



HEALTHCARE CONDITIONS

***Non-Independent Research; Marketing & Sales Commentary - MiFID II exempt information  
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**Company Update: 6 September 2023**

**Ananda Developments (ANA.AQ\*): Issue of convertible loan notes**

**Market capitalisation: £9.6m; Share price: 0.3p**

- Ananda Developments has issued 600,000 of £1 each denomination unsecured, interest-bearing convertible loan notes (CLNs).
- The issue consists of a cash investment of £300k from two existing shareholders, and debt capitalisation of £300k owed to Charles Morgan, Chairman of Ananda, pursuant to existing loan agreements.
- The funding will be used for general working capital purposes and to pursue further clinical trials into inflammatory pain conditions.
- The key terms of the CLNs are:
  - An annual interest rate of 15% which will accrue for the term of the CLNs.
  - A conversion price which is the lower of either 20% discount to the price at which shares are issued in the next capital raising of >£1m or 0.4p, with a minimum conversion price of 0.2p
- The CLNs will convert automatically upon the earlier of 30 November 2025, the listing of the Company on a different exchange or change of control.

The funding provides Ananda with capital to pursue its aim of generating clinical data on its products in a number of disease indications. The Group is currently working with researchers at the University of Edinburgh to conduct two placebo controlled clinical trials using Ananda's MRX1 cannabidiol oil. The trials aim to evaluate the safety and efficacy of MRX1 in two chronic inflammatory pain conditions: chemotherapy-induced peripheral neuropathy (CIPN) and endometriosis. The trials are expected to be funded by external grant awards of £1.55m from leading medical research agencies. Last week, the Company announced it is in discussions with researchers for further investigator-led clinical trials using MRX1 for the treatment of 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. This need was emphasised by a report from a House of Commons Home Affairs Committee report, released last week, which called for further government support for clinical trials into cannabinoids ([link to report](#)).

*\* 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%