

24 May 2019

**ANANDA DEVELOPMENTS PLC**  
("Ananda" or the "Company")

**Proposed Adoption of Amended Investment Strategy, Acquisition of Tiamat Agriculture Limited,**

**Subscription to raise £400,000 and Approval of waiver of obligations under Rule 9 of the City Code**

The Directors of Ananda Developments PLC are pleased to announce that the Company is today posting a circular (the "Circular") to Shareholders convening a General Meeting of the Company for 10.00 a.m. on 10 June 2019.

At the General Meeting, resolutions will be proposed to adopt an Amended Investment Strategy (encompassing the cultivation of Medicinal Cannabis), to approve the acquisition of Tiamat Agriculture Limited from Charles Morgan and Melissa Sturges (both of whom are Directors of the Company) and to approve the waiver by the Panel on Takeovers and Mergers of the obligations which would otherwise arise on the Concert Party (as defined in the Circular) to make a general offer under Rule 9 of the Takeover Code as a consequence of the matters described in the Circular, which also include the proposed subscription by URA Holdings Plc for 88,888,888 Ordinary Shares, at a price of 0.45p per share, to raise £400,000 (before expenses) for the Company.

**Acquisition Highlights**

- Tiamat Agriculture has agreed with Anglia Salads Limited and JEPCO Limited to apply for a United Kingdom Controlled Drug Cannabis (with THC content of >0.2%) cultivation, production, possession and supply licence
- Anglia Salads and JEPCO have previously grown Cannabis under a >0.2% THC Home Office Licence
- Under the terms of the agreement, infrastructure and cannabis growing expertise and experience is to be contributed by Anglia Salads and JEPCO

Melissa Sturges, Chief Executive Officer of Ananda, commented:

"The acquisition of Tiamat, if approved by Shareholders, will create the next building block for Ananda to become a significant and substantial participant in the growing Medicinal Cannabis sector. To date, Ananda has created a footprint in Israel through its investment in iCAN, giving Ananda access to leading cannabis researchers, and we also have a 15% equity investment in Liberty Herbal Technologies, the developers of hapac®. hapac® is a novel technology for the dry vaping of medicinal cannabis and is currently being commercially rolled out in Italy. The hapac® team is also actively exploring routes to market in the UK.

With leading cannabis science at one end and a route to market at the other, the cultivation of Medicinal Cannabis in the UK is a logical next step for the Company."

An extract from the Circular is set out below. Words and expressions defined in the Circular have the same meaning in this announcement. A copy of the full text of the Circular will be available at [www.anandadevelopments.com](http://www.anandadevelopments.com).

"Dear Shareholder

## **1. Introduction**

Ananda announced today that the Company is proposing to amend its investment strategy, to acquire Tiamat Agriculture and to raise £400,000 (before expenses) from a subscription for new Ordinary Shares by URA.

The Amended Investment Strategy is required because the Company intends, subject to receipt of the appropriate Home Office Licence, to undertake the cultivation of >0.2% THC Cannabis through Tiamat and the investment strategy adopted by Ananda on 21 September 2018 does not allow the Company to invest in or be involved in the cultivation of Medicinal Cannabis.

Charles Morgan and Melissa Sturgess, both of whom are directors of the Company, are the Vendors of Tiamat and Melissa Sturgess is also a director of URA; Charles Morgan and Melissa Sturgess and are both shareholders in URA. As a result of their involvement in the Acquisition and the Subscription, the Proposals have been considered by the Independent Directors.

Under Rule 9 of the Takeover Code, the Subscription, the exercise of the Subscription Warrants, the exercise of the JSS Option and the allotment of the Contingent Consideration Shares, would result in an increase in the Concert Party's aggregate percentage holding of Ordinary Shares to a level which would normally result in the Concert Party being obliged to make an offer to all Shareholders to acquire all the Ordinary Shares that it did not already own. However, the Takeover Panel has agreed to waive this obligation, subject to the approval of the Independent Shareholders. Your attention is drawn to the information about the Takeover Code set out in paragraph 9 of this Part I.

Accordingly, the Company is convening a General Meeting, at which resolutions will be proposed to adopt the Amended Investment Strategy and to approve the Acquisition and the Waiver. The Notice of Meeting is set out at the end of this Document.

