

15 January 2021

## **Summerway Capital Plc**

("Summerway" or the "Company")

### **Result of General Meeting, Total Voting Rights, Directorate Changes and Related Party Transaction**

Following the General Meeting of the Company, which was held earlier today, the Board is pleased to announce that all the ordinary and special resolutions set out in the Notice of General Meeting were duly passed.

Details of the number of proxy votes cast for, against and withheld on the resolutions will be published on the Company's website at <https://www.summerwaycapital.co.uk/>.

The Company also confirms, further to the announcement made by the Company on 15 December 2020, the appointment of Vinodka (Vin) Murria as Chairman, Paul Gibson and Anthony (Tony) Morris as non-executive directors and the resignation of Alexander Anton and Mark Farniloe as directors.

The Board has also approved the appointment of Kerin Williams as Company Secretary, following the resignation of Cheryl Warren.

Following completion of a subscription agreement dated 15 December 2020, which was referred to in the 15 December announcement, Vin Murria has now subscribed for 1,903,409 ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") at 88 pence per share by way of a direct subscription and been granted a warrant providing for a right to subscribe for an additional 3,246,062 new Ordinary Shares at 88 pence per share. When aggregated with the 500,000 existing Ordinary Shares acquired by Ms Murria at 85 pence per share from a selling shareholder, Ms Murria's beneficial interest is 2,403,409 Ordinary Shares, representing 29.9 per cent. of the enlarged issued share capital of the Company.

### **Total Voting Rights**

Application has been made to the London Stock Exchange for 1,903,409 Ordinary Shares to be admitted to trading on AIM ("Admission") and it is expected that Admission will become effective at 8.00 a.m. on 18 January 2021.

Following Admission, the total number of Ordinary Shares in issue will be 8,033,409 and the total number of voting rights will therefore be 8,033,409. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

### **Management Incentive Arrangements**

The Directors continue to believe that the success of the Company will depend to a high degree on the future performance of the Directors in executing the Company's amended investing policy and growth strategy. As detailed in the circular published on 23 December 2020, the Company has therefore taken steps to amend its previously disclosed Subsidiary Incentive Scheme, which it

considers will continue to be an important means of aligning the interests of the Directors with those of Shareholders.

#### *Subsidiary Incentive Scheme amendments*

Under the terms of the Subsidiary Incentive Scheme, participants are only rewarded if a predetermined level of Shareholder value is created over a three- to five-year period or upon a change of control of the Company or the Subsidiary (whichever occurs first), calculated on a formula basis by reference to the growth in market capitalisation of the Company, following adjustments for the issue of any new ordinary Shares and taking into account dividends and capital returns ("Shareholder Value"), realised by the exercise by the beneficiaries of a put option in respect of their shares in the Subsidiary and satisfied either in cash or by the issue of new Ordinary Shares at the election of the Company.

Under the arrangements in place at Admission, participants were originally entitled to 10 per cent. of the Shareholder Value created, subject to such Shareholder Value having increased by at least 13.5 per cent. per annum compounded ("Target") over a period of between three and five years from Admission, or following a change of control of the Company or the Subsidiary. It was also anticipated at Admission that upon the consummation of the first acquisition, the Company may issue further employee options to key employees and this remains the case.

Certain adjustments have now been made to the Subsidiary Incentive Scheme, with effect from today, in order to 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 key amendments compared to the original Subsidiary Incentive Scheme are set out in the following table. This summary does not form part of any of the arrangements governing the Subsidiary Incentive Scheme and should not be taken as affecting the interpretation of its detailed terms and conditions.

<b>Item</b>	<b>Previous Subsidiary Incentive Scheme</b>	<b>Amended Subsidiary Incentive Scheme</b>
<b>Percentage of Shareholder Value available to Scheme Participants (pre acquisition of, or investment in operating company)</b>	10 per cent.	Up to 20 per cent.
<b>Target compound annual growth rate hurdle</b>	13.5 per cent.	7.5 per cent.
<b>Commencement date</b>	On Admission	15 January 2021
<b>Initial Value</b>	Market capitalisation on Admission	Unchanged

<b>Vesting period</b>	Three- to five-year period or upon a change of control of the Company or the Subsidiary	Unchanged
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<b>Scheme Participants, respective B Share holdings and current aggregate Shareholder Value participation</b>	Alexander Anton – 333,333 Benjamin Shaw – 333,333 Mark Farmiloe – 333,333	Alexander Anton – 75,000 Benjamin Shaw – 75,000 Mark Farmiloe – 75,000 Tony Morris – 175,000 Vin Murria – 1,000,000 Paul Gibson – 50,000 Aggregated – 1,450,000 (14.5%)
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### *Corporate Advisory Agreements*

The Corporate Advisory Agreement entered into between the Company and AFS Advisors LLP (an entity wholly-owned by Alexander Anton, Benjamin Shaw and Mark Farmiloe) set out in paragraph 16.5 of the Admission Document has been terminated at nil cost.

