

25 June 2021

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Shareholder Update

Ananda's ambition is to become a significant participant in the medicinal cannabis sector as a UK-based grower of consistent, high quality medicinal cannabis for domestic and international markets. In 2025, the UK medicinal cannabis market is expected to be worth £450m and the European market is expected to be worth £2.7bn.

Highlights

- Construction of purpose-built research facility to commence in July 2021
- Strains of medicinal cannabis for research have been selected
- Liberty Herbal Technologies has received a US Patent for its vaping device

Construction of Research Facility

Following receipt of a Licence from the Home Office to grow >0.2% THC cannabis in the UK for research purposes (the "Licence") by the Company's 50% owned subsidiary DJT Plants Limited ("DJT Plants"), the Directors of Ananda report that the research facility construction project will commence in July 2021. It is being overseen by the Farms Director of JEPCO Limited ("JEPCO") who has considerable experience in the construction of facilities of this nature. JEPCO owns 51% of Anglia Salads which is the other 50% shareholder of DJT Plants.

The Home Office approved research site currently comprises a large storage area with a concrete base and a large shed which was previously used for crop storage. Modular work rooms will be installed inside the shed to provide laboratory space, indoor breeding spaces and clean and secure areas for handling the harvested flower. Two multi-chapelle units (greenhouses) will be constructed in a field adjacent to the modular facilities to accommodate the field trials. The whole research facility will be fenced, secured and monitored. Field trials are a critical precursor to commercial growing in order to identify the strains with the best agronomic traits and to fine tune growing techniques.

The directors of Ananda gave approval for the £300,000 raised in March 2021 to be applied to the construction of the research facility.

Choice of medicinal cannabis strains for research trials

13 strains have been chosen for DJT Plants' research trials. 5 seeds of each strain will be planted to create the total of 65 potential strains, as high variability is expected within each strain. The chosen strains exhibit a range of profiles, based on current prescribing and researched information, including:

- low THC / high CBD content
- high THC / low CBD content
- balanced THC / CBD content

From the 65 genetically stable strains, a selection will be made to match the best resulting strains with medical conditions. This information will add to the body of knowledge about efficacious medicinal cannabis grown in UK conditions and will, subject to further Home Office licensing, provide stable strains of medicinal cannabis for commercial growing.

Subject to further Home Office licensing, DJT Plants intends to move to commercial growing.

Liberty Herbal Technologies ("LHT") Patent granted

LHT has been awarded a US Patent for its hapac® inhalation system. This system enables measured doses of medicinal cannabis to be vaped. More information about hapac can be found at www.hapac.tech. The company's rollout in Italy was stalled due to COVID and other opportunities for re-launch are being pursued.

LHT's system has a potential future application in medicinal cannabis because it will ultimately allow:

- medicinal cannabis to be consumed as a measured dose
- a 'heat not burn' mechanism for receiving the benefits of medicinal cannabis
- a method of receiving the benefits of medicinal cannabis without smoking or the inconvenience of oils.

Background

On 17 May 2021, Ananda's 50% owned subsidiary, DJT Plants, received a licence from the Home Office to grow >0.2% THC cannabis in the UK for research purposes. The licence conditions enable a research plan to stabilise 65 strains of cannabis and conduct research field trials.

DJT Plants is a wholly owned subsidiary of DJT Group Limited ("DJT Group"), which is owned 50/50 by Ananda's wholly owned subsidiary, Tiamat Agriculture Limited, and Anglia Salads Limited ("Anglia Salads").

On 8 June 2021, the Company announced it had signed non-binding Heads of Terms to acquire the 50% of DJT Group it does not own from Anglia Salads. A circular containing further information and convening a General Meeting to approve this acquisition will be sent to Ananda shareholders as soon as possible.

The Directors will provide shareholders with further updates as plans progress.

-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.