

11 November 2021

## **ANANDA DEVELOPMENTS PLC**

("Ananda" or the "Company")

### **Shareholder Update**

Ananda's ambition is to be a UK grower and provider of carbon neutral, consistent, high quality medical cannabis for the UK and international markets.

Since the Company's update on 6 October 2021, works have continued on schedule at the medical cannabis research growing facility being constructed in the UK by DJT Plants Limited ("DJT Plants"), the Company's 50% owned subsidiary.

#### **Research facility construction**

The construction of the research facility is near completion. Security fencing has been installed around the designated perimeter of the project area, the reservoir to hold required water is complete and the interior of the medical cannabis growing rooms is complete. Dr Hadar Less, the project's lead geneticist, spent last week on site to finalise room by room lab requirements, plant nursery growing trollies and other details.

The initial 0.2 hectares of multi-chappelle growing tunnels have been constructed and the design for the plant layout within the units has commenced.

#### **Ananda's plan**

As previously communicated to shareholders, Ananda will conduct a medical cannabis breeding and stabilisation programme designed to create a library of proprietary strains which exhibit metabolic profiles which thrive in local growing conditions and which are efficacious in the treatment of indications including epilepsy, neuropathic pain, scleroderma and Parkinsons disease, as well as for other indications. Subject to further licensing from the Home Office, it is intended to use these learnings to grow medical cannabis for commercial purposes.

As a result of the experience gained by Ananda's partner, JEPSCO, in growing medical cannabis from 2014-2017 for GW Pharmaceuticals, Ananda intends to grow in natural season with no artificial light or heat. The Directors believe that using the full natural spectrum of light will result in superior medical cannabis flower and enhance the opportunity to garner its full benefit. The plan also requires much lower levels of capital and operating expenditure and, in the opinion of the Directors, enables a more scalable business than would be required by the building of large glass houses with artificial light and heat. In addition, DJT Plants' cannabis growing is expected to be zero carbon.

Ananda's CEO Melissa Sturgess commented "As we look to the North American experience of large facilities with their high capital requirements, high operating costs and businesses which are supply led rather than demand led, we see financial pressures. Ananda's model is clear. We have a low capital, low operating cost model which focuses on patient demand and which we believe will deliver superior medicines with very strong margins."

#### **UK medical cannabis market**

According to UK based medical cannabis advisory group, Maple Tree Consultants, there are now approximately 9,500 medical cannabis patients in the UK. Maple Tree predicts that this number will reach around 25,000 by the end of 2022. This growth is in line with the development of international medical cannabis markets which experienced slow growth immediately after legalisation, followed by increased and then rapid growth around year 3. Medical cannabis was legalised in the UK in late 2018. The Directors of Ananda are encouraged by the potential of the industry in the UK and the

opportunity for Ananda. They are also greatly heartened to see medical cannabis becoming more widely acceptable and understood as an efficacious treatment for many health indications.

### **Sale of shareholding in Liberty Herbal Technologies Limited**

Ananda has sold the Company's holding of 1,642,857 ordinary shares in Liberty Herbal Technologies Limited ("LHT"), the developer of ready to use cannabis sachets for portable vaporisers. The consideration for the disposal is £100,000 in cash, which has been received by the Company.

The proceeds of the disposal will be used to support the ongoing construction, staffing and operation at the medical cannabis research growing facility being developed in the UK by DJT Plants, which is the focus of Ananda's attention. As announced on 8 June 2021, the Company is in the process of acquiring the remaining 50% of DJT Plants that it does not already own.

(<https://anandadevelopments.com/wp-content/uploads/2021/09/08062021-Proposed-100-ownership-of-DJT-Plants-Limited.pdf>).

-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.

### **About Ananda Developments**

Ananda is an AQSE-listed medical cannabis company creating UK-based operations to grow and provide carbon neutral, consistent, medical cannabis for the UK and international markets.

The UK medical cannabis market is predicted to be worth £450m by 2025 and the European market is predicted to be worth USD4.2bn by 2027.

Ananda, through its 50% owned subsidiary, DJT Plants Limited, was granted a Home Office licence in May 2021 to grow >0.2% THC cannabis in a new research facility to breed and stabilise 65 strains.

For more information, please visit: <https://anandadevelopments.com/>