

20 July 2022

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Genetic stabilisation and field trials 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.

Genetic stabilisation programme

Ananda's 50% owned subsidiary, DJT Plants Limited ("DJT"), has completed the first step in its genetic stabilisation programme, the self-crossing of the first generation of cannabis plants. 50% of the plants have accepted the pollination, with the remaining 50% set to be completed in the next few weeks. These seeds will be collected and germinated to initiate the next generation of genetics. It is proposed to continue this self-crossing for a minimum of 6 generations to create a library of stable genetics from which Ananda will choose suitable profiles for commercial growing.

Field trials

Field trials are underway to assess the performance of various cannabis cultivars in Ananda's Lincolnshire conditions. The trials are also being used to define growing, fertilisation, irrigation and harvesting protocols which will be useful in a commercial growing environment.

Ananda is growing in natural season conditions with no artificial light and no artificial heat. Results to date are as expected, with near perfect growing conditions creating robust and healthy cannabis plants. The ability to grow successfully in this manner will offer Ananda significant capital and operating cost benefits in its planned commercial setting.

Ananda CEO Melissa Sturgess commented "We are very focused at the moment on our research programme to create stable genetics and a consistent growing environment in order to produce high quality, consistent medical cannabis for UK patients. Please follow our Socials on LinkedIn, Twitter and Instagram to see regular images of the flower we are growing. From a commercial perspective, we continue to note the increase in UK based medical cannabis patient numbers from around 3,000, when the research licence was granted, to approximately 17,000 patients currently. The growth trajectory is right for our business plan."

Corporate

As mentioned in previous announcements, there is one item outstanding to enable completion of the acquisition of the remaining 50% of DJT not already owned by Ananda. That item is the signing of the sub-lease under which the Company is provided with its proposed commercial expansion footprint. DJT, together with the landowner and the head lease holder, have been working to secure comprehensive lease terms and the appropriate supporting documentation, so that DJT can expand the footprint in its current location to 140,000 m² and beyond if desired.

The Directors believe that securing strong title for this expansion footprint is desirable in the event a third party has interest in a medical cannabis growing footprint in the UK. When final signatures are obtained, the Company will post the Circular to shareholders as swiftly as is practicable and the General Meeting will be called.

DJT Plants continues to hold and be governed by its Home Office licence to cultivate >0.2% THC cannabis for research purposes. All references to commercial growing activities, plans and sales are potential future activities which remain conditional upon the Company applying for and receiving

appropriate licencing from the relevant UK regulatory bodies, such as the Home Office and the Medicines and Healthcare products Regulatory Agency.

-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/>