

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should seek your own independent advice from a stockbroker, solicitor, accountant, or other professional adviser.** If you have sold or otherwise transferred all of your shares in Ananda Developments PLC (the “**Company**”), please pass this Document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

The distribution of this Document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy shares in the Company.

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# **ANANDA DEVELOPMENTS PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registration number 11159584)*

## **PROPOSED ADOPTION OF AMENDED INVESTMENT STRATEGY**

### **NOTICE OF GENERAL MEETING**

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Notice of a General Meeting of the Company to be held 10.00a.m. on 21<sup>st</sup> September 2018 at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London, EC2M 7LD is set out at the end of this Document. A Form of Proxy for use at the General Meeting accompanies this Document and, to be valid, must be completed and returned to the Company’s Registrars, SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13 0TS, United Kingdom as soon as possible but in any event to be received not later than 10.00a.m. on 19<sup>th</sup> September 2018 or 48 hours before any adjourned meeting. Completion of the Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person.

## **EXPECTED TIMETABLE OF EVENTS**

<b><u>Event</u></b>	<b><u>Expected time and date</u></b>
Publication of this Document	4 September 2018
Latest time and date for receipt of Forms of Proxy	10.00a.m. on 19 <sup>th</sup> September 2018
General Meeting	10.00a.m. on 21 <sup>st</sup> September 2018

**Notes:** All times shown in this Document are London times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change.

## **DEFINITIONS**

The following definitions apply throughout this Document unless the context otherwise requires:

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“Board” or “Directors”</b>	the directors of the Company, whose names are set out on page 5 of this Document;
<b>“Admission”</b>	admission of the issued ordinary share capital of the Company to trading on the NEX Exchange Growth Market, which became effective on 4 July 2018;
<b>“Amended Investment Strategy”</b>	the proposed amended investment strategy of the Company as set out in full in Appendix I of this Document;
<b>“Company” or “Ananda”</b>	Ananda Developments PLC, a company registered in England and Wales with company number 11159584, whose registered office is at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR;
<b>“Existing Investment Strategy”</b>	the investment strategy adopted by the Company on Admission;
<b>“Foreign Counsel”</b>	independent legal counsel familiar with local operations in the relevant foreign territory which the Company is seeking to target and invest in;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting, which is enclosed with this Document;
<b>“General Meeting”</b>	the general meeting of the Company being convened for 10.00a.m. on 21 <sup>st</sup> September 2018, notice of which is set out at the end of this Document;
<b>“Hapac”</b>	hapac <sup>®</sup> , ready to use sachets of pre-ground dried herbs for portable vaporisers, a product manufactured by LHT;
<b>“LHT”</b>	Liberty Herbal Technologies Limited, a company registered in England and Wales with company number 10389194, whose registered office is at 29a Crown Street, Brentwood, Essex, United Kingdom, CM14 4BA;
<b>“Medicinal Cannabis”</b>	Cannabis, including one or more of its constituent cannabinoids, as a form of medicine or herbal therapy to treat disease or improve symptoms such as pain, muscle spasticity, nausea and other indications;
<b>“MDA 1971”</b>	the Misuse of Drugs Act 1971;
<b>“MDR 2001”</b>	the Misuse of Drugs Regulations 2001 (S.I. 2001/3998);
<b>“MDDO 2001”</b>	the Misuse of Drugs (Designation) Order 2001;
<b>“Ordinary Shares”</b>	ordinary shares of £0.002 each in the capital of the Company;

<b>“NEX Exchange”</b>	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA
<b>“NEX Exchange Growth Market”</b>	the primary market for unlisted securities operated by NEX Exchange;
<b>“NEX Exchange Rules”</b>	the NEX Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the NEX Exchange Growth Market;
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, which is set out at the end of this Document;
<b>“POCA 2002”</b>	the Proceeds of Crime Act 2002;
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting as set out in the Notice of General Meeting;
<b>“Shareholders”</b>	the registered holders of Ordinary Shares;
<b>“UK”</b>	the United Kingdom; and
<b>“UK Counsel”</b>	legal counsel appropriately qualified in England and Wales.

