

Ananda Developments PLC
29 November 2023

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ANANDA DEVELOPMENTS PLC

("Ananda" or the "Company")

Management accounts for the quarters ended 31 July 2023 and 31 October 2023

Ananda Developments Plc (AQUIS: ANA), the company whose ambition is to be a leading provider of cannabinoid-based medicines for the treatment of chronic, complex inflammatory pain conditions, announces its unaudited management statements for the quarters ended 31 July 2023 and 31 October 2023.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Directors Statement

Introduction

Ananda Developments Plc ("the Company" or "Ananda") is a company quoted on the Aquis Stock Exchange ("AQSE") Growth Market. The Company was incorporated on 19 January 2018 and its shares were admitted to trading on 4 July 2019.

Below is a summary of activities during the periods in question and certain post-period events.

Activities during the periods

Ananda Corporate

Ananda announced on 6 September 2023 that it had issued 600,000 of £1 each denomination unsecured, interest-bearing convertible loan notes (the "CLNs"). The issue consists of a total cash investment of £300,000 raised from two existing shareholders in the Company and debt capitalisation of £300,000 owed to Charles Morgan, Chairman of Ananda, pursuant to existing loan agreements (the "Loan Agreements"). Following the debt capitalisation, the outstanding unsecured debt owed by Ananda pursuant to the Loan Agreements was £709,000. Charles Morgan agreed not to call the loans until after 31 January 2025. The funding was earmarked for general working capital purposes and to pursue further clinical trials into inflammatory pain conditions. The key terms of the CLNs are:

- Interest rate of 15 per cent. per annum, which will accrue for the term of the CLNs
- The conversion price is the lower of a 20% discount to the price at which shares are issued in the next capital raising of £1,000,000 or more or 0.4 pence, with a minimum conversion price of 0.2 pence
- Conversion of all CLNs will occur automatically upon the earlier of 30 November 2025, the listing of the Company on a different exchange or change of control

The Company appointed SP Angel Corporate Finance LLP as its Aquis Corporate Adviser and Broker in May 2023.

MRX Medical

As at the end of the periods in question, MRX Medical had developed a proprietary method to formulate cannabis medicines and three proprietary cannabidiol (CBD) based formulations. MRX1, MRX Medical's first product, is being used in two Phase II Randomised Controlled Trials (RCTs) to investigate the effectiveness of CBD in chemotherapy induced peripheral neuropathy (CIPN) and in patients with endometriosis. On 15 August 2023, the Company announced that the endometriosis trial is to be funded by the Chief Scientist Office of NHS Scotland via a £300,000 non-dilutive grant. The CIPN trial has also received combined commitments of £1.25 million in external grant funding and both trials are to be carried out by leading investigators at the University of Edinburgh.

MRX1 and MRX2, MRX's second formulation, were launched as unlicensed CBPMs (Cannabis Based Products for Medicinal use in humans) on 27 July 2023.

The MRX website was launched in June 2023. The website provides potential prescribing clinicians with a contact point with MRX via which they can obtain technical data about the medicines, including ingredients, formulation details, ingredient quality information and dosage guidelines. In May 2023, the Company also announced that MRX had filed patents over three cannabinoid formulations: MRX1, MRX2 and its most recently developed formulation MRX3. These formulations have been developed as cannabidiol-based medicines for the treatment of a number of complex inflammatory indications which are unmet by existing treatments. A fourth application was also filed which covers a proprietary method for formulating these products. This was followed up in November 2023 with a fifth application covering a new cannabinoid formulation called MRX2T. This formulation is based on MRX's patent pending MRX2 cannabidiol formulation, with the addition of tetrahydrocannabinol (THC), it has been developed for use in Randomised Controlled Trials (RCTs).

Also following the end of the periods, on 14 November 2023, the Company announced that MRX Medical Limited ("MRX") signed a Drug Supply Agreement ("DSA") with the University of Edinburgh ("UofE") and the Lothian Health Board ("LHB"). This agreement provides the legal framework for the provision of MRX1 to UofE for the CIPN trial and confirms the IP ownership and licencing for MRX.

DJT

During the periods, work continued as DJT refined and progressed its genetic stabilisation programme through to its third generation, collecting 29,000 seeds across 45 genetic lines. DJT now believes it has developed a set of protocols to successfully self-pollinate cannabis and produce enough viable seeds to grow the next generation of plants, each generation of which will be more genetically homogenous than the previous one. This is a significant achievement for DJT and one that the Directors believe will enable DJT to claim IP (Intellectual Property) protections over the unique strains it is breeding.

The genetic stabilisation programme has undergone several refinements and alterations to the methodology. These methodological improvements have now been implemented across the programme and have led to a 50 per cent reduction in the time taken to move from one generation to the next. The

improvements have also increased the number of seeds collected per plant by 100 per cent and have also improved the quality of seeds.

From May - July 2023, DJT performed a second year of cannabis cultivation trials in its low cost, low carbon cultivation environment in Lincolnshire. Three strains with promising cannabinoid and terpene profiles were selected for growing trials. The strains were selected based on both the performance of the first-generation plants during the 2022 cultivation trials and the results of the detailed testing performed on the strains. The results of this testing were received in early 2023 and discussed in a Corporate Update released via RNS on 6 February 2023. The results confirmed that DJT had successfully grown high THC, balanced THC/CBD, and high CBD cultivars.

