



31 August 2023

ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Shareholder Update

Ananda Developments plc (AQSE:ANA), a company developing cannabinoid medicines for the treatment of chronic inflammatory pain conditions, provides the following corporate update.

Highlights

- The Chief Scientist Office, responsible for funding research in NHS Scotland, has been confirmed as the funder of the endometriosis randomised controlled trial ("RCT") using MRX1.
- Ananda is pursuing additional investigator led RCTs (Randomised Controlled Trials) evaluating MRX products in inflammatory pain conditions.
- Medical cannabis plant cultivation trials complete.
- Medical cannabis genetic breeding programme reached third generation of plants. Breeding protocol fully established.
- MRX1 and MRX2 cannabidiol medicines available for sale via UK based special pharmacies.

MRX: cannabinoid unlicensed medicines

MRX1 has been selected to be used in two Phase 2 RCTs being conducted by leading clinicians from The University of Edinburgh. Drug supply agreements are being finalised and the MRX1 formulation is undergoing stability trials ahead of patient recruitment. Stability trials are being undertaken to align with the test method, outlined in the EU Pharmacopoeia, that will come into force in the EU in July 2024. Ananda expects these methods to apply in the UK at that time. The MRX medicines are being manufactured for the RCTs by a contract manufacturing organisation (CMO), using externally sourced GMP (Good Manufacturing Practice) grade active pharmaceutical ingredients (APIs).

The endometriosis trial will assess the efficacy of MRX1 in the management of pain in 100 patients with endometriosis.

The CIPN (Chemotherapy Induced Peripheral Neuropathy) trial will assess the properties of MRX1 in affecting pain and mood in 100 patients who have CIPN.

The Company has commenced discussions with key clinical investigators for further RCT's using MRX1 for the treatment of other chronic inflammatory pain conditions, including a possible trial for fibromyalgia. NICE (The National Institute for Clinical Excellence) has made the clinical and cost effectiveness of cannabidiol for fibromyalgia a key recommendation for research. MRX1 and MRX2 cannabidiol medicines were launched in the UK as unlicensed medicinal products or specials at the end of July. Currently the oils are on the list of prescribable medicines of three private pain and medical cannabis clinics in the UK.

Ananda's objective is to obtain MHRA (Medicine and Healthcare products Regulatory Agency) licences for the medicines so that they can be prescribed in the NHS for the specific conditions which would likely result in wider use of the Company's cannabidiol medicines.

DJT medical cannabis flower, cultivation, and processing

DJT's 2023 medical cannabis cultivation trials are now complete. The trials have proven that the low capital, low operating cost cultivation model delivers premium quality medical cannabis flower. A large database of detailed standard operating procedures and protocols has now been developed. The next step towards producing medical cannabis flower for sale in the UK is to construct a GMP manufacturing facility. Ananda does not currently see sufficient demand for cannabis flower in the UK to justify the required capital expenditure so headcount at the Lincolnshire facility has been reduced. Ananda will continue to monitor market demand for cannabis flower before, subject to funding, progressing construction and licencing of a GMP facility. Ananda sees potential for the DJT facility to be used to supply cannabinoid APIs for its own MRX medicines.

DJT Genetics Programme

The genetics programme has delivered third generation seeds with at least 87.5 per cent. homogeneity. DJT has created and documented the proprietary breeding protocols. DJT intends to use these in partnership with a university genetics department to obtain access to third party grant funding to progress the programme to the sixth generation. Following which, it would commence field trials with the resulting plants. The Company will begin applying for government-backed grant funding opportunities as soon as the relevant annual grant calls are published. Collectively, the impact of these decisions at DJT Plants has been a reduction of approximately £60,000 per month of operating expenses for the group.

Ananda's CEO, Melissa Sturgess, commented: "The response to the announcement earlier this month that the endometriosis trial is being funded by NHS Scotland has been extraordinarily encouraging. Suddenly, we are experiencing awareness that a cannabinoid

medicine has the potential to be a mainstream licenced medicine for this condition which affects more than 190 million women globally.

“The decision to pause medical cannabis flower operations at DJT Plants until there is a clear path to a profitable operation is the right one. It has resulted in the development of an innovative and cost-effective strategy to pursue the breeding programme with grant funding, which reduces Group costs significantly and gives us the agility and flexibility required to properly pursue the clinical trials with the aim of NHS acceptance.”

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.

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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 pub