

13 April 2023

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Shareholder Update, Issue of Equity and Grant of Options

Ananda's ambition is to be a leading provider of high-quality medical cannabis for the treatment of complex, chronic inflammatory pain conditions.

Highlights

- Preparation is well underway at DJT Plants Limited ("DJT") for the construction of a medical cannabis flower processing facility (GMP1)
- MRX1, the first cannabidiol medical cannabis oil from MRX Medical Limited ("MRX"), will be launched commercially in June 2023, with two medical cannabis clinics agreeing in principle to prescribe it
- Genetic stabilisation has successfully completed its first generation and the process is expected to speed up significantly across the following generations
- MRX1 cannabidiol medical cannabis oil has been put on stability trials ahead of being used in two Randomised Controlled Trials (RCTs)

Ananda's CEO, Melissa Sturgess, commented: "We have always maintained that building our business carefully will reap dividends. It is no coincidence that we are now in a position to launch medical cannabis oils and getting close to constructing our medical cannabis flower processing facility, at the same time as Prohibition Partners, one of the leading industry commentators, predicts that the UK will become the second largest medical cannabis market in Europe this year."

Commercial

DJT medical cannabis flower, cultivation, and processing

During the next six-months, DJT's commercial objectives are to put out to tender the construction of GMP1 and engage with the chosen pharmaceutical construction company, finalise the capital costs for this work, and write the standard operating procedures for commercial cultivation.

Whilst it is not yet possible to predict the exact timing for DJT to achieve the requisite commercial cultivation and manufacturing approvals, the following stages were identified by the MHRA (Medicines and Healthcare products Regulatory Agency) in late 2022:

1. Applying to the MHRA for the appropriate licence(s): for DJT this requires completion of construction of the processing facility as above.
2. MHRA carries out a remote desktop inspection.
3. Applying to the Home Office for relevant licence(s): for DJT this will mean applying for its current licence to be expanded to permit commercial activities.
4. The completion of relevant outstanding validation activities: DJT expects this step to be expedited as it has had the benefit of a full season of cultivation and harvesting trials, as well as the benefit of testing and validation work.

To progress through the above stages, DJT will grow three cultivars in 2023 in its polytunnels. These cultivars have been chosen from the 2022 trial cultivars for their robust growth characteristics, healthy flowering and preferred cannabinoid and terpene profiles. The first clones have been taken from the mother plants of the chosen cultivars and they will be planted into the tunnels shortly. DJT will grow from clones for the 2023 season and will move to seed-based production at the conclusion of the genetic stabilisation programme.

The cultivars will be grown and harvested according to Good Agricultural Collection Practice (GACP). This is a necessary step for MHRA approval as outlined above. For security and intellectual property protection reasons, it is not possible to release further details of the cultivars.

During the winter, the team used DJT's indoor lab space to work on a range of additional plant manipulation strategies designed to increase yield. They also worked on detailed irrigation practices to promote cannabinoid content production in the weeks leading up to harvest. This involves varying the amount of water given to the plant to stress the plant in a predictable manner. Appropriate plant stress, timed precisely in the period before harvesting, can increase cannabinoid production. The captured data will be used to optimise cultivation protocols.

MRX medical cannabis oils

Ananda's recently acquired wholly owned subsidiary, MRX, has two medical cannabis oil formulations ready for launch. MRX1 and MRX2 are proprietary cannabidiol based broad spectrum formulations which will be prescribed as unlicensed CBPM's (Cannabis Based Products for Medicinal use in humans).

MRX has reached agreement in principle with two UK based medical cannabis clinics to add MRX1 to their formularies to enable them to commence prescribing. Commercial launch of MRX1 is therefore expected in June 2023. The MRX website will be launched before this date.

Research

MRX1 Clinical Trials

MRX1 is being used in two placebo-controlled Phase II RCT's. These are being conducted by clinician researchers at the University of Edinburgh and have received combined commitments of £1.55m of non-dilutive funding. Currently, the MRX1 formulation is being prepared for stability trials required under the MHRA investigative medicine guidelines, ahead of final documents being signed and trial recruitment commencing.

NICE (National Institute for Health and Care Excellence) has specifically called for research into the effectiveness of cannabidiol with no or trace tetrahydrocannabinol (THC). Ananda is actively pursuing further clinical trial opportunities for MRX1 as the Directors believe that positive clinical trial evidence could allow MRX1 to be prescribed on the NHS.

DJT Genetic Stabilisation

Several new cannabis genetics have been added to the genetic stabilisation programme. They include cultivars which have been specifically chosen to increase the genetic diversity of the programme and, via the analysis of global cannabis cultivar sales data, to increase the desirability of the resultant DJT owned genetic seed lines. The new strains have replaced a few of the poorer performing cultivars.

On site last week, there was successful germination of the in-house developed second-generation (S2) seeds. This is a breakthrough for the DJT genetic stabilisation programme and is believed to be the first time that a 'selfed' (when the plant breeds with itself) cannabis seed has been successfully germinated and represents a significant step towards the Company's goal of generating a grown-from-seed, >98% genetically identical cannabis crop at scale. The learnings gained during this process will significantly accelerate progress to the sixth generation seeds. The originally proposed

growing protocols have been adapted and refined to achieve male anthers (pollen producing part of the flower) in larger number and more rapidly, therefore allowing for a faster progression from generation to generation.

A video showing the first shoots from the S2 seeds will be uploaded to the Company's social media accounts following release of this announcement. These accounts are:

- Instagram: <https://instagram.com/anandadevelopments?igshid=YmMyMTA2M2Y=>
- LinkedIn: <https://www.linkedin.com/company/anadevelopments/>
- Twitter: https://twitter.com/anandaplcs?s=21&t=9yeIC_xYCfzgDn7j26sfuA

Issue of Shares

In lieu of a one-off consulting fee, Victor Booty is being allotted 2,222,222 ordinary shares of 0.2p each in the Company ("Ordinary Shares"; Fee Shares") at a deemed price of 0.9p per share. Mr. Booty originally introduced Ananda to the medical cannabis cultivation opportunity and initiated the negotiations which resulted in Ananda acquiring DJT.

Grant of Options

Further to shareholder approval of the Enterprise Management Incentive (EMI) Share Option Plan (the "EMI Plan") at the Company's AGM on 17 August 2022, the Company has granted options over 60,000,000 Ordinary Shares pursuant to the EMI Plan: 30,000,000 to Linda Sweetlove, Head of Quality at DJT, and 30,000,000 to Jack Morgan, Head of Group Communications and GMP1. These options will vest in 3 equal tranches on the first, second and third anniversaries of their grant, with exercise prices of 0.5p, 0.605p and 0.66p per share, respectively. The Company has also issued options over 10,000,000 Ordinary Shares to Frances Crewdson, a consultant, which will vest in two equal tranches on the first and second anniversary of their grant, with exercise prices of 0.5p and 0.605p per share, respectively.

Application for Admission

Application will be made for the Fee Shares to be admitted to trading on the AQSE Growth Market and admission is expected to become effective on 19 April 2023.

The Fee Shares will, on admission, rank pari passu in all respects with the Ordinary Shares in issue and will rank in full for all dividends and other distributions hereafter declared, paid, or made on the ordinary share capital of the Company.

Total Voting Rights

Following the issue of the Fee Shares, Ananda has 2,736,347,451 Ordinary Shares in issue, each share carrying the right to one vote.

This figure of 2,736,347,451 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

-Ends-

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

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About Ananda Developments

Ananda is an AQSE-listed medical cannabis company whose ambition is to be a leading provider of high-quality medical cannabis for the treatment of complex, chronic inflammatory pain conditions 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.