FOR THE YEAR ENDED 31 JANUARY 2025

Annual Report and Financial Statements

Ananda Pharma PLC (Formerly Ananda Developments PLC)

Company registration number 11159584 (England and Wales)

Company information

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CHAIRMAN'S STATEMENT

For the year ended 31 January 2025

Dear Shareholders and other stakeholders,

Welcome to the Annual Report and Audited Consolidated accounts for the year ended 31st January 2025 for Ananda Pharma plc (AQSE: ANA, OTCQB: ANANF) (Ananda', the 'Company' or the 'Group').

Ananda is a UK-based biopharmaceutical company developing cannabidiol (CBD) based medicines for regulatory approval to treat complex, chronic conditions, CBD is a multimodal modulator of many parts of the immune system and inflammatory response that has potential applications in the treatment of many of the chronic conditions that plague the western world. Ananda has advanced its program markedly in the last year until January 2025. At the time of writing Ananda has progressed the manufacturing of its proprietary MRX1 CBD formulation through stability and its contract manufacturer, has made one batch of MRX1 as an Investigational Medicinal Product for use in our sponsored Phase 1 and our partner sponsored Phase 2 Clinical Trials. This is a big step in Ananda's goal to achieve regulatory approval for MRX1 in one of its targeted conditions.

Our aim is to develop the next CBD regulatory approved medicine - Epidiolex was the first CBD based product to be approved in 2018, it sold $972.4 million in 2024. We also know that in 2022 some 40% of the use of Epidiolex in the USA was off label - that is for uses other than the three epileptic conditions that it was licenced for. GW Pharmaceuticals ("GW") was the company that got Epidiolex licenced and since the end of the year Ananda has announced that it has recruited Chris Tovey, the ex-COO of GW, and Giles Moss, who was GM for Europe for GW as advisers. We believe that the addition of these two ex-GW executives provides significant strength to Ananda. Together, they will help guide the Ananda team with advice on the technical and regulatory aspects of drug licencing and strategy, as well as in financing and capital markets.

During the year Ananda has continued to progress the previously announced clinical trial with the University of Edinburgh and announced that it would carry out a Phase 1 trial in Australia to investigate the pharmacokinetics of MRX1 the latter we are delighted to announce commenced in July 2025. In addition Ananda was successful in being part of tender to provide its formulations to University College London and Great Ormond Street Hospital for two broad epilepsy trials, given our success in developing and supplying MRX1 to the standards required, we are confident that we can deliver these drugs too. Ananda is providing its formulations for the following clinical studies:

1. The supply of MRX1, the Company's lead product, to a Phase 2a feasibility trial for endometriosis related pain. This study is being run by leading experts in endometriosis, Professor Andrew Home and Dr Lucy Whittaker, and is run through the University of Edinburgh (UofE) and is funded by NHS Scotland. The researchers on this trial sit within the Medical Research Council, one of the UK's foremost research bodies.
2. The supply of MRX1, to a Phase 2 efficacy study, led by Professional Marie Fallon to investigate chemotherapy induced peripheral neuropathy (CIPN) also out of UofE and funded by National Institute for Health and Care Research NIHR.
3. The supply of two cannabinoid-based medicines, MRX2 and MRX2T, to parallel Phase 3 clinical trials for refractory (drug-resistant) epilepsies. These trials are being run in a partnership between the Group, University College London (UCL), Great Ormond Street Hospital for Children (GOSH), the NHS and the NIHR. The lead investigators for these trials are two world leading experts in the field of neurology, Professors Finbar O'Callaghan and Helen Cross.

I would like to thank the team at Ananda for the extraordinary progress the Company has made in the last year, in particular I would like to thank my wife Melissa Sturgess as CEO, Jeremy Sturgess-Smith, Jack Morgan and Nick Clarkson. As a company, in its stages, they often have to work multiple different roles at once and their ability to operate so effectively and cohesively has been the reason for our progress. I would also like to thank the support and guidance of the Board of Directors and our external advisors.

Company Highlights (Financial and Operational)

Ananda is, in all but some minor sales of MRX1 through private prescriptions, a pre-revenue company with the Group running an operating loss of £3,770,487 for the year, a significant reduction from the operating loss of £6,932,067 recorded in the previous year. The most significant variations underlying these numbers come from a smaller depreciation, amortisation and impairment line for this year vs last, down to £633,966 from £5,063,971. The£5,063,971 from last year was made up mostly of the full impairment of the DJT Plants Limited assets which was required following our decision to pause operations in that entity. Outside of impairment, depreciation and amortisation the other significant changes in 2025 in comparison to 2024 are the halving of the wages bill, down to £150,234 from £374,068, though this is a trend that I expect will be reverse in the year ahead as we look to grow the operational team once the trials begin dosing and we need to up headcount to ensure we manage our responsibilities in the trials properly, whilst still leaving sufficient capacity in the Group to continue to develop our go- to-market strategy and handle all the regulatory hurdles that we need to pass on our route to market. Furthermore, the recent increase in employer national insurance contributions will increase our wage bill independently of us adding extra team members.

In the year ending 31st January 2025 we nearly tripled our R&D expenditure from £123,000 in 2024 to £298,814 in 2025, as we continued the development process of MRX1, MRX2 and MRX2T. It is important to note that this number does not contemplate any of the indirect R&D expenditure incurred through the use of consultants and the days dedicated to the development work by our team. This is why the R&D claim we will be submitting to HMRC as part of our tax return of £86,121.16 is significantly higher than 10% of our logged £298,814 of R&D expenditure.

In September 2024 we raised c.£2.15m plus a broker option placing of £79,966. Funds raised were to finance the Group's:

- Manufacture of MRX1 drug candidate for a Phase 1 study and to prepare for clinical trials in patients with
  Chemotherapy Induced Peripheral Neuropathy & Endometriosis Phase II studies;
- Preparation for the initiation of a pharmacokinetic study for Ananda's leading drug candidate MRX1 in Australia which commenced in July 2025;
- Further pre-clinical Heart Fibrosis with preserved Ejection Fraction studies;
- Regulatory guidance for MHRA, NICE & NHS approvals and planning for further Phase II & III studies;
- Commencement of a partnering strategy for further studies;
- Initial planning for Phase III studies; and
- General Working Capital

Whilst I was the main investor for this round, we were extremely pleased with the take up from a number of high net worth individuals and as always we were delighted by the strong retail demand through the Winterfloods WRAP programme.