The purpose of this Document is to set out the background to and the reasons for the Proposals, and to explain why the Independent Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and why they recommend that Shareholders should vote in favour of the Resolutions.

## **2. Background to and reasons for the Proposals**

Ananda was admitted to trading on the NEX Exchange Growth Market on 4 July 2018 as an Investment Vehicle to invest in the developing market for medicinal or therapeutic Cannabis. Initially, the Company's strategy was focused specifically on companies, projects or products in Israel, Canada and the Netherlands, although this strategy was broadened in September 2018 to permit investment in any jurisdiction which has well established laws in relation to Medicinal Cannabis.

Since 2018, the Directors have pursued their primary objective of creating long term value for Shareholders through the acquisition of strategic stakes in companies which the Directors believe have potential for substantial growth. In accordance with this policy, Ananda has, to date, invested US\$200,000 in iCAN Israel-Cannabis Ltd and £460,000 in Liberty Herbal Technologies Limited ("LHT"), the 100 per cent owner and developer of hapac®, ready to use sachets of pre-ground dried herbs for portable vaporisers.

The regulatory framework surrounding Medicinal Cannabis has changed rapidly in the United Kingdom and globally since the Company was established, such that the volume and the availability of transactions presented to Ananda has increased significantly. However, Ananda is only able to pursue opportunities which are encompassed by its Investment Strategy and, indeed, was required to adopt a revised Investment Strategy on 21 September 2018 to enable the

Company's investment in LHT.

The Directors believe that the Acquisition presents the Company with an opportunity to cultivate cannabis under a Home Office Licence alongside Anglia Salads and JEPCO, who have previously grown Cannabis under a Home Office Licence, and to participate in the expanding UK market for patients using cannabis as an unlicensed medical product within the current MHRA guidelines. To enable the Company to pursue this opportunity, the Company is required to adopt the Amended Investment Strategy as the Company's current Investment Strategy does not permit Ananda to invest in or be involved in the cultivation of Medicinal Cannabis. If the Proposals are approved, the Company intends, through Tiamat, to seek the grant of a Home Office Licence for the cultivation of >0.2% THC Cannabis.

Subject to Completion, certain of the proceeds of the Subscription will be advanced by the Company to Tiamat to fund the Home Office Licence application process, with the balance being used by Ananda for general working capital purposes.

### **3. Background to the Acquisition**

In the UK, Cannabis is a 'controlled drug' under the MDA 1971. Companies in England, Wales or Scotland wishing to produce, supply, possess, import or export Cannabis need to apply for a Home Office Licence in order to do so.

In October 2018, Charles Morgan and Melissa Sturgess, the shareholders of Tiamat, were introduced to Anglia Salads and JEPCO. Anglia Salads and JEPCO have previously held a Home Office Licence, under which they grew >0.2% THC Cannabis for the UK's largest Cannabis grower. The introduction to the Vendors was made in the context of using Anglia Salads' facilities to once more grow >0.2% THC Cannabis, subject to the grant of the appropriate Home Office Licence.

Anglia Salads' and JEPCO's principal businesses are as large-scale speciality growers and suppliers of large and small leaf salad leaves to various grocery chains in the UK and to the processed lettuce industry.

Anglia Salads and JEPCO grow a total of 700 hectares of salad crops and utilise a waste water recycling system where rainwater from farm buildings is captured and pumped into irrigation reservoirs.

Both companies have specialist expertise in hydroponics and organic farming practices and are innovators in seed trials, robotics trials with machinery manufacturers, agronomic trials, covered crop technology and hydroponic software. They have set aside a 50-hectare environmental area, have won several environmental awards and have also invested in technology and agronomic practices to extend the growing seasons. The Directors also understand that Anglia Salads and JEPCO adhere to processing protocols and procedures that exceed those required in the cultivation of Cannabis. They are members of the Organic Standard Soil Association, the Global GAP Partnership for Safe & Sustainable Agriculture and Sedex (Supplier Ethical Data Exchange for continuous improvement in ethical performance in supply chains).

Anglia Salads and JEPCO also utilise a supplier and contract management software platform and a fresh produce computer management software system. The Directors believe these systems will be extremely advantageous for the maintenance of standard operating procedures for the cultivation of >0.2% THC Cannabis.

