

# Notice of GM

4 September 2018

## ANANDA DEVELOPMENTS PLC

*("Ananda" or the "Company")*  
**Notice of General Meeting**

Ananda Developments Plc announces that notice has today been posted convening a general meeting of the Company to be held at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London EC2M 7LD at 10.00am on 21 September 2018.

Further to the announcement released by the Company earlier today, a General Meeting is being convened to seek shareholder approval for the expansion of the geographical focus of the Company's strategy to include, inter alia, Italy and the United Kingdom.

Notice of the General Meeting has been posted to shareholders and will shortly be available on the Company's NEX webpage: <https://www.nexexchange.com/member?securityid=2074814>

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

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Below is an extract from the letter to shareholders attached to the General Meeting circular, without material change:

Dear Shareholder

## **ADOPTION OF AMENDED INVESTMENT STRATEGY**

### **Introduction**

Earlier today, Ananda announced the conditional acquisition of a 15 per cent. stake in Liberty Holistic Technologies Ltd, ("LHT") a UK incorporated company which manufactures, hapac<sup>o</sup>, ready to use sachets of pre-ground dried herbs for portable vaporisers. LHT expects to launch the hapac<sup>o</sup> product in Italy before the end of 2018. Although the Company was established with an investment strategy focused specifically on projects and companies in Israel, Canada and the Netherlands, the Directors believe that the investment in LHT represents an excellent opportunity to gain exposure to the wider Medicinal Cannabis sector within Europe, which they believe will benefit Shareholders in the long term. The Directors are therefore seeking shareholders' approval to amend the Company's investment strategy and broaden its geographic scope.

Accordingly, the Company is convening a General Meeting, at which a resolution will be proposed to adopt the Amended Investment Strategy. The purpose of this Document is to set out the background to and the reasons for the proposed amendment to the Existing Investment Strategy.

### **Amended Investment Strategy**

Ananda was established to invest in the developing market for medicinal 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.

At Admission, the Company's strategy was focused specifically on companies, projects or products in Israel, Canada and the Netherlands.

The Company has identified what the Directors and the Company's Senior Investment Adviser, Dr Eli David Schmell, PhD believe to be an attractive opportunity to invest in LHT, a UK incorporated company, which is expected to launch its Medicinal Cannabis product in Italy in the coming months.

The Board believes that the investment in LHT is a good opportunity for Ananda to gain exposure to the Medicinal Cannabis sector as it develops across Europe. The Company is therefore seeking the approval of Shareholders to amend its investment strategy to allow the Company to take advantage of opportunities in the Medicinal Cannabis sector in any jurisdiction which has well established laws in relation to medicinal cannabis and which is a party to the Single Convention on Narcotic Drugs 1961, as amended by the 1972 Protocol, the Convention on Psychotropic Substances, 1971, and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (together, the "UN Drug Conventions").

The Directors believe that they, together with Dr Schmell, have sufficient experience and expertise to allow them to identify, appraise and execute attractive investment opportunities in line with the Amended Investment Strategy, which will have the potential to increase Shareholder value. The proposed Amended Investment Policy is set out in Appendix I of this Document.

### **General Meeting**

Set out at the end of this Document is the Notice convening the General Meeting to be held at 10.00 a.m. on 21<sup>st</sup> September 2018 at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London, EC2M 7LD, at which an ordinary resolution will be proposed.

#### **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 19<sup>th</sup> September 2018. 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.

#### **Recommendation**

The Directors consider that adoption of the Amended Investment Strategy is in the best interests of the Company and its Shareholders as a whole and unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of the

69,722,222 Ordinary Shares that they collectively hold, representing 21.18 per cent of the Ordinary Shares in issue.

Yours faithfully

Melissa Sturgess

## **ANANDA DEVELOPMENTS PLC**

### **APPENDIX I: AMENDED INVESTMENT STRATEGY**

**Set out below is the investment strategy which would apply to the Company if Shareholder approval is obtained at the General Meeting.**

#### **Investment Strategy**

The Company has been established to invest in the developing market for medicinal or therapeutic Cannabis derivative, or related products, including but not limited to nutraceuticals, dietary supplements and cosmetic products which contain Cannabis or hemp (Cannabis which contains less than 0.2% tetrahydrocannabinol ("THC") derived cannabinoids. The Directors believe that the market for products which are based on or contain Cannabis derived cannabinoids is growing strongly due to the increased awareness of the benefits of cannabinoids to various aspects of health and because they are now legal in an increasing number of countries around the world.