I am also happy to report that we have put the money raised to strong use, contracting Southern Star Research to act as our Contract Manufacturing Organisation in Australia and via them, securing a first rate Phase 1 trial unit to run our Phase 1 PK study in healthy volunteers. We also continued at pace with the development of MRX1 for use in human studies, surpassing a number of key stability milestones for MRX1 and delivering some extremely strong data points via two pre-clinical studies investigating MRX1 as a treatment for Heart Failure with Preserved Ejection Fraction (HFpEF).

The HFpEF projects were particularly gratifying as this was the first ever data generated for MRX1 and showed a strong efficacy profile for MRX1 in mice with this form of heart failure. This data sets us up to begin assessing the most appropriate path forward into a human study for MRX1 and HFpEF.

The most significant operational achievement for Ananda during the year was undoubtedly the announcement of 21st October 2024, when we revealed to the market that we had won a tender submission to supply two investigational products, MRX2 and MRX2T, plus matched placebos to two Phase 3 trials being led by UCL and

GOSH. These trials, which are due to begin recruiting in late 2025 and led by Professors Finbar O'Callaghan and Helen Cross are to investigate the effectiveness of CBD and CBD + THC, in a 50:1 ratio, in adults and children with drug-resistant epilepsy. Key points here:

a) We are being paid to supply the drugs and placebos to the trial
b) All formulation IP is retained by MRX and MRX retains an option to use the trial data for commercial purposes
c) The aim of the trials is to expand access to cannabinoid medicines for epilepsy beyond Lennox-Gastaut, Dravet and tuberous sclerosis complex. It will be MRX's responsibility to pursue an MHRA licence for MRX2 and MRX2T following the completion of the trials.

These trials therefore represent a significant, company transforming opportunity for the Group. Where we are able to move immediately into a large population, late-stage clinical trial, whilst being paid to participate and provides us with our clearest path to near-term significant revenues.

Outlook for the Year Ahead

Following the end of the period, we continued to make significant strides in all areas of work. We appointed three key advisors in Chris Tovey (ex-COO of GW Pharmaceuticals), Giles Moss (ex GM Europe for GW Pharmaceuticals) and Andy Rust, we finished off our pre-clinical manufacturing preparatory work with the final technical batch of MRX1 being completed in late February 2025. We have manufactured to Good Manufacturing Practices (GMP) standards our first batch of MRX1 which will be used for the Phase 1 trial in Australia and both of our Phase 2 UofE trials. We have also successfully dosed the first participants in the Phase 1 study! We have appointed a leading, US based, cannabis focused investment bank in Viridian Capital Advisors and commenced trading on the US based exchange, OTCQB. The U.S. pharmaceutical and healthcare industries are the largest single market in the world and it would be acting against the best interests of Ananda were we as a board not planning for an expansion into the market.

The first and last two points in the above demonstrate what I believe will be the key focus area for Ananda for the year ahead – that being the build out and development of our US market approach. It is an undeniable fact that the United States of America is the single largest, most important and most influential market for pharmaceuticals. Ananda is now developing a strategy for increasing our footprint in the US. Three parts of that approach have already been announced – those being the appointments of Chris Tovey, Giles Moss and Viridian, plus the admission to OTCQB. We are now starting on the regulatory path, something that Chris Tovey and Giles Moss have a lot of experience in. Giles recently took a cannabinoid drug candidate through the Pre- Investigational New Drug ('IND') and IND processes with the FDA. We have begun drafting documents and with consultants. I look forward to updating the market on these activities over the coming year.

Alongside our US strategy, our two UofE trials should have commenced recruitment and dosing before the end of the year. Lastly, we are looking forward to continuing to engage with UCL on the Phase 3 trials and will be lending them all the energy and effort from Ananda that we can provide to continue to drive the epilepsy trials forward as efficiently as possible.

Governance and Board Matters

The Company adopts the Quoted Company's Alliance Governance Code available to review as part of the Director's report. Whilst the Company and the Board have always adhered to rigorous governance standards, the formally adoption of the Code allowed the Company to graduate to the Apex segment of the AQSE Growth Market, a significant step in the maturation of the Company.

On the board more specifically, it is my opinion as Chair that the Board has continued to perform as required for a quoted company, with a strong line up of independent directors and non-executives to guide Melissa, Jeremy and myself as the executive board team.

During the period, the board as a whole, apart from me, were invited to participate in the Company's share option scheme, and all Directors elected to participate. These options were issued in amounts that would not create a conflict and jeopardize the independence of the two independent directors, for more details on the options issued to individual directors please consult the Director's Report below.

The Board met every month for the period and as both a group and as individuals, all board members have engaged proactively and impressively with the Company.

It is my opinion also that independent directors continue to maintain their independence**.**

Closing Remarks

Thank you to all of our shareholders both old and new for your ongoing support for Ananda. As a serial entrepreneur, I strongly believe that we are on the verge of something monumental and we could not be doing what we are doing without each and every name on the register. Thanks also to the entire Ananda team, your dedication, resolve and aspiration is what drives the wheels of Ananda.

Signed by:

Charles Morgan

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Signer Name: Charles Morgan
Signing Reason: I approve this document
Signing Time: 30-Jul-2025 | 12:23 BST
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Charles Morgan

Chairman

Date: 30-Jul-2025 | 12:23 BST ....

STRATEGIC REPORT

For the year ended 31 January 2025

The Directors present their strategic report with the consolidated audited financial statements of Ananda Developments Plc (the 'Company'), together with the Company's subsidiaries, (the 'Group') for the year ended 31 January 2025.

