

26 June 2023

ANANDA DEVELOPMENTS PLC
("Ananda" or the "Company")

Operational Update

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

Highlights

- MRX1 cannabidiol based medical oil on track for commercial launch in July 2023
- Second season of medical cannabis flower cultivation trials underway and exceeding expectations
- MRX1 cannabidiol medical oil for sale from July 2023 and MRX website on track for launch in next four weeks
- Genetic programme to stabilise strains accelerating; generating large seed numbers

Ananda's CEO, Melissa Sturgess, commented: "The NHS spends £5 billion each year attempting to treat complex, chronic inflammatory pain conditions. If we can solve even a small portion of that problem with our patent pending cannabidiol-based medicines, we will be doing very good work for both patients and our shareholders. I am optimistic on both fronts."

Commercial

MRX: Cannabidiol Based Medical Cannabis Oils

The commercial launch of MRX1 cannabidiol based medical oil is on track to commence in July 2023 and the product will be available for prescribing by specialists from July. The information packs for prescribers have recently been approved by external legal counsel. In conjunction with the commercial launch, the MRX website will go live in the next four weeks.

DJT Medical Cannabis Flower, Cultivation, And Processing

At Ananda's UK-based, Home Office licenced cannabis cultivation facility, the team has been growing three strains of cannabis that meet the need for balanced and high CBD cultivars in the UK market. The three strains are being grown in Ananda's natural season cultivation environment, in order to assess the agronomic traits of these strains and to perfect the growing methodology and Standard Operating Procedures required for commercial cultivation.

The three cultivars were chosen after analysis of the 2022 field season crop and include Sage, Apocalypse and Charlotte's Web. Sage and Apocalypse are both balanced CBD:THC cultivars and Charlotte's Web is a high CBD cultivar.

Ananda's view is that it will deliver high quality, high demand and efficacious product by focusing on balanced and high CBD producing strains. Whilst there is a large range of high THC cultivars currently being imported, there is only a small choice of balanced and high CBD cultivars. Discussions are progressing with clinics and specials manufacturers for offtake agreements.

The team has also been managing the vegetative and flowering stages of cultivation in order that harvesting work can be staggered efficiently over time. This minimises operating costs and increases quality as the team can work steadily and consistently rather than be rushed if a number of cultivars have to be harvested at the same time. This is a key KPI for future commercial cultivation. The improvements in plant yield and health are visibly noticeable when comparing 2022 trial plants with the current trial crops.

Research

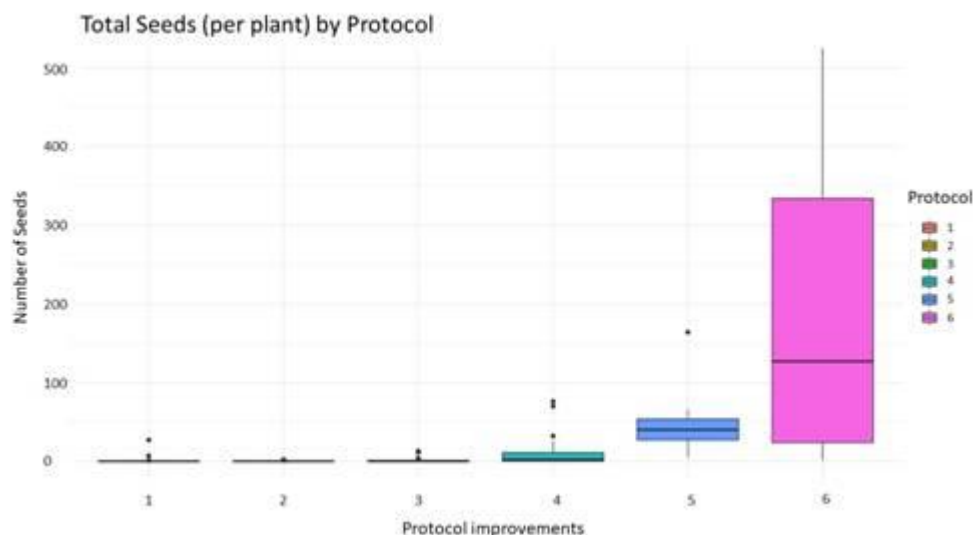
RCTs (Randomised Controlled Trials) Using MRX1 Cannabidiol Based Medicaloil

The Company's patent pending MRX1 cannabidiol based medical oil formulation goes onto stability testing on 3 July, 2023, in preparation for being used in the CIPN (Chemotherapy Induced Peripheral Neuropathy) and endometriosis RCTs to be conducted by the University of Edinburgh. Stability testing is required to confirm the medicine's storage requirements and shelf life.

DJT Genetic Stabilisation

The genetics programme is part way through its second cycle with third generation seeds being produced by some 57 plants. The total number of seed lines in the genetic stabilisation programme is 127 providing DJT with opportunities to develop specialist genetics in the future. Since commencing the genetic breeding programme in February 2022:

1. The time from germination to seed production has decreased from an average of 95 days to an average of 35 days.
2. The number of seeds produced per plant has increased from 1-10 to approx. 300 seeds per plant. The highest yield to date is more than 1,000 seeds from one plant.



This data has important implications for the potential of DJT to provide stable seeds on a commercial scale for cultivators. As a result of this progress, the Company has commenced early-stage discussions with third parties who are interested in moving their cultivation strategy from clones to seeds. The benefits of seed cultivation over clone cultivation are numerous and is an emerging trend amongst some of the larger North

American cannabis companies including Organigram, which recently announced a USD\$8m seed generation agreement with Phylos Bioscience.

Exercise Of Options

Ananda has received gross funds of £18,812.50 from James Kerr for the exercise of 4,180,455 options at 0.45 pence per share (the "Option Shares"). 4,180,455 Ordinary Shares have been approved for issue to Mr Kerr.

Application for Admission

Application will be made for the Option Shares to be admitted to trading on the Access segment of the AQSE Growth Market. It is expected that admission will become effective on 30 June 2023.

The Option 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 Option Shares, Ananda has 2,878,027,906 Ordinary Shares in issue, each share carrying the right to one vote.

This figure of 2,878,027,906 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.

To stay abreast of the latest developments at Ananda, we encourage you to follow our social media channels which 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

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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 company whose ambition is to be a leading provider of cannabinoid-based medicines for the treatment of complex, chronic inflammatory pain conditions.

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.

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