## LETTER FROM THE EXECUTIVE DIRECTOR

### ANANDA DEVELOPMENTS PLC

*(Incorporated in England and Wales under the Companies Act 2006 with registration number 11159584)*

Directors:

Melissa Josephine Sturgess – Executive Director  
Charles Waite Morgan – Executive Director  
John Michael Treacy – Non-executive Director  
Dr Inbar Maymon Pomeranchik, PhD – Non-executive Director

**Registered Office:**

60 Gracechurch Street  
London  
EC3V 0HR

To Shareholders, and for information only to holders of options and warrants over Ordinary Shares

4 September 2018

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>®</sup>, ready to use sachets of pre-ground dried herbs for portable vaporisers. LHT expects to launch the hapac<sup>®</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 10.00a.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 10.00a.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 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 Schmill, 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/>.**

# ANANDA DEVELOPMENTS PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 11159584)

## NOTICE OF GENERAL MEETING

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**NOTICE** is hereby given that a General Meeting of **ANANDA DEVELOPMENTS PLC** (the “**Company**”) will be held 10.00a.m. on 21<sup>st</sup> September 2018 at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London, EC2M 7LD for the purpose of considering and, if thought fit, passing the below Resolution, which will be proposed as an ordinary resolution.

In this Notice, words and defined terms shall have the same meanings as words and defined terms in the Document to which this Notice is attached.

### ORDINARY RESOLUTION

**THAT** the Amended Investment Strategy, as set out in full at Appendix I of the Document to which this Notice of General Meeting is attached, be approved and adopted as the investment strategy of the Company in substitution for, and to the exclusion of, the Company’s Existing Investment Strategy.

### BY ORDER OF THE BOARD

*Melissa Sturgess*  
*Executive Director*

4 September 2018

### Registered office:

60 Gracechurch Street  
London  
EC3V 0HR

### Notes:

1. As a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a Form of Proxy with this Notice of General meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.
2. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. To appoint a proxy using the Form of Proxy, the form must be: (i) completed and signed; (ii) sent or delivered to the Company’s Registrars, SLC Registrars, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 0TS marked ‘Proxy Return’; and (iii) received by the Company’s Registrars no later than 10.00 am on 19<sup>th</sup> September 2018.
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
5. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in the notes above) or of a corporate representative. Members considering the appointment of a corporate

representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

6. Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the Register of Members of the Company at the close of business on 19<sup>th</sup> September 2018 shall be entitled to attend and vote at the General Meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to the Register of Members after close of business on 19<sup>th</sup> September 2018 shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

# Form of Proxy

For use at the general meeting of Ananda Developments plc (the 'Company') to be held at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London, EC2M 7LD on 21<sup>st</sup> September 2018 at 10.00am

Resolution	FOR	AGAINST	WITHHELD
<p><b>THAT</b> the Amended Investment Strategy, as set out in full at Appendix I of the Circular sent to shareholders, be approved and adopted as the investment strategy of the Company in substitution for, and to the exclusion of, the Company's Existing Investment Strategy.</p>			

I/We [insert Name].....

of [insert address] .....

being a member of the Company:

(1) hereby appoint.....

,or the Chairman of the General Meeting to act as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 21<sup>st</sup> September 2018 and at any adjournment thereof in relation to the resolution specified in the notice of the General Meeting (the 'Resolution') and any other business (including adjournments and amendments to the Resolution) which may properly come before the General Meeting or any adjournment thereof;

(2) direct my/our proxy to vote as set out above in respect of the Resolution: (PLEASE INDICATE WITH AN 'X' IN THE BOXES ABOVE), in respect of my entire holding of ordinary shares, OR in respect of..... ordinary shares (enter the number of ordinary shares to which your proxy is authorised, or leave it blank to authorise your proxy to act in respect of your full voting entitlement).

Signature ..... Date..... 2018

## Notes

1. Please indicate how you wish your votes to be cast on a poll in respect of the Resolution to be proposed at the General Meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting. Your proxy will have the authority to vote at his/her discretion on any amendment or other motion proposed at the General Meeting, including any motion to adjourn the General Meeting.
2. To appoint as a proxy a person other than the Chairman of the General Meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
  - a. To appoint the Chairman as your sole proxy in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - b. To appoint a person other than the Chairman as your sole proxy in respect of all your shares, delete the words 'or, failing him/her, the Chairman of the General Meeting' and insert the name and address of your proxy in the space provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - c. To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the General Meeting'. All forms must be signed and should be returned together in the same envelope.
3. Unless otherwise indicated the proxy will vote as he/she thinks fit or, at his/her discretion, abstain from voting.
4. The Form of Proxy must arrive at SLC Registrars during usual business hours accompanied by any power of attorney under which it is executed (if applicable) no later than 10.00am on 19<sup>th</sup> September 2018.
5. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
6. The 'Vote Withheld' option is to enable you to abstain on any particular Resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a Resolution.
7. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the Register of Members of the Company at close of business on 19<sup>th</sup> September 2018 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the General Meeting.
8. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you subsequently decide to do so.