Business Review, Development and Performance

The Company was admitted to trading on the Aquis Stock Exchange ('AQSE'), formerly NEX Exchange Growth Market on 4 July 2018 as an investment vehicle to invest in the developing market for medical or therapeutic cannabis. Initially, the Company's strategy was focused specifically on companies, projects or products in Israel, Canada and the Netherlands, although this strategy was broadened in September 2018 to permit investment in any jurisdiction which has well established laws in relation to medical cannabis.

On completion of the acquisition of DJT Group Ltd in 2022 and the acquisition of MRX Global Limited in 2023, the Company has been reclassified as a Healthcare Operating Company with the following strategy:

The Group's mission is to be a leading developer of regulatory approved, cannabinoid medicines, to treat complex, chronic conditions, including epilepsy (trials funded by NHS England and NIRH), endometriosis (funded by NHS Scotland) and chemotherapy pain (funded by NIHR). The company is led by successful entrepreneurs and is working with a team of world-class scientists, including globally respected Key Opinion Leaders at the University of Edinburgh, Great Ormond Street Hospital for Children and University College London.

Following the acquisition of MRX Global Limited and the meeting of other requirements, the Company graduated to the Apex segment of the AQSE Growth Market, further demonstrating the Company's growth and potential.

Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between members of the Group;
- Maintain a reputation for high standards of business conduct;
- Consider the interest of the Group's employees;
- Foster the Group's relationships with suppliers, customers and others;
- Consider the impact of the Group's operations on the community and the environment.

The Group has sought to act in a way that upholds these principles. The Directors believe that the application of s172 requirements can be demonstrated in relation to some of the key decisions made and actions taken during the year

Category	How the Directors have engaged	Impact of action
Shareholders and investors	The Directors have communicated regularly with its shareholders and investors via public announcements, the publication of any interim statement, the attendance by key staff members at numerous investor and industry conferences/presentation evenings and the usage of interactive media tools such as InvestorHub and G-Force Media.	The Company has continued to receive constructive feedback from Shareholders and is building a strong online community of its shareholders.
Suppliers	The Company has focused on developing long-term and mutually beneficial relationships with its suppliers.	Relationships have been maintained with all suppliers in place at the beginning of the period.
	This is done through regular and planned update meetings with all stakeholders, feedback sessions and internal reviews of the performance of all suppliers. Furthermore, the Group always endeavours to pay its bills in an efficient manner.	
Employees	Whilst the Company is small, it makes sure it works closely with its employees and directors, keeping them all closely and regularly informed of all developments at the Company.	All directors and the Company's two full time employees are enthusiastic supporters of the Company's stated operating strategy, believe in the long-term vision and potential of the company and have all elected to participate in the Company's share option scheme.
Environment	The Company is engaged in a UK-based operating strategy with only one overseas supplier of raw materials.	The Company's carbon footprint will be far smaller than other comparable companies.

The Company is a quoted operating company, and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders' funds. When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration.

The Group's performance and its investments are likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it invests. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect on the Company. Shareholders' attention is drawn to the risk factors set out below or in Part II of the Company's NEX Admission Document dated 21 June 2018 which is available on the Company's website at www.anandadevelopments.com/publications.

The Group's business involves capital expenditure and ongoing running costs and given the current liquidity position of the Company as at the date of this report the Company will require additional funding to meet its planned work programme. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time.

Risks relating to the Company and its Operational Strategy

Expansion risk

The Company pursues its operational strategy, as stated on the Company website, subject to the availability of funding. Such a strategy brings with it certain risks and places additional demand on the Company's management, financial and operational resources. If the Company is unable to manage its operational activities effectively, its business, operations or financial condition may deteriorate.

There is a risk that the Group will be unable to produce a product within the guidelines of the various regulatory frameworks the business is required to operate within and therefore generate revenues.

Business strategy of the Group

The development of clinical products for new medical treatments is inherently uncertain, with high failure rates in clinical studies for both early and late-stage development products and such clinical studies can be expensive, time consuming and complicated and there is no certainty as to the outcome of such studies. Even once clinical studies have been successfully carried out, later phase trials may not successfully replicate or improve on such outcomes.

The Group's level of profit from its operations will be reliant upon the performance of the MRX products, the performance of the operational team and the market for those products. The strategy, in both its current form and as amended from time to time, is not guaranteed to succeed. The success of the strategy depends on the Directors' ability to execute the operational strategy of the Group effectively. No assurance can be given that the strategy to be followed will be successful under all or any market conditions, or that the Group will be able to generate positive returns for Shareholders. If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Costs of commercialisation

The ability of the Group to bring its products to first commercial sale will be dependent in part on the overall costs of drug development and manufacturing and the costs involved could be significant and there is no guarantee that the sale prices achievable for its products will be viable and sustainable.

Clinical studies and timelines risk

The Group, via MRX, is currently progressing its drug candidates through discovery and the clinical trial pathway. Although encouraging results have been achieved so far, from anecdotal evidence and from CBPM patients, there can be no certainty that these results can be reproduced in the clinical trials.

The development of clinical products for new medical treatments is inherently uncertain, with high failure rates in clinical studies for both early- and late-stage development products. Furthermore, such clinical studies (Phase 1, Phase 2a/2b, Phase 3) are typically expensive, complex, can take considerable time to complete and have uncertain outcomes.

Furthermore, as a result of adverse, undesirable, unintended or inconclusive results from any testing or clinical trials, the future progress, planning and potential treatment outcome of the products and clinical programmes may be affected and may potentially prevent or limit the commercial use of one, many or all of the Company's products. In addition, later phase clinical trials may fail to show the desired safety and efficacy obtained in earlier studies, and a successful completion of one stage of clinical development of an investigational clinical product does not ensure that subsequent stages of clinical development will be successful.

