

February 24, 2021

Smartkem

SmartKem, Inc. Raises \$24.6 Million and Completes Reverse Acquisition

Leader in the development of a new generation of organic semiconductor materials for the manufacture of flexible electronics successfully closes acquisition and completes financing.

MANCHESTER, England, Feb. 24, 2021 /PRNewswire/ -- SmartKem, Inc. (the Company), a pioneer in the development of materials and processes used to make organic semiconductor materials for the manufacture of flexible electronics, today announced the closing of a \$24.6 million private placement financing. Prior to the financing, SmartKem Limited (SmartKem) completed a reverse acquisition transaction with Parasol Investments Corporation (Parasol), a public Delaware corporation, whereby SmartKem became a wholly owned subsidiary of Parasol. Following the acquisition, Parasol changed its name to SmartKem, Inc. and will continue the historic business of SmartKem. The directors of SmartKem, Ian Jenks, Robert Bahns, Dr. Simon King, Klaas de Boer and Barbra Keck, have become the directors of the Company. Ian Jenks has become the Chief Executive Officer of the Company and Robert Bahns has become the Chief Financial Officer of the Company.

Ian Jenks, Chief Executive Officer says, "The success of this financing surpassed our expectations, and we believe demonstrates investor confidence in SmartKem, our technology, product, current customer traction and the market opportunity. This financing will allow us to continue to scale production of our truFLEX® inks, our Electrical Design Automation Tools and expand our Foundry Services."

SmartKem's truFLEX® technology deposits organic ink on a substrate at a temperature as low as 80°C, enabling manufacturers to use a range of low-cost flexible plastic substrates using existing industry standard equipment and infrastructure. SmartKem's transistor stacks are flexible, bendable, wearable and lightweight and can be used in a number of different applications, including bendable smart-phone displays, foldable laptops, TV backlights, curved automotive displays, color ePaper displays, wearables, fingerprint and X-ray detectors as well as printed biosensors.

GP Nurmenkari, Inc. (as consulted by Intuitive Venture Partners) acted as the exclusive placement agent for the private placement. Montrose Capital Partners was the sponsor for this transaction.

The securities issued in the acquisition and sold in the private placement have not been registered under the Securities Act of 1933 and may not be resold absent registration under, or exemption from registration under, such Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under

the securities laws of any such jurisdiction.


About SmartKem

SmartKem is the global leader of Application Specific Organic Materials for organic thin-film transistors (OTFT) backplanes compatible with industry-standard production. SmartKem focuses on the design, development, industrialization, and technology transfer of low temperature, solution-deposited organic semiconductors for transistor backplanes.

Forward-Looking Statements

All statements in this press release that are not historical are forward-looking statements, including, among other things, statements relating to the Company's expectations regarding its market position and market opportunity, expectations and plans as to its product development, manufacturing and sales, and relations with its partners and investors. These statements are not historical facts but rather are based on SmartKem Inc.'s current expectations, estimates, and projections regarding its business, operations and other similar or related factors. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expect," "intend," "plan," "project," "believe," "estimate," and other similar or related expressions are used to identify these forward-looking statements, although not all forward-looking statements contain these words. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and assumptions that are difficult or impossible to predict and, in some cases, beyond the Company's control. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to revise or update information in this release to reflect events or circumstances in the future, even if new information becomes available.

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