On 10 July 2023 Home Office representatives visited DJT Plants' facility. This visit was a compliance visit as per the terms of the DJT licence and standard Home Office practice. DJT passed the compliance visit successfully. Two seasons of cultivation trials have now been undertaken and the genetic stabilisation programme is at the third generation of seeds. As a result, this phase of research is now complete and DJT's costs were reduced whilst the Company continues to plan for commercial cultivation.

Ananda announced on 31 August 2023 that it paused operations at the DJT cultivation facility to reduce monthly cash burn. DJT announced it was exploring opportunities to partner with a university to attract third party grant funding to complete the genetic stabilisation work and explore ways to scale up commercial cannabis cultivation rapidly, once the UK market has grown to a point where investing the capital to construct the cannabis flower processing and manufacturing facility is possible and makes financial sense for shareholders.

Subsequent to the end of the periods, on 1 November 2023, the Company announced that Ananda and DJT signed a Memorandum of Understanding ("MOU") with Nottingham Trent University ("NTU") to pursue third-party grant funding to progress DJT's medical cannabis breeding programme and its low carbon medical cannabis cultivation and manufacturing. The shared vision, beyond the MOU, is to create a formal Strategic Partnership and the establishment of a Cannabinoid Centre of Excellence at NTU.

Melissa Sturgess

Chief Executive Officer

Unaudited Statement of Comprehensive Income for the quarters ended 31 July 2023 and 31 October 2023

		31 October 2023	31 July 2023
	Note	£	£
Administrative expenses		(194,000)	(66,198)
Interest payable		(29,553)	(44,412)
Loss from operations		(223,553)	(110,610)
Taxation		-	-
Total loss for the period		(223,553)	(110,610)
Earnings per share			
Basic and diluted earnings per share (pence)	2	(0.008p)	(0.004p)

There was no other comprehensive income in the period.

The notes which follow form part of these management accounts.

Statement of Financial Position As at quarters ended 31 July 2023 and 31 October 2023

		31 October 2023	31 July 2023
	Note	£	£
Non-Current assets			
Investments in subsidiaries		9,728,569	9,470,421
		9,728,569	9,470,421
Current assets			
Trade and other receivables		61,083	130,909
		61,083	130,909
Current liabilities			
Trade and other payables		1,791,685	1,893,372
		1,791,685	1,893,372
Non-Current liabilities			
Convertible loan notes		613,562	-
		7,384,405	7,707,958
Total assets less liabilities			
		7,384,405	7,707,958
Capital and reserves			
Share capital		5,756,056	5,756,056
Share premium		5,328,996	5,328,996
Equity to be issued		-	100,000
Share option reserve		51,357	51,357
Retained earnings		(3,752,004)	(3,528,451)
		7,384,405	7,707,958
Total equity and liabilities			
		7,384,405	7,707,958

The management accounts were approved and authorised for issue by the Board and were signed on its behalf by:

Melissa Sturgess
Chief Executive Officer

The notes which follow form part of these management accounts.

Statement of Changes in Equity for the quarters ended 31 July 2023 and 31 October 2023

	Share Capital £	Share Premium £	Share Option Reserve £	Retained Earnings £	Total £
As at 1 May 2023	5,468,251	5,027,990	35,929	(3,417,841)	7,114,329
Loss for quarter ended 31 July 2023	-	-	-	(110,610)	(110,610)
Proceeds from share issue	287,805	301,006	-	-	588,811
Issue of share options	-	-	15,428	-	15,428
Equity to be issued	-	-	100,000	-	100,000
Balance at 31 July 2023	5,756,056	5,328,996	151,357	(3,528,451)	7,707,958

	Share Capital £	Share Premium £	Share Option Reserve £	Retained Earnings £	Total £
As at 1 August 2023	5,756,056	5,328,996	151,357	(3,528,451)	7,707,958
Loss for quarter ended 31 October 2023	-	-	-	(223,553)	(223,553)
Equity to be issued	-	-	(100,000)	-	(100,000)
Balance at 31 October 2023	5,756,056	5,328,996	51,357	(3,752,004)	7,384,405

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Share capital	This represents the nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes which follow form part of these management accounts.

Notes to the financial statements

General information

Ananda Developments Plc is a public limited company limited by shares and was incorporated on 19 January 2018 with company number 13440398. Its registered office is at 60 Gracechurch Street, London, EC3V 0HR.

The Company's shares are traded on the Aquis Stock Exchange Growth Market under symbol ANA and ISIN number GB00BDQPXQ60.

The information for periods ended 31 October 2023 and 31 July 2023 are unaudited.

Basis of preparation

These quarterly management accounts of Ananda have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These management accounts are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed invests at fair value.

The management accounts are presented in Pounds Sterling, which is the Company's presentation and functional currency.

The preparation of the management accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the management accounts are disclosed below.

Going Concern

The Company does not have a bank account. Ananda's cash is held by its subsidiary companies DJT Plants Ltd and MRX Global Limited. As at 31 October 2023, the subsidiaries jointly held cash of £56,527.87.

For this reason, it continues to adopt the going concern basis in preparing the management accounts.

Earnings per share

The calculation of earnings per share is based on the loss attributable to ordinary shareholders divided by the average number of shares in issue during the period.

	31 October 2023	31 July 2023
Earnings	£	£
Loss for the quarters ended	(223,553)	(110,610)
Number of shares		
Weighted number of shares for the purpose of basic and diluted earnings per share	2,878,027,906	2,834,988,755
Earnings per share (pence)	(0.008)	(0.004)

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