At the time of the introduction of the Vendors to Anglia Salads and JEPCO, Ananda was focused primarily on the development of its investment in LHT and the Company was not able to invest in the cultivation of Medicinal Cannabis. Accordingly, the Vendors decided to pursue this opportunity

in a personal capacity and Tiamat Agriculture was established as a vehicle to hold the assets and intellectual property associated with this project.

On 22 January 2019, Tiamat and the JV Partners entered into the Tiamat Anglia Agreement to formalise their intention to work together to grow Cannabis.

#### **4. The Tiamat Anglia Agreement**

Pursuant to the Tiamat Anglia Agreement, Tiamat agreed to fund the cost of the Home Office Licence application, as well as the direct costs of growing the Medicinal Cannabis if such application is successful. The Vendors agreed to fund Tiamat through loans to that company. After signing the Tiamat Anglia Agreement, the Vendors engaged advisers to commence work on the application for a Home Office Licence.

In turn, the JV Partners have agreed to provide the necessary infrastructure, management and horticultural expertise. In particular, Anglia Salads and JEPCO will, subject to the terms of a growing contract which is to be entered into conditional upon the Home Office Licence being granted, make available the required growing facilities, including those previously used for cultivating >0.2% THC Cannabis, with an option to expand to a 30-hectare site, for large scale commercial growing purposes, at a later date.

The Tiamat Anglia Agreement provides for a 5-year exclusivity period between the parties and contemplates a split of profits based on wholesale selling prices, after costs, as to 50 per cent to Tiamat, 25 per cent to Anglia Salads and 25 per cent to JEPCO.

Further information about the Tiamat Anglia Agreement is set out in paragraph 5 of Part III of this Document.

#### **5. Reasons for the Acquisition**

Prior to January 2019, Ananda's principal focus was on its investment in LHT, where the Company has the right of first refusal to finance the growth of LHT for the two years following the initial investment, potentially increasing Ananda's stake. In this context, discussions between Ananda and LHT had contemplated that the Company would acquire the 85 per cent of the shares in LHT that it did not already own, and both parties were working towards this objective. However, in January 2019, the Directors were informed that, at least in the short to medium term, LHT intended to progress independently of Ananda.

As a result, the Vendors were able to offer the Company the chance to focus on the possibility of obtaining a Home Office Licence through the acquisition of Tiamat, which would enable the Company to benefit from the terms of Tiamat's agreed co-operation with the JV Partners.

The application for and granting of a Home Office License is a specialised process that requires commitment and adherence to particularly stringent requirements in terms of security and operating procedures. The Independent Directors believe that Tiamat Agriculture has access to such expertise through its relationship with the JV Partners, which have recent experience of successfully cultivating >0.2% THC Cannabis in the UK and of the specific procedures to be observed.

The Independent Directors believe that the Acquisition gives Ananda access to the relationships and experience required to successfully apply for a Home Office Licence and believe that the grant of such a licence could be a transformational event for the Company. The Independent Directors do not believe that there are any other opportunities currently available to the Company that have the potential to create such significant Shareholder value and therefore believe that the Acquisition is in the best interests of the Company and its Shareholders.

## **6. Principal Terms of the Acquisition Agreement**

Pursuant to the Acquisition Agreement, the Company has agreed, subject to satisfaction of the Conditions Precedent by no later than the date which is one month after the posting of this Document, to acquire the entire issued share capital of Tiamat Agriculture for £1.00 (payable at Completion) and, subject to satisfaction of the Licensing Condition on or before the date which is 18 months from Completion, to settle the Contingent Consideration.

In addition, subject to Completion and the Subscription completing in accordance with the terms of the Subscription Agreement, the Company has also agreed to make a payment of up to £100,000 in cash to the Vendors, in full and final satisfaction of all amounts due to the Vendors from Tiamat.

The Acquisition Agreement contains warranties from the Vendors in favour of the Company, in respect of the sale and purchase of the shares of Tiamat, compliance with laws, the information provided to the Company, property, employees and financial matters. The Vendors have given a tax covenant in favour of the Company.

Undertakings have been given by the Vendors as to the status and operations of Tiamat between the date of the Acquisition Agreement and Completion.