The Company has entered in a new agreement with Tessera Investment Management Limited ("Tessera") pursuant to which Tessera has agreed to provide strategic and general corporate advice, and M&A and capital raising transaction support services to the Company (the "Tessera Corporate Advisory Agreement"). Tessera will charge £12,500 per month (plus VAT) payable monthly in arrears from the date of the agreement. In order to align the parties' collective interests and ensure the parties share in the risk and reward of certain successful transactions, a discretionary bonus may be awarded to Tessera by the Board in the event of the successful completion of certain transactions. Tony Morris is a director and shareholder of Tessera.

### *Related Party Transaction*

The amendments to the Subsidiary Incentive Scheme, the termination of the AFS Corporate Advisory Agreement and the entry into the Tessera Corporate Advisory Agreement constitute related party transactions under Rule 13 of the AIM Rules.

David Firth as the Independent Non-Executive Director considers, having consulted with the Company's nominated adviser, N+1 Singer, that the terms of the amendments to the Subsidiary Incentive Scheme, the termination of the AFS Corporate Advisory Agreement and the entry into the Tessera Corporate Advisory Agreement are fair and reasonable insofar as the Company's Shareholders are concerned.

The following disclosures are required regarding the appointment of Vinodka (Vin) Murria as Chairman, and Paul Gibson and Anthony (Tony) Morris as non-executive directors, pursuant to Schedule Two paragraph (g) of the AIM Rules for Companies ("AIM Rules"):

Full name: Vinodka Murria

Age: 58

<b>Current directorships</b>	<b>Past directorships</b>
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Softcat plc Bunzl plc Marwyn Acquisition Company I Limited PS Foundation VM.AV Corporate Services Ltd Pythagoras Communications Limited XCD HR Limited	DWF Group Plc finnCap Group Plc Zoopla Group Plc Sophos Group plc Chime Communications Plc Hay Hill Wealth Management Limited Intercede 2445 Limited ADV Software Limited ADV Technology Limited ZPG Limited Data Accelerator Limited Data Cloud Limited Cloudhouse Technologies Ltd Greenko Group plc
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Full name: Paul David Gibson

Age: 56

<b>Current directorships</b>	<b>Past directorships</b>
XCD HR Limited Sagacity Solutions Limited Enable Business Solutions Limited Waverton Property LLP	Castleton Technology plc Tax Systems plc

Full name: Anthony John Morris

Age: 40

<b>Current directorships</b>	<b>Past directorships</b>
Michelmersh Brick Holdings Plc Tessera Investment Management Limited Bramham Partners Limited Tessera Investment Partners LLP	SecurEnvoy Limited Xcina Limited Xcina Consulting Limited Shearwater Shared Services Limited

Tessera Partners UK Limited OceanRock Consulting UK Limited	GeoLang Holdings Limited GeoLang Limited Brookcourt Solutions Limited Pentest Limited TI Partners LLP PointDB Limited
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The notification below, made in accordance with the requirements of the EU Market Abuse Regulation, provides further detail.

**For more information contact:**

**Tony Morris (Director)**

+44 (0) 20 7440 7520

**N+1 Singer (Nominated Adviser and Broker)**

Sandy Fraser, Amanda Gray

+44 (0) 20 7496 3000

a)	Name	Vin Murria
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	Chair
b)	Initial notification /Amendment	Initial Notification
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Summerway Capital plc
b)	LEI	213800YXCATORT475807
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	

a)	Description of the financial instrument, type of instrument  Identification code	Ordinary Shares of 1p each  GB00BDQYGP38						
b)	Nature of the transaction	1. Subscription 2. Purchase						
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>1. 88 pence per share</td> <td>1. 1,903,409</td> </tr> <tr> <td>2. 85 pence per share</td> <td>2. 500,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	1. 88 pence per share	1. 1,903,409	2. 85 pence per share	2. 500,000
Price(s)	Volume(s)							
1. 88 pence per share	1. 1,903,409							
2. 85 pence per share	2. 500,000							
d)	Aggregated information  - Aggregated volume  - Price	In respect of 1 and 2 in 4(c): N/A - single transactions						
e)	Date of the transaction	1. 15 January 2021 2. 15 January 2021						
f)	Place of the transaction	1. London Stock Exchange, AIM Market (XLON) 2. London Stock Exchange, AIM Market (XLON)						