

— March 2022

Frequently Asked Questions

Preferential Shares with a 15% Fixed Annual Dividend



What is Medicinal Cannabis?

Medicinal Cannabis refers to pharmaceutical medical products derived from the active compounds of the Cannabis plant known as Cannabinoids. These products are made by pharmaceutical companies under the same strict control as other medications. That means you have to get them on prescription. There are over 100 known Cannabinoids, each and collectively having different medical benefits. The Cannabinoids are extracted from the Cannabis plant and processed into pharmaceutical treatments and therapeutics for a wide range of conditions including:

- Alzheimer's
- Anorexia
- Cancer
- Chronic Pain
- Epilepsy
- Glaucoma
- Hepatitis C
- HIV/AIDS
- Parkinson's
- Terminal Illness

The human body contains what is known as the Endocannabinoid System or ECS, which exists as part of our central and peripheral nervous systems. The ECS contains a network of cannabinoid receptors uniquely designed to interact with the active cannabinoids found in the Cannabis plant. The ECS is responsible for a multitude of health functions and regulating the human body, including the healthy operation of our immune system. The ECS's primary role is the maintenance of what is known as Homeostasis, which refers to stability of your internal environment. For example, if an outside force, such as pain from an injury, or an illness, throws off your body's homeostasis, your ECS kicks in to help your body return to its ideal operation. By extracting Cannabinoids from the cannabis plant and using them in targeted pharmaceutical medicines and therapeutics which are then received by the ECS and its cannabinoid receptors we are able to create a wide range of ground-breaking new medical applications and treat some of the worst medical conditions.

Is Medicinal Cannabis legal?

YES - Medicinal Cannabis is recognised worldwide as an exciting new way of treating some of the most debilitating health conditions and research has shown its benefits are considerable in comparison to traditional treatments. In the UK for example, Medicinal Cannabis was fully legislated in 2018 after campaigns from sufferers of extreme forms of Epilepsy and Multiple Sclerosis where the only working treatments and relief was provided by cannabis based medicines.

How is Medicinal Cannabis produced?

As a pharmaceutical product, cannabis grown for medical products is highly regulated. All producers must be licensed by their regulating medical body and the facilities are routinely

inspected to ensure exacting standards. Cannabis plants grown for this purpose are done so in specially built greenhouses that represents a laboratory controlled environment. Crops are genetically developed to contain specific amounts of the desired cannabinoids which are then exported to licensed processors for extraction for the production of pharmaceutical products.

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What is the value of the Medicinal Cannabis market?

The global legal cannabis market is forecast to be worth up to US\$103.9 billion by the year 2024, driven, in the most part, by the burgeoning international medicinal cannabis market, worth a potential US\$62.7 billion by the same year. The worlds largest Pharmaceutical companies such as Pfizer, GlaxoSmithKline, Johnson & Johnson and AstraZeneca have 100's of global patents pending for medicinal cannabis related products. In the anticipation of internationally aligned legislation and with `Big Pharma' having a global market cap of US\$1.7 Trillion, their foray into the medical cannabis market is sure to create a major new marketplace for medicinal cannabis producers.

What type of investment is this?

The Orange River Capital Preferential Share offering is a direct equity investment into an already operational medicinal cannabis facility in South Africa, 1 of only 5 SAHPRA (South African Health Products Regulatory Authority) licensed producers. The license allows production of up to 146,000 Kg's per annum and the facility is currently producing 3,000kg per annum with revenues for 2022 forecast at \$6 million USD.

What are Preferential Shares?

While both preferred shares and common shares give shareholders ownership in a company, they come with different shareholder rights. Preference shares, also known as preferred shares, have the

advantage of a higher priority claim to the assets of a corporation in case of insolvency and receive a fixed dividend distribution. This means the Preferential Share dividend must be paid before any distributions are made to common shareholders as well as ranking higher in any liquidation of assets.

What is the return on my investment?

Orange River Capital Series A Preferential Shares have a Fixed Annual Dividend of 15% AND an additional profit related discretionary dividend of up to 10% per annum from year 2 onwards. Therefore, an investment of \$100,000 USD would receive a dividend of \$15,000 USD per annum and after year 2 a potential additional distribution of up to \$10,000 USD per annum, totaling \$25,000 USD per year.