## **7. The Subscription and the Subscription Warrants**

The Company is proposing to raise £400,000 pursuant to the subscription by URA for 88,888,888 Ordinary Shares at a price of 0.45 pence per share. The Subscription is being financed from URA's existing cash resources.

In addition to the Subscription Agreement, the Company will, upon issue of the Subscription Shares, execute the Warrant Agreement, pursuant to which it will grant the Subscription Warrants to URA. The Subscription Warrants will entitle URA to subscribe for an additional 88,888,888 Ordinary Shares at a price of 0.45 pence per share, at any time up to 3 years from the date of grant. Further information about the Subscription and the Subscription Warrants is set out in paragraph 4 of Part III of this Document.

On completion of the Subscription, URA will have the right to appoint a Director (for so long as it holds the Subscription Shares) to the Board of Ananda. The initial appointee will be Peter Redmond, a director of URA, who shall enter into a non-executive director letter of appointment with the Company and receive director's fees of £1,000 per month. Further information about Mr Redmond is set out in paragraph 11 of this Part I.

Subject to Completion, a portion of the proceeds from the Subscription will be advanced to Tiamat and used to fund the Home Office Licence application, with the balance being used for the Company's general working capital purposes.

### Lock-in and Orderly Market Deed

Pursuant to a lock-in and orderly market deed dated 24 May 2019 (subject to the satisfaction of the Conditions Precedent and completion of the Subscription in accordance with the terms of the Subscription Agreement), URA has undertaken that it will not, for a period of 12 months from the date of issue of the Subscription Shares, dispose of any of those shares, save in acceptance of a takeover offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the Takeover Code, or in executing an irrevocable undertaking to accept such an offer, in the event of an intervening Court order, or as is otherwise agreed and consent to by Peterhouse and the Company ("Lock-In Period"). For a period of 6 months after the Lock-in Period, URA has also undertaken not to dispose of any of the Subscription Shares, without

first consulting with the Company and Peterhouse, with a view to maintaining an orderly market in the share capital of the Company.

### Convertible Facility

On 21 September 2018, Melissa Sturgess and Charles Morgan entered into the Convertible Facility to provide Ananda with up to £300,000 to enable the Company to take advantage of investment opportunities. No funds have yet been drawn down under the Convertible Facility and on completion of the Subscription, the Convertible Loan Facility will be terminated. The Independent Directors believe that, at this stage in the Company's growth cycle, it is in Ananda's best interests to fund the Company via equity where possible and to limit any long-term liabilities that might have been incurred as part of the Convertible Facility.

## **8. Application to the NEX Exchange Growth Market**

Application will be made for the Subscription Shares to be admitted to trading on the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Subscription Shares will commence on 11 June 2019.

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

The Directors have sufficient authority to allot and issue the Subscription Shares and any Ordinary Shares issued pursuant to the exercise of the Founder Warrants and the Subscription Warrants, following the passing of the resolutions at the Company's general meeting held on 10 April 2018.

## **9. The Takeover Code**

The Proposals give rise to certain considerations under the Code. Brief details of the Code and the protection this affords Shareholders is set out below.

The Code is issued and administered by the Panel. The Code and the Panel operate to ensure fair and equal treatment of shareholders in relation to takeovers, and also provide an orderly framework within which takeovers are conducted. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a company resident in the UK, the Channel Islands or the Isle of Man, the securities of which are admitted to trading on a regulated market or a multilateral trading facility (such as the NEX Exchange Growth Market) in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

Under Rule 9 of the Code, when (i) a person acquires an interest in shares which, taken together with shares in which he and persons acting in concert with him are interested in, carry 30 per cent or more of the voting rights of a company subject to the Code, or (ii) any person who, 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 a company but does not hold shares carrying more than 50 per cent of the voting rights of the company subject to the Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any persons acting in concert with him, for shares in that company or an interest in shares in that company within the preceding 12 months, for all the remaining equity share capital of that company.

Under the Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of

them of shares in a company, to obtain or consolidate control of that company. Under the Code, control means a holding, or aggregate holding, of shares carrying 30 per cent or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control. In this context, voting rights means all the voting rights attributable to the capital of the company which are currently exercisable at a general meeting.