Failure can occur at any stage of clinical development and, as a result, enforced delays to the clinical development plan could delay or prevent commercialisation of the Company's products. Various factors associated with the potential failure or delay in completing a clinical programme include, but are not limited to:

- Delays in securing clinical investigators or clinical study sites;
- Delays in securing any regulatory authority, hospital ethics committee, or institutional review board approval or approvals necessary to commence a clinical study;
- Delays or failure to recruit a sufficient number of clinical study participants in accordance with the clinical study;
- Difficulty or inability to monitor subjects adequately during or after treatment;
- Inability to replicate in Phase 3 controlled studies any safety and efficacy data obtained from controlled Phase 2a/2b clinical studies;
- Difficulty or inability to secure clinical investigator compliance to follow the approved clinical study protocol; and
- Unexpected adverse events or any other safety or related issues.

Research and development risk
The Group operates in the biopharmaceutical development sector and participates in the carrying out complex scientific research. If the research conducted by MRX or any of the clinical trials MRX is supplying products to fail, meaning that these candidates will not be licensed or marketed, this would result in a complete absence of revenue from these failed candidates. Positive results from early clinical studies do not guarantee positive results from clinical trials required to permit application for regulatory approval. Furthermore, the Group may discontinue the development of candidates if results are not positive or unlikely to further its progress towards a meaningful outcome or collaboration.

Intellectual property (IP) infringement
The Group may be subject to future litigation concerning its own IP and the IP of others. Adverse judgements in relation to its IP would likely have negative outcomes for its results of operations.

Intellectual property (IP) control
The Group is partially reliant on its patent-pending cannabinoid formulations and formulating methodology. There is no guarantee that these patents will be granted.

Environmental and other regulatory requirements
The event of a breach with any environmental or regulatory requirements may give rise to reputational, financial or other sanctions against the Group, and therefore the Board considers these risks seriously and designs, maintains and reviews its policies and processes to mitigate or avoid these risks. Whilst the Board has a good record of compliance, there is no assurance that the Group's activities will always be compliant.

Market conditions
Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflations rates, may impact the ultimate value of the Group regardless of its operating performance. The Group also faces competition from other organisations, some of which may have greater resources or be more established in a particular territory. The Board considers and reviews all market conditions to try and mitigate any risks that may arise from these.

Political and country risk
Any changes in international trade, tariff and import/export regulations may impose unexpected duty costs or other non-tariff barriers on the Group. The Company is monitoring matters and will seek advice, where necessary, as to how to mitigate the risks arising. The Company has not experienced and does not anticipate that there will be any impact, including on its personnel or supply chain, as a result of the on-going wars in Ukraine and Israel save for a general increase in inflation such as of the cost of energy.

Cannabis market acceptance and market development

Whilst the outlook for the regulatory and social acceptance of cannabis-based products – whether for the recreational, wellness or medical markets – is positive, there is an ongoing debate in the UK and Europe concerning efficacy and the potential social drawbacks of widespread implementation. There is an increase in the amount of clinical research into the efficacy of medical cannabis which is hoped will broaden its acceptance.

Scarcity of suitably qualified individuals

The Group's ability to execute its Operational Strategy depends on the successful recruitment and retention of talented and appropriately experienced and knowledgeable management. If the Group does not succeed in attracting suitably qualified management or retaining and motivating them once employed, it may be unable to execute its operational strategy.

Potential loss on operations

The Group's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of any existing assets and operational units within the Group, or acquisition will occur or that the objectives of the Group will be achieved.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products will characterise an investment target's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render an investment target company's product obsolete, less competitive or less marketable.

The process of product development is complex and requires significant continuing costs, development efforts and third-party commitments. A Group company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of a target company, and therefore have a material adverse effect on the Group's return on investment.

Product liability

Where MRX is a manufacturer and distributor of CBPMs and is conducting trials of products designed to be ingested by humans, the Group will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involve risk of injury to consumers due to tampering by unauthorised third parties or product contamination.

Previously unknown adverse reactions resulting from human consumption of Cannabis derived products along or in combination with other medications or substances could occur. The Group may be subject to various product liability claims, including, among others, that products produced by the Group caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability or regulatory action against the Group could result in increased costs, adversely affect the Group's reputation with its clients and consumers generally, and have a material adverse effect on the business, financial condition and operating results of the Group, and therefore a material adverse effect on the Group's return on investment.

There can be no assurances that MRX will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or otherwise protect against potential product liability claims could prevent or inhibit the commercialisation of products.

Joint ventures

A Group company may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the company may therefore suffer additional costs or other losses. It is also possible that the interests of the company and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Group may have minority interests in the companies, partnerships and ventures in which it participates and may be unable to exercise control over the operations of such companies.

Risks relating to operating companies whose main activities include cannabis production and research and development thereof.

The Group's reputation may be damaged

Damage to the Group's reputation can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. This may arise as a consequence of investing in the production and the research and development of medical cannabis, cannabis being a Class B drug within the UK despite the November 2018 legalisation of medical cannabis in the UK.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views with regard to the Group and its activities.

Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, banking relationships etc. and thereby having a material adverse impact on the financial performance, financial conditions, cash flows and growth prospects of the Group.

The Group and its shareholders may be at risk of committing offences under POCA 2002

Even with the Group taking all precautions to ensure that it complies fully with all applicable regulations and legislation in relation to Cannabis (both in the UK and in the relevant foreign jurisdiction applicable to a target company), there are no guarantees that the activities of the Group will always be deemed lawful if there are any changes in the applicable law.

The Group will take all precautions possible to ensure that it does not at any time contravene POCA 2002. Contravention of POCA 2002 carries potential criminal liability.

The Group, or the medical cannabis industry more generally, may receive unfavourable publicity or become subject to negative consumer perception.

The Group believes that the medical cannabis industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the cannabis distributed for medical purposes to such consumers. Consumer perception of a target company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements, media attention and other publicity (whether or not accurate or with merit) regarding the consumption of cannabis products for medical purposes, including unexpected safety or efficacy concerns arising with respect to the products of a target company or its competitors. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for a target company's products and the business, results of operations and financial condition of a target company and therefore materially adversely affect the Company's return on investment.

Furthermore, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis for medical purposes in general, or a target company's products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Risks relating to regulatory matters

Laws, regulations and guidelines may change in ways that the Group has not predicted

The laws, regulations and guidelines applicable to the medical cannabis industry may change in ways currently unforeseen by the Group.

