

hapac Update

6 March 2019

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

hapac® Update

The directors of Ananda Developments Plc (NEX:ANA) are pleased to provide shareholders with the following update on its investee company, Liberty Herbal Technologies Limited ("LHT"). Ananda owns 15% of LHT, the 100% owner of hapac®, a technology for inhaling medicinal cannabis. Ananda has the right of first refusal to finance the growth of LHT for the next two years, potentially increasing Ananda's stake. Melissa Sturgess, Executive Director of Ananda, is a director of LHT.

As previously announced, the hapac® product was launched in Milan, Italy over the Christmas and New Year period 2018. After 11 weeks of trading LHT has reported strong sales growth. It is important to recognise that sales and revenue numbers are from a low base. This has been intentional and designed to allow for maximum customer interface and feedback to ensure the user experience is positive in the early days of marketing. Ananda is able to report the following positive developments following the first few weeks of trading:

- hapac® was launched to a wider Italian audience in Italy during January and February 2019. Sales have commenced in Bassano and Rovato the week commencing 21 January; in Piacenza and Viadana the week commencing 11 February; and in Rome the week commencing 18 February.
- Sales of hap® vaporiser devices and hapac® sachets have grown significantly since the first sale on 7 December 2018.
- Consumer focus groups are planned with those who bought hap® vaporiser devices and hapac® sachets in Milan to understand how to further improve the current consumer offer and drive sales.

Update on patent applications

LHT is continuing its dialogue with the UK government's Patent Examiner and has begun the process of expanding the international coverage of its intellectual property portfolio by filing European, US and Canadian patent applications, based on its UK Patent Application No 1615359.5.

Background

The hapac® team consists of senior executives previously employed at one of the world's big five tobacco companies. The team is highly experienced in product innovation and marketing and has developed hapac® from its understanding of the key consumer, technology and regulatory trends in the tobacco industry and their relevance to the nascent cannabis sector.

A recent report by BDS Analytics says that 69% of cannabis consumers in the US and Canada prefer inhaling to other cannabis consumption methods and 66% of medical/health consumers are doing so for pain management. hapac® is designed to target consumers who are using cannabis for medical and health reasons and the benefits of hapac® over other inhalable methods such as vaping cannabis oil include:

- Its pre-packed sachets deliver a measured dose of medical cannabis to the user;
- The manufacture of hapac® does not require the use of potentially toxic solvents or synthetic additives;
- hapac® offers a more authentic experience, close to smoking but without the toxic effects of combustion; and
- hapac®'s patent pending sachets can be safely composted after use, making them more environmentally friendly.

Since Ananda made its investment in LHT, the global medical cannabis market has continued to expand both geographically and in size. Significantly, since 1 November 2018 doctors have been able

to prescribe medical cannabis in the UK. In addition, there have been a number of investments by global tobacco and beverage companies into the cannabis sector, including Altria's acquisition of 45% of Cronos Group.

Further information on the hapac[®] product can be found at <http://hapac.tech>.

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

--ENDS--

Ananda Developments plc

Executive Director
Melissa Sturgess

Investor Relations
Jeremy Sturgess-Smith

+44 (0)739 269 6517
ir@anandadevelopments.com

Peterhouse Capital Limited

Corporate Finance
Fungai Ndoro
Mark Anwyl

Corporate Broker
Lucy Williams
Duncan Vasey

+44 (0)20 7469 0930

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 .

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>