## **10. The Concert Party**

The Panel has determined that Charles Morgan, Melissa Sturgess, Jeremy Sturgess-Smith, Peter Redmond, Alex Gostevskikh, Michael Langoulant and URA are 'acting in concert' in the context of the Proposals. Further information about the members of the Concert Party and the relationships between them is set out in paragraph 11 below.

The Concert Party currently holds 78,812,222 Ordinary Shares in aggregate, representing 23.94 per cent of the voting rights of the Company. In addition, Charles Morgan and Melissa Sturgess are interested in the Founder Warrants, exercisable into 46,083,332 Ordinary Shares.

Assuming that the Subscription Shares are issued, that members of the Concert Party exercise all of the Founder Warrants, the Subscription Warrants and the JSS Option and that the Contingent Consideration Shares are allotted in due course, the Concert Party will own in aggregate 513,124,719 Ordinary Shares representing approximately 67.21 per cent of the voting rights of the Company, assuming no other shares are issued.

The Subscription, the issue (and subsequent exercise) of the Subscription Warrants, the issue (and subsequent exercise) of the JSS Option and the allotment of the Contingent Consideration Shares would therefore trigger an obligation on the Concert Party to make an offer for the Company in accordance with Rule 9 of the Takeover Code. The Panel has agreed, however, to waive the obligation for the Concert Party to make a general offer that would otherwise arise as a result of the Subscription, the issue (and subsequent exercise) of the Subscription Warrants, the issue (and subsequent exercise) of the JSS Option and the allotment of the Contingent Consideration Shares, subject to the approval of Independent Shareholders, all of whom are independent of the Concert Party. Accordingly, Resolution 3 is being proposed at the General Meeting and will be taken on a poll of Independent Shareholders.

**For so long as the Concert Party hold more than 50 per cent of the Company's voting share capital and its members are presumed to be acting in concert by the Panel, they may increase their aggregate interests in the Ordinary Shares in the Company without incurring any obligation under Rule 9 to make a general offer for the remaining shares, although individual members of the Concert Party would not be able to increase their percentage interest in the Ordinary Shares of the Company through, or between, a Rule 9 threshold without the consent of the Panel.**

None of the members of the Concert Party are permitted to exercise their voting rights in respect of the Waiver Resolution. Moreover, the members of the Concert Party do not intend to vote on the other Resolutions to be proposed at the General Meeting.

The waiver to which the Panel has agreed under the Code will be invalidated if any purchases are made by any member of the Concert Party, or any person acting in concert with it, in the period between the date of this Document and the General Meeting.

In the event that the Proposals are approved, the Concert Party will not be restricted from making an offer for the Company.

## **11. Information on the Concert Party**

The members of the Concert Party are as follows:

### Charles Waite Morgan

Charles Morgan is a resources and technology venture capitalist who has identified emerging sectors and acquired early stage and strategic positions in a wide range of ventures around the globe. He has a proven track record in identifying early stage commercial opportunities and acting as a corporate catalyst, acquiring strategic assets and positions, partnering with regional and technology experts, securing teams of appropriate executives and funds to build and develop projects and companies. Mr Morgan started his career in futures broking in London with M.L. Doxford & Co and left to join merchant bank Morgan Grenfell Limited in Sydney, Australia before moving to broking with ANZ McCaughan Dyson Limited in Melbourne and London. He then joined BZW Securities Limited in London before going back to Australia to form Morgan McFarlane a licensed securities dealer which raised equity funds for (mainly) Perth based mining and oil exploration companies.

Mr Morgan is involved in investing in various businesses and start-ups in the UK and San Francisco including NeuroBio Ltd (discoverer of cause and potential drug for Alzheimer's, Parkinson's and Motor Neurone Disease), TGMMatrix (shipper and transport matching engine), Brytlyt (Graphics Processing Unit based data base analytics), PensionBee (gathering people's various pensions into one), Teamable (social media based employment), Headnote (de?chequing legal firms in the United States). Mr Morgan was awarded an Honorary Doctorate in Science from Curtin University for his contributions to the commercialisation of University technology and intellectual property. He is currently Chair of Whitebark Energy Ltd.