The Group's ability to invest into approved and properly licensed companies lawfully producing and/or conducting research into Cannabis are subject to laws, regulations and guidelines of the United Kingdom as well as the jurisdictions in which it is invested. If there are any changes to such laws, regulations or guidelines occur, which are matters beyond the Group's control, the Group may incur significant costs in complying with or is unable to comply with such changes. This may have a material adverse effect on the Group's business, financial condition and results.

Regulatory Compliance Risks and maintaining a bank account
Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition, and, therefore, on the Company's prospective returns.

As a result of perceived reputational risk and regulatory risks, the Group, in the medical cannabis sector, may in the future have difficulty in maintaining its current bank accounts, establishing further bank accounts, or other business relationships.

Risks relating to the Ordinary Shares

Further issues of Ordinary Shares
It may be desirable for the Group to raise additional capital by way of further issues of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Group.

Acceptability of Ordinary Shares as consideration

Although it is the Group's intention, where appropriate, to use Ordinary Shares to satisfy all or part of any consideration payable for investments, vendors may not be prepared to accept these shares.

Secondary fundraisings
There can be no guarantee that the Company will be successful in future rounds of fundraising. Such failure to secure further financing may result in the Group being unable to continue some or all of its operations.

Risks relating to financial matters

Borrowings

The Group may, from time to time, be required to raise capital (whether through the issue of debt or equity) to make investments. There is no guarantee that the Group will be able to obtain financing on appropriate terms and conditions or at all. The companies in which the Group invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet any such required repayments.

There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions, which are beyond the Group's control) may make it difficult for the Group to obtain new financing on attractive terms or even at all. An inability to obtain such facilities may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. The Directors have also received a letter of support confirming that the Director's loans of £160,440 will not become payable for at least 12 months from the date of approval of these financial statements unless sufficient cash funds are available.

Tax risks

The Group may purchase investments that will subject the Group to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Group's investments, the effect will generally be to reduce the income received by the Group on such investments. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature. The Company shall be making investments in jurisdictions where the tax regime is not fully developed or is not certain.

There can be no certainty that the current taxation regime in England and Wales or in other jurisdictions within which the Group may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have a material adverse effect on the financial position of the Company.

The Group's income may be reduced by exchange controls

The Group may purchase investments that will subject the Group to exchange controls in various jurisdictions. In the event that exchange controls are imposed with respect to any of the Group's investments, the effect will generally be to reduce the income received by the Group on such investments.

Currency and foreign exchange risks

The Group's business will be carried out in currencies other than sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Group's accounts, which could have a material impact on the Group's financial position or result of operations, as shown in the Group's accounts going forward.The Group does not currently undertake foreign currency hedging transactions to mitigate potential foreign currency exposure but may do so in future. The Board cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

Risks Relating to trading on the AQSE Growth Market

Investment in unlisted securities

Investment in shares traded on the AQSE Growth Market is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List or AIM. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of early-stage public companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are traded and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that the Ordinary Shares are traded on the AQSE Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of Aquis Stock Exchange.

Any changes to the regulatory environment, in particular the AQSE Growth Market - Rules for Issuers, could, for example, affect the ability of the Company to maintain a trading facility on the AQSE Growth Market.

Key Performance Indicators

In order for Ananda to create long-term value for shareholders it is required to remain adequately capitalised and resourced with suitably qualified and able executives and advisors. In addition, it is required to remain up to date with the changes in the legal and regulatory operating environment. Growth will come from carefully selecting appropriate investments which can deliver capital growth and/or potential dividends for shareholders in the future. The Company's long-term performance will be measured by its share price and its ability to execute on its strategy of achieving licenced medicines across a number of chronic indications, in the UK market primarily.

The Group's KPIs are as follows:

Long term return on investment

The Group assesses its investments in the cannabis sector in the context of a market that is growing fast, is in a state of legal and scientific flux and that its investments are all start-ups. In this high-risk environment the Group must see the potential for a return of a multiple of its investment.

Capital adequacy

The Group must maintain enough capital to cover its overheads and make and develop its investments.

The Group has managed to achieve this to this date but must continue to raise capital to maintain this progress until such time as it is able to exit investments or cashflow from them enables it to maintain its capital adequacy position.

Share Price

The Group assesses its success in terms of how the market rates it and this is, in the main, the share price. As an operating company the Group is at the whim of market forces and its ability to maintain capital adequacy is also related to the share price due to the cost of capital.

On behalf of the board

Signed by:

....

Signer Name: Melissa Sturgess
Signing Reason: I approve this document
Signing Time: 30-Jul-2025 | 11:55 BST
C859C5C90FE846CB8B9A15512E904DA1

Melissa Sturgess

Chief Executive Officer

Date: 30-Jul-2025 | 11:56 BST ....

DIRECTORS' REPORT

For the year ended 31 January 2025

The Directors present their report and the consolidated audited financial statements of the Group for the year ended 31 January 2025.

Results and dividends

The results for the year are set out on page 30. and shows the loss for the year. The Group is in an early stage of development and the Directors consider the loss for the year to be satisfactory.
No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Charles Morgan
Clive Page
Stuart Piccaver
Inbar Pomeranchik (Resigned 9 August 2024)
Melissa Sturgess
John Treacy
Jeremy Sturgess-Smith

Appointment, Re-election and Replacement of Directors

All the current directors are considered to provide a diverse range of appropriate skills and experience. The Group provides, or will provide, adequate support and training to ensure that the Directors remain appropriately skilled and able to fulfil their duties to the required standard and regularly assesses the board composition and will look to recruit in further skillsets as and when that may be required.
The Non-Executive Directors have experience of early-stage healthcare and micro-cap, listed companies.

Directors' insurance

The Group currently has Directors and Officers insurance cover.

