

Ananda Developments Plc
Acquisition of Strategic Stake in hapac®
4 September 2018

ANANDA DEVELOPMENTS PLC

(“Ananda” or the “Company”)

ANANDA TO ACQUIRE STRATEGIC STAKE IN HAPAC®

The directors of Ananda Developments Plc (NEX: ANA) are pleased to announce that, subject to the approval of its shareholders, the Company has an agreement to acquire 15% of UK incorporated, Liberty Herbal Technologies Limited (“LHT”), the 100% owner and developer of hapac®, a patent pending technology for vaping medicinal cannabis.

HIGHLIGHTS

- Investment of £460,000 to acquire a 15% stake in LHT, the owner of hapac® (herb and paper anti combustion) - a patent pending technology for vaping herbal cannabis;
- The hapac® technology takes the form of small, ready-to-use filter-paper sachets of pre-ground medicinal cannabis flower, specially designed for use in dry-herb vaporisers;
- For patients who are prescribed medicinal cannabis, hapac® delivers a measured dose of cannabis flower that is easy to use and environmentally friendly;
- hapac® will be launched commercially under the ‘hap®’ brand in Italy in November 2018;
- Melissa Sturgess to join the board of LHT following the investment;
- Two year right of first refusal to participate in any LHT fundraisings and increase its stake.

Subject to shareholder approval the Company will invest £460,000 cash for ordinary shares equating to 15% of the ordinary share capital of LHT. Ananda’s investment in LHT is conditional on it receiving shareholder approval to expand the geographical focus of its investment strategy to include, inter alia, Italy and the United Kingdom. Notice of a General Meeting to approve the change in the Company’s investment strategy is expected to be distributed to shareholders shortly.

Executive Director of Ananda, Melissa Sturgess, commented:

“With more than 700 million people and a total annual healthcare spend of EUR1.49 trillion, Europe is set to be the largest legal medicinal cannabis market in the world and predicted to be worth more than EUR55 billion per annum by 2028.

Ananda’s investment in LHT is an exciting opportunity for our shareholders. It provides exposure to this new technology which is being launched at a time when high growth is forecast in the European medical cannabis market and when the UK is also undergoing rapid changes to its medical cannabis laws.

We are delighted to be supporting the LHT team in the launch and rollout of hapac®. Not only is hapac® a well-positioned product, it is being developed by a team which understands the dynamics, challenges and opportunities in the herbal vaping space. One of the most important facets of hapac® is its ability to deliver a measured dose of medicinal cannabis, where precise dosing is important in medical treatment protocols. We look forward to working closely with the team on its Italian and subsequent further rollout.”

OVERVIEW OF LIBERTY HERBAL TECHNOLOGIES LIMITED

LHT was founded in 2016 by two ex-British American Tobacco (“BAT”) employees and an innovation consultant who has worked with BAT, who between them have extensive experience in developing and marketing next-generation vaping technologies.

LHT’s goal is to build a valuable leading legal cannabis brand, worldwide, based on the benefits of hapac®, its patent pending technology for vaping medicinal cannabis.

Competitor market offerings are ‘loose herb’, which can either be smoked or used in a dry-herb vaporiser, and ‘vape pens’. Dry-herb vaporisers are expensive to buy and messy and inconvenient to use. The cannabis oil used in most vape pens is extracted using potentially toxic solvents like butane and is thinned and diluted using synthetic additives. This damages many of the delicate natural cannabinoids and terpenes that patients and consumers want and can result in an artificial taste. hapac® provides a natural, cost effective and user-friendly solution to these issues.

hapac® is the registered trademark for LHT’s ready-to-use filter-paper sachets of pre-ground medicinal cannabis that are specially designed for use in dry-herb vaporisers. For patients who have been prescribed medicinal cannabis, hapac® delivers a measured dose of cannabis in a convenient and environmentally friendly format. As there is no burning involved in using the hapac® product, no cannabis is wasted through combustion and toxicants and odour are dramatically reduced.

LHT has already completed a consumer trial of the hapac® product in Seattle, USA and has received very positive feedback from manufacturing partners, retailers and consumers.

LHT has agreements to launch the hapac® product commercially in Italy, in November 2018 and Canada in Q2 2019. Italy has been chosen for the first launch market because LHT has developed a strong relationship with a commercial partner that has a large medicinal cannabis retail footprint in the country. Moreover, the recent regulatory change in Italy to allow the sale of ‘low THC cannabis’ (contain less than 0.2% tetrahydrocannabinol), presents LHT with a key opportunity for hapac® to be the first vaped medicinal cannabis product in that market. LHT also currently intends to launch in other legal jurisdictions beyond Italy and Canada in 2019.

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

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Notes to editors

About Ananda Developments PLC

Ananda Developments has been established as a company to invest 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 and at www.nexexchange.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.

<http://www.anandadevelopments.com>