

# ANACOTT ANNOUNCES QUALIFYING TRANSACTION WITH BOTANICAL HOLDINGS

**WINNIPEG, MB – October 25, 2021** – Anacott Acquisition Corporation (TSXV: AAC.P) (the “**Company**” or “**Anacott**”) is pleased to announce that it has entered into a Letter of Intent dated October 25, 2021 with Botanical Holdings PLC (“**Botanical Holdings**”), to enable Botanical Holdings to complete a going-public transaction in Canada (the “**Proposed Transaction**”).

## ABOUT BOTANICAL HOLDINGS

Botanical Holdings is a dynamic investment holding company which is focused on the legal medical cannabis chain. Botanical Holdings has secured a number of unique investment opportunities in the rapidly growing global cannabis market. Botanical Holdings aims to create a diversified and risk adjusted portfolio of companies that spans the cross-section and value chain of the medical cannabis market. Botanical Holdings currently has holdings in Eurocan, a producer of high-quality medical cannabis products and extracts, with operations in Portugal and Lesotho; Southern African Hemp, a hemp cultivation site in Zimbabwe; and Unearthed, a producer of consumer CBD products, including a line of high-quality CBD extracts.

## TERMS OF THE PROPOSED TRANSACTION

For the purposes of the Proposed Transaction, the deemed value of the currently outstanding common shares of Anacott (“**Anacott Shares**”) will be \$800,000. Pursuant to the Proposed Transaction, it is currently intended that: (i) the outstanding Anacott Shares will be consolidated on the basis of a ratio that results in the aggregate number of post-consolidation Anacott Shares multiplied by \$0.35, being the issue price of the Subscription Receipts offered in the Concurrent Offering (each as defined below), being equal to \$800,000, subject to rounding (the “**Consolidation**”); and (ii) the holders of shares of Botanical Holdings (“**Botanical Holdings Shares**”) will receive one (1) post-Consolidation Anacott Share in exchange for each outstanding Botanical Holdings Share. Following the completion of the Proposed Transaction, the securityholders of Botanical Holdings (including those investors under the Concurrent Offering) will hold a significant majority of the outstanding common shares of Anacott.

In conjunction with, and prior to the closing of the Proposed Transaction, Anacott intends to complete a private placement of approximately \$7,000,000 of subscription receipts (“**Subscription Receipts**”) at an anticipated price of \$0.35 per subscription receipt (the “**Concurrent Offering**”). It is anticipated that each Subscription Receipt will be automatically exchanged for one Anacott Share upon the satisfaction of specified escrow release conditions, which will include, among other things, the completion or waiver of all conditions precedent to the Proposed Transaction and the conditional approval for listing of the common shares of the resulting issuer (the “**Resulting Issuer**”) on the TSX Venture Exchange (the “**TSXV**”).

Anacott intends that the Proposed Transaction will constitute its “Qualifying Transaction” under Policy 2.4 - *Capital Pool Companies* of the TSXV. The Proposed Transaction will be an arm's length transaction. A comprehensive news release with further particulars relating to the Proposed Transaction, financial particulars, transaction structure, descriptions of the proposed management and directors of the Resulting Issuer, terms of any sponsorship, if applicable, among other particulars, will follow in accordance with the policies of the TSXV.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited

to: (a) completion of satisfactory due diligence; (b) execution of a definitive agreement; (c) receipt of regulatory approvals; (d) acceptance of the Proposed Transaction as Anacott's Qualifying Transaction by the TSXV; (e) receipt of approval for the listing of the common shares of the Resulting Issuer by the TSXV; (f) the completion of the Concurrent Offering; (g) the delivery of the financial statements of both Anacott and Botanical Holdings; (h) the shareholders of Anacott approving certain matters ancillary to the Proposed Transaction, including the Consolidation, the appointment of Botanical Holdings' director nominees, and a change in name of Anacott to "Botanical Holdings Corp." or "Botanical Holdings Inc.", all subject to the completion of the Proposed Transaction; (g) the delivery of letters of resignation and reciprocal releases from such directors and officers of Anacott as mutually agreed conditional upon the completion of the Proposed Transaction; (h) Anacott will have cash on hand of not less than CDN \$75,000; and (i) other condition precedents customary for a transaction such as the Proposed Transaction. There can, however, be no assurance that the Proposed Transaction will be completed as proposed or at all.

In connection with the Proposed Transaction, Anacott has entered into a finder's fee agreement (the "**Finder's Fee Agreement**") with an arm's length party (the "**Finder**") for the Finder's introduction of Anacott to Botanical Holdings. Pursuant to the terms of the Finder's Fee Agreement, the parties have agreed to pay the Finder a fee equal to the lesser of 10% of the post-Consolidation Anacott Shares issuable to the shareholders of Botanical Holdings, or the maximum finder's fee payable under the policies of the TSXV.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Trading in securities of a capital pool company should be considered highly speculative. Shares of Anacott have been halted from trading on the TSXV, and trading is not expected to resume until closing of the Proposed Transaction.

This press release is not an offer of securities for sale in the United States. The securities described in this press release have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) absent registration or an exemption from registration. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction where such offer, solicitation, or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

## **FORWARD-LOOKING STATEMENTS**

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur"

or "will be achieved". The forward-looking information and forward- looking statements contained herein include, but are not limited to, statements regarding: the completion of the Proposed Transaction; the ability of Anacott and Botanical Holdings to complete the terms on which the Proposed Transaction is intended to be completed, the ability of Anacott and Botanical Holdings to obtain regulatory and shareholder approvals; and other factors.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the ability of Anacott and Botanical Holdings to continue as going concerns; a lack of any adverse effects on the business of Anacott and Botanical Holdings as a result of the Covid-19 pandemic; and the continued commercial viability and growth in popularity of medical cannabis products.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the inability of Anacott and Botanical Holdings to complete the Proposed Transaction; the inability of Anacott and Botanical Holdings to complete the terms on which the Proposed Transaction is intended to be completed; the inability of Anacott and Botanical Holdings to obtain regulatory and shareholder approvals; risks regarding the cannabis industry; market conditions; economic factors; the inability of management to manage and to operate the business of the Resulting Issuer; and the risks inherent in equity markets generally.

Although Anacott and Botanical Holdings have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither Anacott and Botanical Holdings undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## **ABOUT ANACOTT ACQUISITION CORPORATION**

Anacott is a capital pool company created to identify and evaluate potential acquisitions of commercially viable businesses and assets. The Company has not commenced commercial operations and has no assets other than cash. Except as permitted under the TSXV Policy 2.4, until the completion of the Qualifying Transaction, Anacott will not carry on business, other than the identification and evaluation of companies, businesses or assets with a view to completing a Qualifying Transaction.

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