Directors' interests

The following Directors had interests, via options and/or warrants in the shares of the Company at the end of the year:

	Total no. options/warrants over ordinary shares
Charles Morgan	336,584,000
Melissa Sturgess	50,000,000
Jeremy Sturgess Smith	150,000,000
Clive Page	10,000,000
Stuart Piccaver	10,000,000
John Treacy	10,000,000

On 31 January 2025 there were 556,584,000 share options and warrants issued to the Directors (2024: 447,035,389), see Note 20.

Procedures for the Issue of Shares to Directors

Any and all issuances of ordinary shares to Directors of the Company during the year were completed following completion of the below procedure:

1. The proposed issue of shares is tabled at the first available and appropriate board meeting
2. The reasons for the issue are discussed during the Meeting
3. The Company Secretary and Jeremy Sturgess-Smith are asked to confirm that the relevant authorities are available to issue the shares
4. The Directors of the Company who are independent of the issue having exercised reasonable care, skill and diligence, consider that their subscription is fair and reasonable as far as the shareholders of Ananda are concerned
5. A resolution was voted upon at the Board meeting
6. The shares were issued and the Company's various advisors informed in order to proceed with any regulatory work required to complete the issuance

Substantial shareholdings

As far as the Directors are aware, as at the date of signing these financial statements, the following shareholders are company Directors or interested in 3% or more of issued share capital of the Company.

As at 31 January 2025, the total number of issued Ordinary Shares with voting rights in the Company was 4,299,146,581.

Shareholder	No. of ordinary shares of 0.02p	% of Issued Share Capital
Charles Morgan	2,428,875,896	56.50
Melissa Sturgess	417,001,785	9.83
Anglia Salads Limited	350,000,000	8.14
Jeremy Sturgess-Smith	106,900,010	2.49
Clive Page	33,333,333	0.78
Inbar Pomeranchik	26,666,667	0.62

Stuart Piccaver, a Director of the Company, is also a Director and shareholder of Anglia Salads Limited.

Directors' Remuneration

The total remuneration of the Directors for the year was as follows:

	Total 2025 £'000	Total 2024 £'000
Melissa Sturgess	129	134
Charles Morgan	88	132
John Treacy	16	7
Inbar Pomeranchik	5	4
Stuart Piccaver	13	4
Clive Page	36	30
Jeremy Sturgess-Smith	105	58
Total	392	369

Of the £129,000 (2024: £134,000) and £88,000 (2024: £132,000) directors' remuneration for each of Melissa Sturgess and Charles Morgan respectively, a total of £170,500 (2024: £215,000) of this remains unpaid and accrued during the financial year.

Ananda Pharma plc – QCA Corporate Governance statement

Ananda Pharma plc is committed to good corporate governance and has adopted the corporate governance guidelines of the Quoted Companies Alliance (QCA).

Principle 1: Establish a purpose, strategy and business model which promotes long-term value for shareholders

Through its patent pending, IP-led, medical formulation methodology and through its established pathway to clinician lead clinical trials plus near-term revenue via unlicenced medicines, the Company has a focused approach to becoming revenue generating as soon as possible and a clear path to developing a range of cannabinoid based medicines targeting the treatment of complex chronic conditions and accessing the NHS and other international pharmaceutical markets.

Risk factors relating to the Group are set out in this document and include expansion risk, cannabis market acceptance and market development risk, competition, dependence on management, scarcity of suitably qualified individuals, dependence on licences, reliance on certain facilities, R&D and product obsolescence risk, product liability and regulatory compliance and environmental regulatory and risks. The Group risk factors are reviewed and updated by the Finance Director and the wider board annually.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Group aims to operate ethically and be socially responsible in its actions. It has established a number of policies to support this aim, including:

- Anti-bribery
- Financial Policies and Reporting procedures
- Modern slavery and human trafficking policy
- Share dealing code
- Whistleblowing policy
- Social Media policy

The Company regularly discusses the above policies at the monthly board meeting to ensure they are still fit for purpose.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Group is committed to building and maintaining strong relationships with its shareholders.
The Company disseminates news on significant developments and regular operational updates in stock exchange announcements via the Regulatory News Service (RNS). These are also available on the Company's website. The website contains a wealth of information for existing and potential shareholders.

The Group's Annual General Meeting (AGM) is the main forum for discussing matters with shareholders, addressing their queries, and understanding their needs and expectations. The Company holds its AGM (and other General Meetings) at a convenient time and location, normally in Central London to ensure shareholders have every chance to attend. Furthermore, all shareholders are invited to watch the AGM and ask questions of the management team online via the Company's InvestorHub

The Chief Executive Officer and Finance Director make themselves available to meet with investors during the year and engage in regular dialogue with the Group's Corporate Advisors and retail investors to gauge shareholder sentiment, including via the Company's various social media channels (Instagram, LinkedIn, Twitter), by attending investor and sector specific in-person events, through media outreach/interviews (e.g. Zak Mir, Proactive Investors), through the utilisation of the Investor Meet Company platform and its InvestorHub, alongside Company milestones such as the annual Report & Interim accounts as well as to accompany important Company announcements released on the RNS news service and through email correspondence and the FD's email address and phone number are included in the footer of Company announcements.

Principle 4: Take into account wider stakeholder and social responsibilities and their implications for long- term success

In addition to weekly project and operational team meetings, the Group operates a strong 'in-office' working culture to facilitate engagement with the wider team as often as possible. It also shares key progress updates via email to all staff and releases public announcements via the RNS service.

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole. Including:

- Considering the likely consequences of any decision in the long term;
- Acting fairly between members of the Group;
- Maintaining a reputation for high standards of business conduct;
- Considering the interest of the Group's employees;
- Fostering the Group's relationships with suppliers, customers and others;
- Considering the consequences of any actions taken on the Company's relationship with its partner clinicians and regulatory bodies
- Considering the impact of the Group's operations on the community and the environment.

The Group seeks to act in a way that upholds these principles and maintains a regular dialogue with its external stakeholders to ensure these principles are upheld.

Principle 5: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the Group's overall risk management framework, ensuring that mitigation strategies are in place wherever possible. The Executive Directors regularly keep the Board updated on current trading, wider market trends and other developments as a means of identifying existing and potential future opportunities and risks.