Ananda's investment strategy is to invest in companies, projects or products that are either progressing medicinal/therapeutic Cannabis research and development, are developing or have already developed products and require funding to progress plans or commercialise products. Ananda will look to invest in companies and projects in Israel, Canada and the Netherlands and in any other jurisdictions which have well established laws in relation to medicinal cannabis and which are party to the UN Drug Conventions, excluding the United States of America.

Whilst the Directors will be principally focused on making investments in private businesses and projects, they would not rule out investing in listed businesses if that presents, in their judgment, an appropriate opportunity for Shareholders. In addition, the Directors will consider the acquisition of a business or businesses. The Directors primary objective is to achieve the best possible value over time for Shareholders, primarily through capital growth but potentially, in the future and only when felt prudent, dividend income.

The Company intends to be an active investor in situations where it can make a clear contribution to the progress and development of the investment. In more substantial investment opportunities, the Directors expect that the Company will be a passive investor.

The Directors believe that their collective experience and that of Dr Schmell, the Senior Investment Adviser, together with their extensive network of contacts, will assist them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams. The Directors will also consider appointing additional directors and /or advisors with relevant experience if the need arises.

There will be no limit on the number of projects into which the Company may invest, and the Company may invest in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 58 of the NEX Exchange Rules. The Company may need to raise additional funds for these purposes and may use both debt and/or equity.

It is anticipated that returns to Shareholders will be delivered initially through appreciation in the price of the Ordinary Shares rather than via dividends or other forms of capital distribution. In addition, there may be opportunities to spin out businesses privately or via IPO where Shareholders may be able to benefit via distributions of cash and/or shares and/or rights to subscribe in listings. It is anticipated that the Company will hold investments for the medium to long term, although where opportunities exist for shorter term gains the Company may take advantage of such opportunities.

The Directors have been advised that that under section 20 of MDA 1971, a person or corporate body may commit a potential offence in the UK if they assist in or induce the commission in any place outside the UK of “an offence punishable under the corresponding laws” in force in that place; such actual offence is only committed if it is punishable in the jurisdiction in which it is commissioned. As the Company intends to ensure that its activities will be lawful under the laws of the jurisdiction in which they take place and that any such jurisdictions shall be signatories to the UN Drug Conventions on narcotics, the Directors believe that the Company’s implementation of its investment strategy will not amount to “an offence punishable under the corresponding laws” and as such, no offence will be committed under section 20 of MDA 1971.

The Directors have been advised that as no offence is committed under section 20 of the MDA 1971, there would be no liability to a section 19 MDA 1971 offence, which details the arguably similar offence of incitement to commit an offence under other provisions of the MDA 1971.

The Directors are also aware that under the POCA 2002, an individual commits a potential offence if they (a) conceal, convert or transfer criminal property, (b) enter into or become involved in an arrangement to launder and/or (c) use, acquire or possess criminal property, in the UK; however, under the SOCPA 2005, an activity outside of the UK that would usually be criminal under UK Legislation no longer constitutes an offence, subject to such activity being a lawful activity in the jurisdiction in which it took place. Given that the Company intends to ensure its activities are lawful in the jurisdiction in which they take place, the Directors believe that any receipt by the Company of dividends from companies in which the Company has invested shall not amount to an offence under the POCA 2002 in the UK.

The main business activities of the Company will be its investments into those companies or projects conducting the lawful production of and research into Medicinal Cannabis in jurisdictions that are internationally recognised as having well-developed and reputable laws and regulations for the research and production of Cannabis and comply with the UN Drug Conventions . The Board is aware of its legal duty to ensure that such activities are lawful and as such, will carefully consider each proposed investment to be made and its compliance with UK Legislation and seek appropriate legal advice in the UK and the jurisdiction in which the investee Company is incorporated prior to completing any investment.

**Shareholders’ attention is drawn to the risk factors set out in Part II of the Company’s Admission Document dated 21 June 2018 which is available on the Company’s website at <http://www.anandadevelopments.com/>.**