Mr Morgan is Chairman of Ananda and a director and a 50 per cent shareholder in Tiamat. Mr Morgan is the husband of Melissa Sturgess. In addition to his interests in Ordinary Shares as set out in the table below, Mr Morgan is interested in shares representing 6.23 per cent of URA's voting rights.

### Melissa Josephine Sturgess

Melissa Sturgess holds a BSc and an MBA and has many years of experience as a director of AIM and Australian Stock Exchange quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. Ms Sturgess commenced her career in Australia as a member of the Executive Committee of Aquarius Platinum Limited, one of the first Australia/UK dual listed companies and a miner of platinum in South Africa and Zimbabwe. She was also founding director of Sylvania Resources Limited and a number of other companies operating in the metals and mining sector throughout Africa and listed on the AIM Market in London. Ms Sturgess relocated to London in 2006 and during her career has raised significant amounts of capital. She was a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. Ms Sturgess' interest in the Cannabis sector started in 2017 with a trip to Israel to review the Medicinal Cannabis research that is happening in that country.

Ms Sturgess is an Executive Director of Ananda a director and 50 per cent shareholder in Tiamat. She is also an executive director of URA and is the wife of Charles Morgan. In addition to her interest in Ordinary Shares as set out in the table below, Melissa Sturgess is interested in shares representing 9.09 per cent of URA's voting rights.

### Jeremy Edward Sturgess-Smith

Jeremy Sturgess-Smith is responsible for Corporate Development and Investor Relations at

Ananda. Mr Sturgess-Smith is the adult son of Melissa Sturgess.

#### Peter Redmond

Peter Redmond, the Chairman of URA, is a corporate financier with some 30 years' experience in corporate finance and venture capital. He has acted on and assisted a wide range of companies to attain a listing over many years, on the Unlisted Securities Market, the Full List and AIM, whether by IPO or in many cases via reversals, across a wide range of sectors, ranging from technology through financial services to natural resources and biotech, in recent years often as a director and shareholder of the companies concerned. He has been active over many years in corporate rescues and reconstructions on AIM and in reverse transactions into a range of investing companies. He was a founder director of Cleeve Capital plc (now Satellite Solutions plc), Mithril Capital plc (now BeHeard plc) and Silver Falcon plc (now Hemogenyx Pharmaceuticals plc), all of which were admitted to the Standard List of the London Stock Exchange, and took a leading role in the reconstruction and refinancing of AIM-quoted Kennedy Investments plc (now Kazera Global plc) and 3Legs Resources plc (now Salvarx Group plc). He is a director of Hemogenyx Pharmaceuticals plc and AIM-quoted Pires Investments plc.

In addition to his interest in Ordinary Shares as set out in the table below, Mr Redmond is interested in 11,111,111 shares in URA, representing 4.15 per cent of URA's voting rights.

#### Alex Vladimirovich Gostevskikh

Alex Gostevskikh, MSc MBA, is a non-executive director of URA and a geologist with 28 years of experience in international mining and exploration for such commodities as gold, silver, antimony, mercury, and base metals. He has extensive corporate experience through his involvement with a number of listed companies on AIM, the Toronto Stock Exchange and markets in New York. Alex is a Qualified Person member of the Mining and Metallurgical Society of America and acts as a Competent Person under the definitions of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a Qualified Person under the AIM Note for Mining, Oil and Gas Companies.

Mr Gostevskikh, has no interest in Ordinary Shares but is interested in 6,666,667 shares in URA, representing 2.49 per cent of URA's voting rights.

#### Michael James Langoulant

Michael Langoulant, URA's Company Secretary, is a Chartered Accountant, corporate and financial adviser who specialises in providing corporate financial services to public companies. He has over 30 years' experience in public company M&A, corporate administration and fundraising. He has acted as finance director, CFO, company secretary and non-executive director with a number of publicly listed companies.

In addition to his interest in Ordinary Shares as set out in the table below, Mr Langoulant is interested in 8,888,888 shares in URA, representing 3.32 per cent of URA's voting rights.

