

7 September 2022

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Corporate Update

Ananda's ambition is to be a leading UK grower and manufacturer of consistent, high quality medical cannabis for UK patients.

Ananda's 50% owned subsidiary DJT Plants Limited ("DJT") currently holds a licence from the Home Office to cultivate medical cannabis for research at its site in Lincolnshire. DJT's plan is focused on strain stabilisation, medical cannabis research and large scale field trials in preparation for its anticipated application to the Home Office to grow medical cannabis for commercial purposes.

The Directors provide the following update on activities.

Strain Stabilisation

DJT is working to create stable strains of cannabis by self-crossing (turning female flowers into male flowers and self-pollinating the plant) for 5 generations. Genetic traits, both negative and positive, will be amplified by this process which is why DJT has chosen to apply its self-crossing programme starting with 5 seeds of each of 13 strains of cannabis and self-crossing from 5 of each of the progeny of those to finish with 325 stable strains. These will then be field trialled for agronomic traits and potentially cross bred to create unique cultivars.

Self-crossing, or Single Seed Descent (SSD), has not been widely used in cannabis to date, as cannabis cultivators have mostly focused on the use of clones and tissue cultures to achieve genetic stability. However, the Directors believe that SSD can be applied to cannabis in much the same way as it is used to create stable genetics in many other crops.

The SSD programme commenced in late February 2022 and has completed one generation of self-crossing. To date, Ananda's research has shown that self-pollination of cannabis plants can be successfully achieved. The programme's two challenges have been the low number of viable seeds generated from the first generation of crossing and the time taken to complete a generation. In order to rectify these challenges, a different chemical is being trialled to induce the conversion of female flowers to male, the timing of chemical treatment will be adjusted, and other changes to protocols are being implemented to speed up the work streams.

Field Trials

A key part of Ananda's commercialisation plan is to conduct field trials to test a range of growing methods to achieve the best quality and yield of medical cannabis flower. The 2022 field season is nearly complete, and Ananda has now trialled the growing of each of its chosen 13 strains of cannabis, ranging from high THC : low CBD, through balanced THC : CBD, to low THC : high CBD. The trials included spacing plants at different distances, trimming them in various ways to manipulate the plant structure and flowering, as well as other interventions to maximise quality, consistency and yield.

The trials have confirmed that Ananda's growing conditions provide an excellent environment for growing medical cannabis. The light, daylight length, humidity and temperature can all be managed with minimal intervention and energy use, thus re-confirming the thesis that medical cannabis can be grown successfully in the UK over a natural season. These findings bode well for the success of Ananda's proposal for low capital expenditure and low operating costs in a commercial growing setting, especially given the recent energy price increases and future expected energy shortages.

Commercial Planning

Ananda's team continues to work on commercial planning activities. These are being developed to deliver an appropriate scale of initial operations relative to the technical complexity of cultivation, harvesting and manufacturing medical cannabis to the highest standards, as well as attracting and developing the right team and meeting the needs of the market.

Corporate

Since the Company's Corporate Update announced on 20 July 2022, good progress has been made in finalising the arrangements required to complete the acquisition of the remaining 50% of DJT Group Limited not already owned by Ananda. The Company will update investors about further progress and will post the relevant circular to shareholders as soon as is practicable.

Ananda's CEO, Melissa Sturgess, commented: "Our team has had a very focused period of work and research, all of which is essential for successful commercial execution. Our intent remains to build the business in a way that maximises our ability to generate free cash flow for shareholders and provide high quality, consistent medical cannabis to patients in need."

-Ends-

The Directors of the Company accept responsibility for the contents of this announcement.

ANANDA DEVELOPMENTS PLC

Chief Executive Officer

Melissa Sturgess

+44 (0)7717 573 235
ir@anandadevelopments.com

Investor Relations

Jeremy Sturgess-Smith

PETERHOUSE CAPITAL LIMITED

Corporate Finance

Mark Anwyl

+44 (0)20 7469 0930

Corporate Broking

Lucy Williams

Duncan Vasey

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/>