

23 December 2020

Summerway Capital Plc

("Summerway" or the "Company")

Posting of Circular and Notice of General Meeting and Related Party Transaction

Further to the announcement on 15 December 2020 in relation to the Company's proposal to amend its investing policy in conjunction with proposed Board changes, a proposed subscription and issue of warrants and a proposed share purchase by Vinodka (Vin) Murria, the Board of Directors of Summerway Capital Plc (AIM: SWC) announce that the Company is today posting a Circular to shareholders.

The Circular contains a notice convening a General Meeting of the Company, at which certain resolutions in connection with the new investing policy, authority to allot ordinary shares, and the disapplication of pre-emption rights will be put to shareholders. The meeting will be held at 10:00 a.m. on 15 January 2021 at the offices of Nplus1 Singer Advisory LLP at 1 Bartholomew Lane, London EC2N 2AX.

In light of the continuing uncertainty regarding the COVID-19 pandemic, and the UK Government's evolving restrictions on public gatherings of persons from different households as well as social distancing requirements, shareholders will not be permitted to attend the General Meeting in person, save for those shareholders of the Company required to be present in person for the purposes of establishing a quorum (in person or by telephone conference), and whose attendance has been pre-agreed with the Directors in advance.

Shareholders are asked to vote by way of proxy in advance of the General Meeting and are encouraged to appoint the Chairman of the General Meeting as their proxy with their voting instructions.

The Company has received irrevocable undertakings from certain shareholders and Directors to vote in favour of all Resolutions to be put to shareholders at the forthcoming General Meeting, in respect of their direct holdings, representing in aggregate 71.8% of the Company's existing issued share capital.

The Circular and the Notice of General Meeting will also be available for viewing on the Company's website at www.summerwaycapital.co.uk.

Related Party Transaction

The Company proposes to take steps to amend its previously disclosed Subsidiary Incentive Scheme. The amendments recognise the proposed change in strategic direction of the Company and the expectation that Ms Murria and others will be instrumental in leading the execution of this revised strategy, and in turn, the anticipated creation of Shareholder Value.

A summary of the proposed key amendments compared to the original Subsidiary Incentive Scheme are set out in the following table and included in the Circular.

Item	Previous Subsidiary Incentive Scheme	Amended Subsidiary Incentive Scheme
Percentage of Shareholder Value available to Scheme Participants (pre acquisition of, or investment in operating company)	10 per cent.	Up to 20 per cent.
Target compound annual growth rate hurdle	13.5 per cent.	7.5 per cent.
Commencement date	On Admission	15 January 2021
Initial Value	Market capitalisation on Admission	Unchanged
Vesting period	Three- to five-year period or upon a change of control of the Company or the Subsidiary	Unchanged
Scheme Participants and respective B Share holdings	Alexander Anton – 333,333 Benjamin Shaw – 333,333 Mark Farmiloe – 333,333	Up to 2,000,000 (or such amount as equates to 20 per cent. of Shareholder Value) to include Vin Murria and each of the Founder Directors and to be allocated on a basis to be determined

It is anticipated that the Subsidiary Incentive Scheme will be amended so as to take effect immediately and conditionally upon the passing of the Resolutions at the General Meeting.

Alexander Anton, Benjamin Shaw and Mark Farmiloe (the “Founder Directors”) who are related parties as defined in the AIM Rules for Companies (the “AIM Rules”) will be parties to the amendments to the Subsidiary Incentive Scheme. The proposed amendments to the Subsidiary Incentive Scheme, insofar as they relate to the participation of the Founder Directors, will constitute a related party transaction under Rule 13 of the AIM Rules. They are expected to result, inter alia, in a significant reduction in the individual and collective entitlements of the Founder Directors under the Subsidiary Incentive Scheme, in addition to which the Founder Directors have agreed, conditional upon completion of the proposals referred to above, to the termination, without compensation, of the Corporate Advisory Agreement entered into between the Company and AFS Advisors LLP (an entity wholly-owned by the Founder Directors) as set out in paragraph 16.5 of the Admission Document. David Firth, the Independent Non-Executive Director considers, having consulted with the Company's

nominated adviser, N+1 Singer, that the terms of the proposed amendments to the Subsidiary Incentive Scheme are fair and reasonable insofar as the Company's Shareholders are concerned.

Terms used in this announcement shall have the same meaning as those used in the Circular.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

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