#### URA Holdings Plc

URA is a public limited company, incorporated and registered in England with company number 5329401. URA's registered office is at 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

In May 2018, URA, which was then trading on AIM as a "cash shell" (as defined in Rule 15 of the AIM Rules for Companies), announced that it had entered into heads of terms to acquire Entertainment AI Limited, a business incorporated in the US to exploit the rapidly growing worldwide market for digital entertainment content. Trading in the URA Shares on AIM was

suspended on 21 June 2018 in accordance with Rule 15 of the AIM Rules, as a result of the Company not having completed an acquisition which constituted a reverse takeover under the AIM Rules. On 24 December 2018, URA was withdrawn from AIM, having failed to complete the reverse takeover of Entertainment AI Limited within 6 months of its shares being suspended. In the event, URA was unable to complete the acquisition of Entertainment AI Limited and currently has no business or operations.

### Concert Party Interests

The table below illustrates the maximum potential interest of the Concert Party in the voting rights of the Company:

Concert Party Member	Current holding of Ordinary Shares	Founder Warrants <sup>1</sup>	Subscription by URA	Subscription Warrants	Contingent Consideration Shares	Exercise of Options	Maximum interest in Ordinary Shares following exercise of the Founder Warrants, the Subscription, exercise of the Subscription Warrants, the issue of the Contingent Consideration Shares and exercise of Options	Maximum percentage interest in voting rights following exercise of the Founder Warrants, the Subscription, exercise of the Subscription Warrants, the issue of the Contingent Consideration Shares and exercise of Options
Charles Morgan	22,500,000	23,041,666	-	-	100,000,000	-	145,541,666	19.06%
Melissa Sturges <sup>2</sup>	46,612,222	23,041,666	-	-	100,000,000	-	169,653,888	22.22%
Jeremy Sturges-Smith	1,700,000	-	-	-	-	10,451,389	12,151,389	1.59%
Peter Redmond	5,000,000	-	-	-	-	-	5,000,000	0.65%

Alex Gostevskikh	-	-	-	-	-	-	-	-	-
Michael Langoulant	3,000,000	-	-	-	-	-	-	3,000,000	0.39%
URA	-	-	88,888,888	88,888,888	-	-	-	177,777,776	23.29%
TOTAL HOLDING OF CONCERT PARTY TOTAL SHARES IN ISSUE	78,812,222	46,083,332	88,888,888	88,888,888	200,000,000	10,451,389	513,124,719		<b>67.21%</b>
	<b>329,166,666</b>	<b>375,249,998</b>	<b>464,138,886</b>	<b>553,027,774</b>	<b>753,027,774</b>	<b>763,479,163</b>	<b>763,479,163</b>		

*1as agreed with the Panel in light of disclosures made in the Admission Document, exercise of the Founder Warrants alone would not trigger an obligation to make an offer for the Company in accordance with Rule 9 of the Takeover Code*

*2of the 46,612,222 Ordinary Shares held by Melissa Sturgess,22,222,222are held in the name of Palace Trading Investments Limited and1,090,000 areheld in the name of Hartford Corporate Limited, companies which are both beneficially owned by Melissa Sturgess*

## 12. Intentions of the Concert Party

If the Waiver Resolution is passed by the Independent Shareholders on a poll, there is no agreement,

arrangement or understanding for the transfer by any member of the Concert Party of Ordinary Shares to any third party.

If the Proposals are approved at the General Meeting, the Company's Amended Investment Strategy will include the cultivation of Cannabis in any jurisdiction in which it is legal to do so.

The Directors, including Charles Morgan and Melissa Sturgess, who are members of the Concert Party, intend to implement this element of the Amended Investment Strategy, through Tiamat, in the manner described in paragraphs 3, 4 and 5 of this Part I, with immediate efforts being focused on the application for a Home Office Licence. As part of the application process, the Company may appoint specialist consultants.

At the same time as pursuing the grant of the Home Office Licence, the Directors will continue to implement those elements of the Current Investment Strategy which remain, unaltered, in the Amended Investment Strategy as set out in Part II of this Document.

If the application for a Home Office Licence is successful, the Directors intend to commence the cultivation of Cannabis in accordance with the terms of the Tiamat Anglia Agreement, pursuant to which the JV Partners have agreed to provide the necessary infrastructure (including land), management and expertise.

