

20 December 2022

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Corporate Update

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

Ananda's wholly owned subsidiary, DJT Plants Limited ("DJT"), holds a licence from the Home Office to cultivate medical cannabis for research at its site in Lincolnshire. Its current operations are focused on strain stabilisation large-scale field trials and planning for its commercial medical cannabis processing facility. These initiatives are in preparation for its intended applications to the Home Office to grow medical cannabis for commercial purposes and to the MHRA for the required GMP (Good Manufacturing Practice) certification.

The Directors provide the following update on the Company's activities.

Operations Update

Testing of 2022 harvested cultivars

The plant samples mentioned in the RNS of 18/10/2022 (linked [here](#)) are currently with a third party lab for detailed metabolic analysis to determine the amounts and ratios of various cannabinoids and terpenes contained in the flower. This information will be important in deciding which cultivars are chosen for commercial growing.

Preparations are underway for the 2023 natural season cultivation cycle including the installation of further blackout screens, fans and monitoring systems. These are being installed to increase the ability to manipulate growing day length and temperature without using high cost artificial light and heat. Ananda remains committed to its strategy of natural season growing as the best way to achieve the highest quality medical cannabis flower at the lowest cost.

The team is also continuing to workshop the process flows and plans for the intended processing and manufacturing facility. This work is being done to a very high level of detail so that the next iteration of design drawings can be completed.

Strain Stabilisation

Ananda's Head of Plant Science has this month been trialling a new technique for converting female flowers to males, a key part of the genetic stabilisation process. The new techniques have resulted in male flowers being generated sooner than previously, which in turn means more pollen can be collected. The Company believes that this will both increase the pace of the genetic stabilisation programme and maximise the efficacy of the process. Ananda believes its genetic stabilisation work is unique and has the potential to build significant value. One of the biggest demands from the medical cannabis prescribing community is medicine that is consistent from batch to batch. This work by Ananda will help address this need.

Ananda's strain stabilisation data is being captured in a computerised Pedigree Book. This will be used in a number of ways:

1. As an internal register of Ananda's unique and proprietary strains of cannabis to assess which should be used to meet patient demand;
2. As the pure breed line stock to commence a cross breeding programme to create further unique combinations of genetics; and

3. As a catalogue with complete genetic histories, in the event that the Company decides to sell stable seed genetics to other cultivators.

Transition to Operating Company

As the acquisition of the remaining 50% of DJT Group Limited is now complete, Ananda's sole focus is as a grower and provider of medical cannabis in the Health Care sector. The following is the Company's stated operating strategy:

"Ananda's mission is to become a leading UK grower and provider of high quality, consistent, carbon zero, medical cannabis for the UK and international markets. It will achieve this via the cultivation of medical cannabis at its dedicated UK facility, utilising proven low capital and low operating cost growing methods; as well as by cultivating its unique strains which are being developed in its strain stabilisation breeding programme. It will also process, formulate and manufacture medical cannabis to create both flower and oil products.

Medical cannabis was legalised in the UK in 2018. There are more than 25,000 medical cannabis patients in the UK and the number is growing rapidly. Despite this, patient access to medical cannabis is still limited and 100% of medical cannabis products available to UK patients are imported from abroad."

This updated strategy will be posted on the Company's website.

Ananda's CEO, Melissa Sturgess remarked: *"We are extremely excited to be transitioning to this designation as a Health Care company and remain committed to building value for shareholders and delivering much needed cannabis medicines to patients. We sense a steady progression of maturity in this nascent medical cannabis industry, and we are delighted to be part of it."*

-Ends-

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

ANANDA DEVELOPMENTS PLC

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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.

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

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.