

18 May 2021

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

Grant of Home Office Licence

The Directors of Ananda announce the following progress regarding Ananda's vision to become a significant participant in the emerging medicinal cannabis sector:

HIGHLIGHTS

- DJT Plants Limited ("DJT Plants") has been granted a licence to grow >0.2% THC cannabis for research activities by the UK Government Home Office (the "Licence").
- The build out of DJT Plants' research facility to breed and stabilise 65 strains of cannabis will commence immediately, utilising the funds raised by the Company in March 2021.
- DJT Plants is a wholly owned subsidiary of DJT Group Limited ("DJT Group"), which is owned as to 50% by Ananda's wholly owned subsidiary, Tiamat Agriculture Limited, and as to 50% by Anglia Salads Limited ("Anglia Salads").

Background

On 14 October 2019, DJT Plants submitted its application for a licence to grow >0.2% THC cannabis for research purposes pursuant to the Misuse of Drugs Act 1971. Following submission of the application, DJT Plants and its advisers have been in a dialogue with the Home Office, local police and the MHRA, amongst others. The regulations around COVID-19 caused a year's delay in Home Office representatives being able to visit the proposed site of the research activities. When regulations allowed, representatives of the Home Office made a visit to proposed locations on 17 March 2021. DJT Plants received its Licence on 17 May 2021.

Anglia Salads and DJT Plants both held UK Home Office licences to grow >0.2% THC cannabis between 2014 and 2017. They successfully grew up to five hectares of cannabis for GW Pharmaceuticals, in multi-chappelle structures in natural season without any artificial heat or light.

The October 2019 licence application included DJT Plants' phased strategy to become a significant participant in the emerging medicinal cannabis sector. Phase One is the research phase for which the Licence has been granted. Phase Two, which will be subject to further UK Home Office licensing, is to build out commercial growing and extraction facilities, for some 40 hectares, at the same location.

The Licence received on 17 May 2021 is to develop a broad range of cannabis genotypes through a genetic stabilisation and field trials programme, with the goal of growing these genotypes in the UK.

DJT Plants will produce a line of 65 stable genotypes through back crossing six generations from a varied portfolio of 13 seeds that exhibit a range of THC/CBD and other cannabinoid, terpene and flavonoid profiles. Those genotypes with metabolic profiles relevant to various health indications which have shown to be receptive to treatment with medical cannabis and for which NICE (the National Institute for Clinical Excellence) has called for further research, will also be filtered for agronomical traits such as yield and resistance to pathogens, moulds etc. This will give DJT Plants a number of stable genotypes with a range of metabolic profiles, containing high and low levels of THC and CBD, together with a varied range of other cannabinoids, terpenes and flavonoids.

With a focus on neuropathic pain, epilepsy, Parkinson's Disease and systemic sclerosis and with reference to the scientific literature, DJT Plants will analyse the metabolic profiles of the stable genotypes (including reference to their non-stable origin – via plants grown from first generation hybrid) including analysis of minor cannabinoids, flavonoids and terpenes. This analysis will be carried out in Israel under procedures and techniques developed by Professor Dedi Meiri of the Technion Israel Institute of Technology. Professor Meiri has established an approach for comprehensive metabolic profiling of phytochemicals in cannabis.

The understanding gained from the analysis and studies as described above, together with insight gained from the scientific literature, will assist in the selection of genotypes that could be grown in Phase 2, subject to further licensing from the Home Office, then manufactured under Good Manufacturing Practice (GMP) with a view to becoming available for prescription by doctors on the General Medical Council list of Specialists.

As part of DJT Plants' research approach, it will also look to establish extraction, distillation and isolation facilities to manufacture "full spectrum" cannabis products and less than full spectrum products according to the specific combinations of cannabinoids, terpenes and flavonoids identified as being efficacious for particular indications.

Following the research phase, and conditional on UK Home Office licensing, the Directors believe a UK source of high quality consistent medicinal cannabis, such as DJT Plants intends to grow and produce, will be well received, given the growing market for medicinal cannabis and the concerns around consistency and quality expressed by prescribing doctors and patients.

Advantages of growing medicinal cannabis in the UK

Anglia Salads and DJT Plants successfully cultivated medicinal cannabis for GW Pharmaceuticals from 2014 to 2017 in UK natural light and heat conditions. Unlike the high capital and operating cost facilities built in some other jurisdictions, DJT Plants will grow cannabis in multi-chappelle structures with the required light, humidity and heat metrics via 100% natural means. By doing this for GW Pharmaceuticals, DJT Plants achieved one natural growth cycle per annum, with consistent quality and a yield of 700g/m². DJT Plants' 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.

Build Out of Research Facility

On 15 February 2021, Ananda announced that it had raised £300,000 for the build out of its research facility at the Licence location. As reported to shareholders at the time, these funds were set aside for the build out. DJT Plants will therefore immediately commence the build out and commissioning of the research facility.

Issue of Contingent Consideration Shares

Pursuant to the agreement whereby Ananda acquired Tiamat Agriculture Limited, announced on 24 May 2019 and approved by Ananda's shareholders on 10 June 2019, Melissa Sturgess and Charles Morgan, Chairman and Chief Executive Officer of the Company, are entitled to be issued 100 million ordinary shares of 0.2p each in Ananda when the Licence is granted. These shares will be issued as soon as practicable, and a further announcement will be made at that time.

Ananda CEO Melissa Sturgess said: "Ananda is extremely excited to achieve this important milestone which allows us to grow and stabilise 65 strains of cannabis and conduct field trials. We also maintain our focus on the future when we hope to legally produce premium UK grown medicinal cannabis for patients who need it."

-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.