



LABAT AFRICA LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1986/001616/06)
("Labat Africa" or "the Company")
ISIN Code: ZAE 000018354 Share code: LAB

VOLUNTARY ANNOUNCEMENT RELATING TO THE ACQUISITION OF A 70% INTEREST IN LEADING SCIENCE, TECHNOLOGY AND RESEARCH GROUP BIODATA PROPRIETARY LIMITED ("BioData") AND UPDATE ON THE ACQUISITIONS OF PAC-CON PHARMACEUTICALS ("Pac-Con") AND CANNAFRICA PROPRIETARY LIMITED ("CannAfrica")

Acquisition of 70% of BioData ("Acquisition")

Shareholders are advised that Labat Africa has, in conjunction with its re-positioning strategy, entered into an agreement with Dr Shiksha Gallow for the acquisition of 70% in BioData, a Science, Technology, and Medical Research and Development company. The company is focused on the cannabis industry and was initially set up as a holistic healing enterprise incorporating Cannabinoid healing. The company is currently well positioned to commence with formalised Clinical Trials focused on Pain Management and Insomnia. Labat Africa will acquire a 70% stake in BioData with effect from 1 May 2020.

1) Rationale for the Acquisition

BioData is based in East London and headed up by Dr Shiksha Gallow. Dr Gallow is registered with the Health Professions Council of South Africa ("HPCSA") in Clinical Pathology as a Medical Scientist and holds various degrees in Public Health Medicines as well as in business. The company is supported by a team of researchers, doctors and scientists both locally and abroad who will be working with local Academic Institutions to further Dr Gallow's Clinical Investigations.

Labat Africa is pleased to welcome on-board a group of leading experts in the cannabis industry who are committed to ensuring South Africa takes its rightful place on the world stage in the field of Cannabis innovation and scientific excellence. Dr Gallow has vast experience and will assist with ensuring that the Labat Africa facilities retain its accreditation, certification and complies with the regulatory requirements, quality standards as well as legislation. Dr Gallow's knowledge and involvement extends into the areas of ISO17025 and 15189 standards, British Quality Good Clinical Laboratory Practice ("GCLP"), FHI DAIDS ("Division of AIDS"), Occupational Health and Safety as well as FDA ("Food and Drug Administration") inspections.

The research conducted by Dr Gallow on Cannabinoids, Ayurvedic medicine as well as Homeopathic medicines will be a significant enhancement to Labat Africa's nutraceutical and pharmaceutical offerings. With the growing international trend of opiate addiction and its impact on overdoses, ill-health and crime, countries world-wide are searching desperately for safer alternatives to treat severe and mild pain. South Africa is currently deciding if they should up-schedule Codeine based products due to the significant abuse and the impact on healthcare costs. Labat Africa will certainly use this opportunity to invest in Cannabis Alkaloid based clinical trials, hence this acquisition.

The proposed acquisition of BioData provides Labat Africa with additional Medical and Pharmaceutical infrastructure in support of its Healthcare Strategy. Dr Gallow and her team will also provide expertise and value to Labat Africa's endeavours to developing the Company's Drug Master Files for the selected Alkaloid Active Ingredients.

2) Funding

The acquisition of the business will be financed by way of the issue of shares in Labat Africa.

3) Suspensive conditions

The Acquisition is subject to the fulfilment of the following suspensive conditions:

- The parties executing the shareholders agreement;
- Labat Africa advising the sellers, in writing, that it is satisfied with the outcome of the required due diligence investigation;
- The Board providing a certified extract of the Board resolution approving the Acquisition; and
- The approval in connection with the admission to listing of the Labat Africa shares on the JSE, issued as payment of the Purchase Price.

4) Classification of the transaction

The Acquisition is less than 5% of the market capitalisation of Labat Africa and accordingly this announcement is voluntary in nature and additional information required for a Category 2 announcement is not required to be published. The seller is not a related party to Labat Africa.

Update on the voluntary announcement relating to the CannAfrica acquisitions

Shareholders are advised that all the conditions precedent for the CannAfrica acquisition have been met.

Johannesburg

14 April 2020

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