Save as aforesaid, no member of the Concert Party has any intention to make any changes in relation to:

- the future business or strategic plans of the Enlarged Group;
- any research and development activities of the Enlarged Group;
- the continued employment of the Company's employees and management, including any change in the conditions of employment or in the balance of the skills and functions of the employees and management;
- the locations of the Enlarged Group's places of business, including the location of the Company's headquarters and headquarters functions;
- employer contributions into the Company's pension scheme (including with regard to current arrangements for the funding of any scheme deficit), the accruals of benefits for existing members and the admission of new members;
- the redeployment of any fixed assets of the Company; or
- the maintenance of any existing trading facilities for the Ordinary Shares after completion of the Proposals.

### **13. Employee Option Scheme**

When the Company was admitted to trading on the NEX Exchange Growth Market, it was stated that the Board intended to establish a share ownership scheme to motivate and incentivise management and employees. Following Completion, the Company intends to implement an employee option scheme. Once the employee option scheme is formally established, the Directors intend to grant options over 10,451,389 Ordinary Shares to Jeremy Sturgess-Smith, as set out in the table in paragraph 11 above.

### **14. General Meeting**

Set out at the end of this Document is the Notice convening the General Meeting to be held at the offices of Memery Crystal LLP, 165 Fleet Street, London EC4A 2DY at 10.00 a.m. on 10 June 2019, at which each of the following resolutions will be proposed as ordinary resolutions

Resolution 1: To approve the purchase by the Company of the entire issued share capital of Tiamat Agriculture from Charles Morgan and Melissa Sturgess, directors of the Company.

Resolution 2: To approve and adopt the Amended Investment Strategy, in substitution for the Current Investment Strategy.

Resolution 3: To approve the Waiver.

The members of the Concert Party will not vote on any of the Resolutions to be proposed at the General Meeting. The passing of the Resolutions will require the approval by the Independent Shareholders by way of simple majority. Resolution 3 must be approved by the Independent Shareholders on a poll and each Independent Shareholder will be entitled to one vote for each Ordinary Share held.

### **15. Action to be Taken**

A Form of Proxy for use at the General Meeting is enclosed with this Document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's Registrars, SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS as soon as possible, but in any event so as to be received

by no later than 10.00 a.m. on 6 June 2019. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

## **16. Additional Information**

Shareholders' attention is drawn to the additional information in Parts II – IV of this Document.

## **17. Recommendation**

The Independent Directors, namely Inbar Pomeranchik and John Treacy, who have been so advised by Peterhouse, believe that the Proposals are fair and reasonable and in the best interests of the Company and Shareholders as a whole. In providing advice to the Independent Directors, Peterhouse has taken into account the Independent Directors' commercial assessments.

**Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.**

Yours faithfully

Inbar Pomeranchik and John Treacy”

-Ends-

The Directors of the Company accept responsibility for the contents of this announcement.

## **ANANDA DEVELOPMENTS PLC**

### **Chief Executive Officer**

Melissa Sturgess

+44 (0)7392 696 517

ir@anandadevelopments.com

### **Investor Relations**

Jeremy Sturgess-Smith

## **PETERHOUSE CAPITAL LIMITED**

### **Corporate Finance**

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### **Corporate Broking**

Lucy Williams

Duncan Vasey

## **About Ananda Developments PLC**

Ananda Developments invests in the developing market for medical or therapeutic Cannabis derivatives, or related products, including but not limited to nutraceuticals, dietary supplements and cosmetic products which contain Cannabis or hemp derived cannabinoids. The Directors believe that this market is growing due to an increasing number of states in the USA, as well as other countries around the world, changing their laws to allow for products containing constituents of Medical Cannabis to be developed, approved and sold.

A copy of the Company's Admission Document is available at [www.anandadevelopments.com](http://www.anandadevelopments.com).

Ananda's investment strategy is to invest in companies, projects or products that are either progressing medical or therapeutic Cannabis research and development, or are developing or have already developed, products that contain Cannabis derived cannabinoids and require funding to progress work plans or commercialise products.

### **Market Abuse Regulation (MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Peterhouse Capital Limited ("Peterhouse"), which is authorised and regulated by the Financial Conduct Authority, is the Company's NEX Exchange Corporate Adviser and is acting exclusively for the Company and no-one else in connection with the matters described in this announcement and the Circular. Peterhouse is not and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Peterhouse or for providing advice in relation to the matters described in this announcement and the Circular.