Principle 6: Maintain the board as a well-functioning, balanced team led by the chair

The Board comprises three Executive Directors (Charles Morgan, Melissa Sturgess, and Jeremy Sturgess-Smith), one Non-Executive Director (Stuart Piccaver) and two independent Non-Executive Directors (John Treacy and Clive Page). Biographies for each board member are available.

The Company holds regular board meetings, at which monthly management accounts, management reports and other operationally pertinent documents are tabled and discussed by the entire board. Feedback is collated and fed back to the appropriate operational team members, ensuring that the Company is always aware of its financial position and ensuring that operations remain focused on the Company's key goals.

Board Meeting and sub committees' attendance is recorded by the Company Secretary.
The Board operates in a collaborative and constructive manner with a clear focus on the delivery of strategy and increasing shareholder value

Principle 7: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

All the current directors are considered to provide a diverse range of appropriate skills and experience. The Company provides, or will provide, adequate support and training to ensure that the Directors remain appropriately skilled and able to fulfil their duties to the required standard and regularly assesses the board composition and will look to recruit in further skillsets as and when that may be required.

One key risk that the Company is exposed to is that the main executives and board members of the Company (Charles Morgan, Melissa Sturgess and Jeremy Sturgess-Smith) are also considered a concert party and control >50% of the issued share capital of the Company by virtue of being members of the same family. This risk is mitigated via the presence of two experienced independent directors on the Board (see Principle 5 for further details) and the family members not having board control. Furthermore, the Company remains in constant dialogue with its Corporate Adviser, SP Angel, to ensure that it remains in good standing.

The Independent Non-Executive Directors have experience of early-stage healthcare and micro-cap, listed companies.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
The Board is focused on implementing the Company's strategy. However, given the size and nature of Ananda, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code and therefore does not comply with this principle. The Board does however use the retirement by rotation of all Directors at the Company's AGM as an opportunity to informally evaluate individual Director performance.

The Directors have been invited attend QCA training courses as and when they request. The

Board will closely monitor this situation as the Company grows.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture
The Board comprises three executive, one non-executive director and two independent non-executive directors and has clearly defined the matters reserved for the Board and these matters are detailed in the Company's Articles of Association. It has formed two sub-committees – the audit committee which has its own terms of reference - and the Remuneration Committee, the Remuneration Committee has not met and will set its terms of reference at its first meeting. The audit committee is comprised of independent non-executive directors (John Treacy (Chair) and Clive Page). The Group does not have separate Nominations and Remuneration Committees, due to the size and nature of the Company's funding to date. The Company will review the need to set up a Nomination Committee, at least every 6 months, and will consider establishing such committees for any individual appointment where it believes such a committee would be beneficial.

The terms of reference for the Audit Committee include:

- Monitor and review internal controls and risk management systems
- Oversee the relationship with the Auditor
- Consider and recommend to the Board the reappointment of the external auditor
- Monitor and review the compliance, whistleblowing, and fraud detection procedures
- Monitor and review reports from the Executive Directors, including the Group's financial statements

The Chairman, CEO and FD all have specific roles and responsibilities which are:

Chairman (Charles Morgan) Chairing all Company board meetings and General Meetings, leading the Company's R&D specific work streams and is the key relationship with the Company's trial partners.

CEO (Melissa Sturgess) sets the overall operational and strategic tone for the Company and drafts the majority of the Company's RNS releases and Company presentations.

FD (Jeremy Sturgess-Smith) runs the yearly audit and half-yearly interim reports, is the main interface between the Company and SP Angel, is a consistent attendee and investor and industry events, maintains the Company website, assists in the drafting of RNS releases and presentations and prepares monthly board reports as per Principle

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group communicates with shareholders and other stakeholders through its Annual and Interim Reports, regulatory and non-regulatory announcements, its investor relations website, Annual General Meetings and face-to-face meetings. More detail has been provided in Principle 1 above.

Remuneration policy

The terms of reference for the Remuneration Committee include:

- Setting the remuneration policy for all executive directors
- Recommending and monitoring the level and structure of remuneration for all senior management
- Approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes
- Review the design of all share incentive plans for approval by the Board and shareholders.

The Remuneration Committee has extensive discretionary powers to set new remuneration arrangements that are commensurate with the business, from time to time. The Remuneration Committee would expect to change salary levels of the existing Directors, set salaries and compensation and introduce benefits, pension, annual bonus and long term incentive arrangements which are competitive and in line with market practice and governance guidelines and which would be designed to align the interests of shareholder growth and director compensation, salaries and fees of the directors were set on their admission to the Board of the Company and have not been changed since then. The Committee, which will meet for the first time later this year comprises John Treacy as Chair and Clive Page.

Within this financial year, Melissa and Charles elected from time to time to accrue their fees to exercise or convert certain options and warrants they held over ordinary shares of the Company and the Directors as a whole agreed to forgo payment of their Directors fees for the same reason, bar John Treacy who accrued his fees for a period of 6 months (which includes February and March 2024).

Engagement with others

The Group continues to foster growth in its relationships with the Group's partners. All suppliers and employees are kept in contact and updated by the Company with the progress they are making with regular telephone calls and catch-ups. The Group recognises the need to ensure excellence in engagement with suppliers and employees.

Financial instruments

The Company's operations expose it to a variety of financial risks that include the effect of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

The Company enters into transactions that are denominated in currencies other than its functional currency, primarily in Australian dollars (AUD) and US dollars (USD). Consequently, the Company is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in manner that has an adverse effect on the fair value of the future cashflows of the Company's financial assets denominated in currencies other than the GBP.

Future developments

The Directors of the Company are focused on maximising the potential of its subsidiaries acquired before, during and after the period end. The Directors believe that the acquisitions made to date will bring long term value to shareholders.

