

11 February 2021

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

Shareholder Update

Ananda's vision is to become a significant participant in the UK medicinal cannabis sector.

Following the legalisation of medicinal cannabis in the UK in late 2018, the sector initially grew slowly. Now, however, growth is starting to gather pace. More than 37,000 packs of cannabis-based products for medicinal use (CBPMs) were notified for import into the UK in the six months from March 2020 to September 2020. This compares to a total of just 3,700 CBPMs notified for import in the previous 16 months¹. According to Maple Tree Consultancy, a leading UK based medical cannabis advisory group, there are currently approximately 3,000 private medical cannabis patients in the UK and the number is growing at around 20% per month. Maple Tree advises that growth in demand and patient uptake is a result of both patient awareness and doctor education.

Maple Tree also reports that approximately 60% of medicinal cannabis prescriptions are for pain, 20% for anxiety and depression, 10% for neurological disorders and the balance for a range of other conditions. For pain and anxiety, both oil for ingestion and cannabis flower for vaping are being prescribed. Cannabis oil is prescribed for regular use and flower is prescribed for vaping when pain or anxiety peaks.

Maple Tree also reports that cannabis oil and flower are being imported from Australia, Israel, Canada and Holland. Some limited cannabis oil formulations are created in the UK from imported raw materials.

In view of this and other evidence, the Directors believe that demand for medical cannabis will continue to grow significantly, even without its adoption by the NHS. They further believe that there will be benefits from production in the United Kingdom; already withdrawal from the European Community has resulted in potential disruption to supplies.

LICENCE TO GROW MEDICINAL CANNABIS

The Company continues to work towards its objective of being a cultivator of medicinal cannabis in the UK with its partners, JEPCO Marketing Ltd ("JEPCO"), previously a grower of medicinal cannabis in the UK for GW Pharmaceuticals.

The application to grow medicinal cannabis was submitted to the Home Office in October 2019 in anticipation of the development of the UK sector, via joint venture company DJT Plants Ltd ("DJT Plants"). Once DJT Plants has received its licence and established its large-scale research growing project, it will look to expand the licence to grow medicinal cannabis for commercial purposes.

The Home Office has advised DJT Plants that its application has progressed successfully through internal Home Office checks and that at this point no objections have been raised. The Home Office has also advised DJT Plants that a site visit and meeting with DJT Plants' personnel is necessary prior to licence issuance. However, due to the COVID-19 situation the Home Office is currently unable to make such a visit. It has undertaken to conduct its visit as soon as its travel restrictions allow.

The Directors remain positive and confident that the Company is well placed to provide UK grown and manufactured cannabis flower and oil products to UK based patients and, in due course, to international markets.

A computerised fly through of the proposed growing facility has been created to help provide shareholders with an indication of the nature, scope and scale of our medicinal cannabis growing plans. This can be accessed at <https://anandadevelopments.com/tiamat-agriculture-ltd/>.

Please refer to the Company's announcement of 30 October 2020 for more detailed information on the application.

Advantages of growing medicinal cannabis in the UK

JEPCO successfully cultivated medicinal cannabis for GW Pharmaceuticals from 2014-2017 in UK natural light and heat conditions. Unlike the high capital and operating expenditure facilities built in, for example, Canada, JEPCO is able to grow cannabis in greenhouses (multi-span design) with the required light, humidity and heat metrics via 100% natural means. By doing this for GW Pharmaceuticals, JEPCO achieved one natural growth cycle per annum with a yield of 700g/m². JEPCO's direct experience growing medical cannabis is that one natural cycle per year achieves better economics and is more environmentally friendly and sustainable than 'pushing' the plants to achieve two to three crops per year with the associated high costs.

OTHER INVESTMENTS

ICAN-Israel Limited ("ICAN")

Ananda holds 180 shares (0.9%) in ICAN, a medical cannabis incubator and conference company. As a result of the COVID-19 emergency, ICAN has not been able to conduct conferences since March 2020. It continues, however, to provide online education and networking events and to work with its incubator companies. ICAN intends to return to its large, in person conference format when circumstances and its financial situation allow.

Liberty Herbal Technologies ("LHT")

Ananda holds 15% of the equity in LHT and one board seat. Further to the update of 30 October 2020, LHT continues to explore and assess other opportunities for its vaping product.

In particular, LHT is assessing the opportunity to have its inhaler certified for use as a medical device. This would open up opportunities in this growing sector, where the vaping of cannabis flower is the preferred dosage mechanism. LHT's ability to deliver a measured dose of medicinal cannabis flower is an attractive, non-carcinogenic route to delivering high bio-availability medical cannabis benefits to patients.

LHT is also continuing to explore launching its offering in the US.

Funding

The Company remains funded by loans from Ananda's Chairman, Charles Morgan, which allows continued operations without undue dilution to shareholders.

On behalf of the Board

Melissa Sturgess, Chief Executive Officer

Advisory Council on the Misuse of Drugs Cannabis-based products for medicinal use (CBPMs) in humans. An assessment of the impact of rescheduling CBPMs to Schedule 2 under the Misuse of Drugs Regulations 2001 (MDR) and recommendations to mitigate the issues identified, November 2020. Published January 2021.

-Ends-

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

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Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.