How are the returns on investment generated?

Orange River Capital has secured 49% of an already operational medicinal cannabis facility, producing anticipated revenues of \$6,000,000 USD per year. After annual operational expenditure costs are deducted the expected revenue for Orange River Capitals shareholding from year 2 are in excess of \$2,000,000 USD, exceeding the required \$1,500,000 USD 25% (15% Fixed + 10% Discretionary) dividend for Series A Preferential Shareholders.

Is there a minimum or maximum investment I can make?

The minimum subscription is 100,000 Series A Preferential Shares of \$0.25 per share, equaling a minimum investment of \$25,000 USD per subscriber. The total Series A issue is \$6,000,000 USD. A subscriber can apply for any amount above \$25,000 USD in \$25,000 USD increments to the full value of the Series A Preferential Share issue of \$6,000,000 USD.

How do I receive my dividends?

You will be paid your dividends by bank transfer to your nominated bank account.

What is the long-term strategy of the Company?

The company has secured a 49% shareholding in the operational facility and through subsequent share issues expand the operations to produce 10,000 kg per annum, over 3 times its current production capacity. Upon completion

of the planned expansion the company will seek to list the on a recognised exchange, providing an exit strategy for all shareholders.

When do I get my original investment back?

In line with the long-term strategy the company will seek listing on a recognised exchange within 5 years, this will allow any shareholder to liquidate their position at the overriding listed market price. Assessment of the companies proposed valuation once the expansion plans have been completed from a direct market comparison would value the company in the region of \$150 million USD, equating to a 300% increase in a Series A Shareholders equity value. In this example an initial investment of \$100,000 USD Series A Preferential Shares would be valued at \$300,000 USD upon listing.

Who can invest?

The Preferential Share offer is strictly limited to high net worth companies, high net worth investors and sophisticated investors.

Can I invest through a company and are joint applications allowed?

YES - Joint applications are accepted and you can invest via a company subject to status as above.

When can I invest?

The Orange River Capital Preferential Share offering is now open for applications and will remain open until the Directors close the offering.

What happens to the investment money?

The investment will be used to acquire the 49% shareholding of the operational medicinal cannabis facility and working capital of the company.

How much is the Company seeking to raise?

The Series A Preferential Share issue is a total of \$6 million USD. Once fully subscribed the company intends to issue a further Series B and Series C Preferential Shares for the

planned expansion of the facility. The total investment will amount to \$24 million USD.

Is there a minimum amount to be raised?

The minimum amount to be raised is \$6 million USD to acquire the 49% equity

What happens if the offer is fully subscribed?

Once the Series A offer is fully subscribed the company will issue the Series B Preferential Shares to commence the 1st phase of expansion as outlined in the Private Placement Memorandum.

What is the dividend on the new issue of Preferential Shares?

Series A Preferential shares are offered at \$0.25 per share and have a Fixed Annual Dividend of 15% per annum and an additional profit related Discretionary Annual Dividend of 10% per annum from year 2 of issue.

Series B Preferential Shares will be offered at \$0.32 per share and have a Fixed Annual Dividend of 15% per annum and an additional profit related Discretionary Annual Dividend of 5% per annum from year of issue.

Series C Preferential Shares will be offered at \$0.40 per share and have a Fixed Annual Dividend of 15% per annum. There will be no additional Discretionary Annual Dividend on Series C Preferential Shares.

Is this a collective investment scheme?

NO - Each Shareholder holds and owns their shares individually.

What is the security of my investment?

As a Shareholder you are a part owner of the Company and all of its assets, contracts, licenses and revenues. As a Preference Shareholder you have priority over any liquidation of assets compared to common shareholders and your Fixed Annual Dividend is ranked above any other distribution of profits of the Company.

How do I apply to subscribe for the Preferential shares?

Please request the application process from your introducing broker or directly from the company.

I have more questions - How can I get them answered?

If you have any additional questions regarding the offering or the procedure then please contact the company using the details below:

Telephone: +44 (0) 207 769 6722 Email: invest@orangeriverwealth.com

Alternatively you can write to us:

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