



HEALTHCARE CONDITIONS

***Non-Independent Research; Marketing & Sales Commentary - MiFID II exempt information
– see disclaimer below***

Company Update: 31 August 2023

Ananda Developments (ANA.AQ*): Corporate update

Market capitalisation: £11.1m; Share price: 0.4p

- Ananda Developments provided an update on its operations.
- As previously announced, The Chief Scientist Office, responsible for funding research in NHS Scotland, is providing £300k in non-dilutive funding for the investigator-led endometriosis clinical trial using Ananda's MRX1 cannabidiol oil.
- MRX1 is being manufactured by a contract manufacturing organisation with stability trials currently being undertaken prior to commencement of the study.
- The Company is in discussions with researchers for further investigator-led clinical trials using MRX1 for the treatment of other chronic inflammatory pain conditions.
- In July, the Company launched its first two cannabinoid-oil medicines (MRX1 and MRX2) as unlicensed medicinal products (specials), the standard route for cannabinoid products in the UK.
- The products are listed on the formularies of three UK private pain clinics.
- The Company has completed medical cannabis cultivation trials at DJT Plants' dedicated facility in Lincolnshire, UK.
- The trials have proven that the low capital, low operating cost cultivation model delivers premium quality medical cannabis flower.
- A genetics programme has delivered third generation medical cannabis seeds with at least 87.5% homogeneity.

Ananda has made substantial progress across the business. The work at DJT plants has shown that Ananda can grow and cultivate consistent, high-quality medical cannabis. The next step for producing medical cannabis flower for sale in the UK is the construction and certification of a GMP manufacturing facility. Ananda noted that it currently does not see sufficient market demand for medical cannabis flower in the UK to justify the capital expenditure of building this facility. Consequently, headcount has been reduced in this area. In terms of the genetic programme, Ananda intends to partner with a university and seek grant funding to progress activities. Collectively, the impact of these decisions at DJT Plants has been a reduction of c.£60,000 per month of operating expenses for the group.

The selection of MRX1 for the endometriosis trial is a significant achievement. The randomised, double-blind, placebo-controlled trial aims to investigate if MRX1 can reduce endometriosis-associated pain. 100 patients with pelvic pain due to endometriosis will receive either MRX1 or placebo for 12 weeks. This data will be used to assess the safety and efficacy of MRX1 compared to placebo and help guide future studies. The Company is also working with the University of Edinburgh for a trial in chemotherapy-induced peripheral neuropathy (CIPN). This trial is also expected to be funded by grant financing. It is good to see Ananda in discussions which could lead to additional studies of MRX1 in other diseases, such as fibromyalgia. Fibromyalgia is a complex inflammatory pain condition with a large addressable population underserved by current treatments. One of the largest barriers in the adoption of cannabinoids into clinical practice is the lack of evidence from placebo controlled clinical trials. Results from these trials should provide clinical and patient confidence regarding the safety of MRX1 as well as supporting future

reimbursement and regulatory discussions, such as clarifying the route for approval as a licenced therapy, a key long-term aim of the Group.

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

Healthcare Research

Vadim Alexandre, Head of Healthcare: vadim.alexandre@spangel.co.uk

Liam Gascoigne-Cohen-Cohen, Healthcare Analyst: liam.gascoigne-cohen@spangel.co.uk

Sales

Abigail Wayne: abigail.wayne@spangel.co.uk

Rob Rees: rob.rees@spangel.co.uk

Richard Parlons: richard.parlons@spangel.co.uk

Grant Barker: grant.barker@spangel.co.uk

Disclaimer Non-Independent Research

This note has been issued by SP Angel Corporate Finance LLP ("SP Angel") in order to promote its investment services and is a marketing communication for the purposes of the European Markets in Financial Instruments Directive (MiFID) and FCA's Rules. It has not been prepared in accordance with the legal requirements designed to promote the independence or objectivity of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

SP Angel considers this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. In summary, this is because the content is either considered to be commissioned by SP Angel's clients as part of our advisory services to them or is short-term market commentary. Commissioned research may from time to time include thematic and macro pieces.

For further information on this and other important disclosures please see the Legal and Regulatory Notices section of our website [Legal and Regulatory Notices](#)

While prepared in good faith and based upon sources believed to be reliable SP Angel does not make any guarantee, representation or warranty, (either express or implied), as to the factual accuracy, completeness, or sufficiency of information contained herein.

The value of investments referenced herein may go up or down and past performance is not necessarily a guide to future performance. Where investment is made in currencies other than the base currency of the investment, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Securities issued in emerging markets are typically subject to greater volatility and risk of loss.

The investments discussed in this note may not be suitable for all investors and the note does not take into account the investment objectives and policies, financial position or portfolio composition of any recipient. Investors must make their own investment decisions based upon their own financial objectives, resources and appetite for risk.

This note is confidential and is being supplied to you solely for your information. It may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose. If this note has been sent to you by a party other than SPA the original contents may have been altered or comments may have been added. SP Angel is not responsible for any such amendments.

Neither the information nor the opinions expressed herein constitute, or are to be construed as, an offer or invitation or other solicitation or recommendation to buy or sell investments. Opinions and estimates included in this note are subject to change without notice. This information is for the sole use of Eligible Counterparties and Professional Customers and is not intended for Retail Clients, as defined by the rules of the Financial Conduct Authority ("FCA").

Publication of this note does not imply future production of notes covering the same issuer(s) or subject matter.

SP Angel, its partners, officers and or employees may own or have positions in any investment(s) mentioned herein or related thereto and may, from time to time add to, or dispose of, any such investment(s).

SPA has put in place a number of measures to avoid or manage conflicts of interest with regard to the preparation and distribution of research. These include (i) physical, virtual and procedural information barriers (ii) a prohibition on personal account dealing by analysts and (iii) measures to ensure that recipients and persons wishing to access the research receive/are able to access the research at the same time.

SP Angel Corporate Finance LLP is a company registered in England and Wales with company number OC317049 and whose registered office address is Prince Frederick House, 35-39 Maddox Street, London W1S 2PP. SP Angel Corporate Finance LLP is authorised and regulated by the Financial Conduct Authority whose address is 12 Endeavour Square, London E20 1JN.

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%