



HEALTHCARE CONDITIONS

***Non-Independent Research; Marketing & Sales Commentary - MiFID II exempt information
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Company Update: 27 July 2023

Ananda Development (ANA.AQ*): Launch of cannabinoid medicines

Market capitalisation: £14.4m; Share price: 0.50p

- Ananda Developments announced the launch of its first two cannabinoid-oil medicines (MRX1 and MRX2).
- MRX1 and MRX2 are being launched as unlicensed medicinal products (specials), the standard route for cannabinoid products in the UK.
- The products will be listed on the formularies of three UK private pain clinics.
- The launch of the medicines follows signing of the final manufacturing agreement with MRX's contract manufacturing organisation.

The launch of MRX1 and MRX2 is a significant milestone for Ananda with the products now available for specialist doctors to prescribe to their patients. Both products are oil formulations which are delivered as droplets under the tongue. This is a more discreet approach with fewer harmful side-effect compared to smoking or vaping products. This approach provides good bioavailability and allows for the rapid delivery to the blood stream via the mucous membrane in the mouth. The majority of cannabinoid-based medicines are prescribed as specials. Specials are medicinal products that have not been granted marketing authorisation by the regulator to treat a certain patient group. However, these products can be prescribed by a specialist doctor when there are no licensed alternatives available, or when the licensed product is not suitable for a particular patient's needs.

Alongside the commercial launch of MRX1 and MRX2, the Company is working with researchers at the University of Edinburgh to conduct two placebo controlled clinical trials. The trials aim to evaluate the safety and efficacy of MRX1 in two chronic inflammatory pain conditions: chemotherapy-induced peripheral neuropathy (CIPN) and endometriosis. These conditions have large addressable populations and are underserved by current treatments. The trials are expected to be funded by external grant awards of £1.55m from leading medical research agencies. The selection of MRX1 for these trials is a significant achievement for the Group. Positive data should drive adoption of the product as a special within the NHS and help clarify the route for approval for MRX1 as a licensed therapy.

** SP Angel acts as AQSE Corporate Adviser and Broker to Ananda Developments*

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Recommendations are based on a 12-month time horizon as follows:

Buy - Expected return >15%

Hold - Expected return range -15% to +15%

Sell - Expected return < 15%