

# Update on Intended Acquisition

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Fragrant Prosperity Holdings Ltd

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Fragrant Prosperity Holdings Limited

("FPP" or the "Company")

Update on Intended Acquisition

CiiTECH completes £2.1 million capital raise via an issue of convertible loan notes ahead of Reverse Takeover

Further to its statement on 24 May 2021, the Company is delighted to announce that CiiTECH Limited, ("CiiTECH") has successfully raised £2.1 million through the issue of Convertible Loan Notes, (the "CLNs") to FastForward Innovations Ltd, (AIM: FFWD) and other investors, including professional family offices and ultra-high-net-worth individuals.

The capital will be used to fund CiiTECH's marketing strategy, invest in new talent, build essential operational infrastructure to support future growth and finance the planned reverse takeover of the Company, (the "RTO" or "Intended Acquisition").

Chrystal Capital Partners LLP, Europe's leading cannabis corporate finance and investment house acted as exclusive financial adviser to CiiTECH.

Clifton Flack, Founder and CEO of CiiTECH, said:

"We are pleased with the strong interest in this fundraise, which enables us to continue implementing our aggressive growth strategy. We are grateful to all investors supporting our fundraising efforts and look forward to completing the RTO of FPP and becoming a listed business.

"We would like to thank Chrystal Capital Partners LLP, who acted as our exclusive financial adviser, for playing a critical role in not only raising the capital but also finding an optimal capital markets partner in Fragrant Prosperity.

"Our Science-led approach focuses on identifying clear product needs in our chosen territories and then sourcing solutions for these new markets. We are pursuing a number of exciting opportunities, including rolling out our CBD wellness brand portfolio in Israel and South Africa, whilst implementing our medical cannabis strategy through a number of global supply chain partnerships.

"Our consumer cannabis brands are soon to be supported with the launch of our 'Cannabis Healthcare Education Course' that is being rolled out as part of our localised and segmented B2B marketing strategy."

#### The CLNs

The CLNs will convert into ordinary shares in the capital of CiiTECH which will be acquired by the Company upon completion of the acquisition of CiiTECH's existing issued share capital.

The consideration for the Intended Acquisition will be satisfied by the issue of ordinary shares in the capital of FPP ("Consideration Shares") to the CiiTECH Shareholders (including the CLN holders).

The Company intends to apply for the admission of its ordinary share capital as enlarged by the acquisition of CiiTECH to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange.

The Intended Acquisition is conditional upon the approval of the Company's shareholders to a change of name of the Company to 'CiiTECH Group Limited' and to the authorities required under BVI law to enable the directors of the Company to issue and allot the Consideration Shares.

Shareholders should be aware that there is a possibility that the Intended Acquisition will not proceed or that the terms may change depending upon the outcome of due diligence. The Company will provide further updates on the Intended Acquisition in due course.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement this information is considered to be in the public domain.

- Ends -

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#### About CiiTECH

CiiTECH has generated over £7.0 million in revenue since its inception in 2017, with its flagship brand Provacan. The business has a strong pipeline of additional brands, including Impact and Hugg. Expansion into new high-growth markets, such as Brazil and South Africa, is complimented by exciting research partnerships with leading academic institutions.

CiiTECH is a brand-building, consumer focused company dedicated to ongoing cannabis research and the commercialisation of cannabis products. It uses its partnerships with leading institutions and scientists to create niche consumer brands. The company continually innovates as it strives to create the best science-led brands in the cannabis sector. CiiTECH is currently funding a range of clinical studies aimed at unraveling the large range of minor cannabinoids, bringing better understanding and more effective products to market.

For more information about CiiTECH, please visit <https://www.ciitech.co.il>

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