

hapac Update

28 January 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 the LHT for the next two years, potentially increasing Ananda's stake. Melissa Sturgess, Executive Director of Ananda, is a director of LHT.

The hapac® product was launched in Milan, Italy over the Christmas and New Year period 2018 – 2019. Detailed statistics will not be released at this time however Ananda is able to report the following:

- The feedback from customers is that hapac® is easy to use, practical, offers a precise dosage and is being consumed mostly in the evening;
- 80% of customers reported that the dosage is 'just right';
- 70% of customers said that they would be interested in a subscription service in the future;
- Initial Net Promoter Scores ("NPS") are positive, however the sample size is insufficient to report with confidence on the results. The NPS is a well-regarded measurement for customer satisfaction. NPS is an indicator of customer's willingness to recommend an organisation to others, usually colleagues or friends

As a result of these positive results hapac® will be launched in a further three Italian locations over the next 3 months.

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.

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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>