, published by the Financial Reporting Council, as amended from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
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
VSA Capital	VSA Capital Limited, a company registered in England and Wales with company registration number 02405923
Warrants	together the November 2018 Warrants, the August 2020 Warrants, the October 2022 Warrants, the 5.5p Warrants, the 5p 2022 CLN Warrants, the 5p 2023 CLN Warrants, the 10p 2022 CLN Warrants and the 10p 2023 CLN Warrants
ZAR	the South African Rand

