

11 March 2022

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Shareholder Update

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

The Directors of Ananda provide the following update to shareholders.

Research programme

In early February 2022, 5 seeds of each of 13 strains of cannabis were planted at the DJT Plants Limited ("DJT") medical cannabis research facility. Since then, the DJT team has been undertaking the following activities:

- The cannabis plants have been monitored daily, water requirements and nutrient requirements have been logged, and notes regarding the growth performance of each plant has been recorded.
- Pruning has been undertaken to encourage the even growth of a larger number of branches of each plant.
- Continued drafting of relevant Standard Operating Procedures (SOPs) to ensure best practice.

The seeds planted comprise a range of high THC / low CBD strains, low THC / high CBD strains and balanced strains. The precise cannabinoid and terpene profile of each strain will be ascertained when the plants are sent for analysis to Israel and UK based labs.

The next step to achieve stable strains of cannabis for potential commercial growing will be for 9 cuttings to be taken from each plant. These cuttings will be used for:

- Planting in the multi chapelles to start to assess the performance of the strains in DJT's specialised growing conditions.
- Planting in the mother room so that there is a supply of mother plants which can then be compared with later generations of the same strain.
- The self-crossing programme in which some of the plants are forced to become males and then to pollinate the female plant from the same seed. This will increase the genetic stability of the next generation of plants.

There are a number of other parts to the research programme which are all designed to assist in the growing of stable strains of medical cannabis with cannabinoid and terpene profiles found to be beneficial in the treatment of a range of conditions. A further update on these initiatives will be provided in due course.

Commercial growing

As the research programme progresses, the team is now focused on developing its commercial plans. Commercial growing and selling is dependent on the successfully receipt of further licences from the Home Office and GMP (Good Manufacturing Practice) certification from the Medicines and Healthcare products Regulatory Agency (MHRA).

DJT Plants has retained a best-practice international GMP and pharmaceutical consulting firm with experience in designing GMP compliant medical cannabis facilities in jurisdictions with regulations similar to the UK. They will assist in the design of DJT's cannabis manufacturing facility. As the UK is in the early years of its medical cannabis industry, it is the opinion of DJT's management team that an internationally experienced consultancy is best placed to assist DJT. The conceptual manufacturing flowsheet has been created by DJT and activities will now proceed to the more rigorous planning and

design processes to ensure optimum workflows, ease of access from the commercial growing areas and scalability. The proposed facility will operate to GMP and will be fully compliant under the MHRA guidelines.

Corporate

There remains one outstanding item to complete the Circular to shareholders for the purchase of the 50% of DJT not owned by Ananda. Once final sign off is obtained, the Circular will be posted to shareholders and the relevant General Meeting called.

-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 zero, 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.

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