Going Concern

For the year ended 31 January 2025, the Group recorded a loss after tax of £3,770,487 and had net cash outflows, from operating activities of £816,385. Upon review of the cashflow forecast prepared through to 31 January 2027, an operating loss is expected in the year subsequent to the date of these accounts. The ability of the entity to continue as a going concern is dependent on the Group generating positive operating cash flows and/or securing additional funding through the raising of debt or equity to fund its projects.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident that they will be able to raise additional funds to satisfy its immediate cash requirements; and
- The Directors have the ability to reduce expenditure in order to preserve cash if required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. In the unlikely event that the Company will not be able to raise the required funds for the foreseeable future, the Directors will institute a programme of cuts to directors' and consultant's remuneration along with other non-fixed and operational costs. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Statement of disclosure to auditor

We, the Directors of the Company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information; and
- the Group is under the required the threshold for climate financial reporting.

This report was approved by the Board and signed on its behalf.

On behalf of the board

Signed by:

....

Signer Name: Melissa Sturgess
Signing Reason: I approve this document
Signing Time: 30-Jul-2025 | 11:55 BST
C859C5C90FE846CB8B9A15512E904DA1

Melissa Sturgess
Director

Date: 30-Jul-2025 | 11:56 BST

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 January 2025

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group and of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT

To the members of Ananda Pharma plc

Opinion

We have audited the financial statements of Ananda Pharma Plc ('the parent company') and its subsidiaries ('the group') for the year ended 31 January 2025 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Standards, including FRS 102 the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.4 in the financial statements, which indicates that further funding will be required within the 12 months following the date of approval of the financial statements to meet working capital needs. This is due to the uncertainty associated with the group's reliance on generating funds from the market and from director's loans. As stated in note 1.4, these events or conditions, along with the other matters as set forth in note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and of the parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing cashflow forecasts for the period to January 2027 and challenging management on the key operating assumptions based on the 2025 actual results;
- Reviewing all the key inputs into the cash flow forecast to ensure they are appropriate, and no evidence of management bias exists;

- Testing the integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions;
- Assessing the levels of cash available to the group post year-end and how the available cash will be sufficient to cover expected outgoing costs and other cash commitments over the cash flow forecast period;
- Reviewing the company and group's management accounts to assess if material matters have been reflected in the underlying assumptions to the forecasts;
- Reviewing Management's plans for funding of the business in the going concern period to ensure that it is able to meet its liabilities as they fall due;
- Comparing budgets to actual figures achieved to assess the reliability of management's forecasts;
- Reviewing of post-period end RNS announcements and the holding of discussions with management in respect of their future plans to ensure these were appropriately considered within the cash flow forecasts; and
- Reviewing the disclosures made in the financial statements to ensure that they are accurate and complete based on the circumstances of the Group.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine the level of performance materiality which we use to assess the extent of testing needed to reduce an appropriately low level the probability that the aggregate of uncorrected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the group was set based on an initial consolidated position before audit adjustments, at £53,100 (2024: £157,000). This was calculated based on 2.5% of net assets at year end (2024: 3.5% of net assets). Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to stakeholders in assessing the financial performance of the group which is in its early years of development.

We also determined a level of group performance materiality which we use to assess the extent of testing needed to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance Materiality for the group was set at £37,100 (2024: £109,900) being 70% (2024: 70%) of materiality for the financial statements as a whole. A benchmark of 70% for performance materiality was applied to provide sufficient coverage of significant and residual risks in the financial statements.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit with a value in excess of £2,600 (2024: £7,850).

Materiality for the parent company was set at £47,700 (2024: £133,000) with a performance materiality at £33,390 (2024: £93,100). The benchmark and rationale used is the same with the group being 2.5% of net assets as year end (2024: 3.5% of net assets), capped at 90% of group materiality, and 70% for performance materiality was applied (2024: 70%).

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit with a value in excess £2,600 (2024: £7,450).

Our approach to the audit

Our audit was tailored in such a way as to perform sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and of the company, the accounting processes and controls, and the industry in which they operate.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. We looked at the areas Directors make subjective judgements, for example in respect of significant accounting estimates which involve making assumptions and considering future events, this process being inherently uncertain.

The group consists of the parent company and its subsidiaries which are based in the United Kingdom and Australia. Materiality and the risks of material misstatement were assessed at subsidiary level for our audit procedures on the subsidiaries.

We performed an assessment of those components which were significant to the Group, determined to be those which were financially significant to the Group and in which proportionally higher levels of risk through the transactions in which they engage. Four components were determined to be significant to the audit, on which full scope procedures were performed. The remaining subsidiaries were tested to a percentage of Group materiality either through specified procedures, or analytical procedures as determined sufficient by the audit team for the purposes of the Group audit.

The audit of the parent company and components was performed in London by PKF Littlejohn LLP, using a team with specific experience in auditing publicly listed entities.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying value and assessment of impairment of investments (Parent only - Note 11) The carrying value of the investment is the most significant asset on the Company Statement of Financial Position at the year-end. There is a risk that the carrying value of the investment is not recoverable and an impairment charge is required. **Carrying value of amounts due from subsidiaries (Parent) - Note 13** The carrying value of the amounts due from subsidiaries on the Parent balance sheet is material. There is considerable judgement on the part of Management as to the recoverability of these balances. There is a risk that the carrying value of amounts due from subsidiaries are not recoverable and that an impairment charge should be recognised.	The work in the areas determined to be Key Audit Matters is highly interlinked and hence the findings on these procedures and findings in these areas are merged below, as opposed to be repeated. Work on this area included, but was not restricted to the following procedures: • In relation to investments, ensuring the parent company has full title to the investments held; • Assessing whether any of the FRS 102 section 27 impairment indicators existed on any of the investments, amounts due from subsidiaries or intangible assets held at year end; • Reviewing the directors' assessment of the carrying value of these assets as at the yearend and their conclusions thereof, including challenging assumptions used;

Carrying value and assessment of impairment of intangible assets in MRX (Group) - Note 12	
A material amount of intangible assets on the balance sheet are attributable to the MRX business (2024 - £1.9m). The business continues to be pre-revenue without a product to market. There therefore exists an impairment indicator per Section 27 of FRS 102 (Impairment of Assets), meaning the balance sheet assets are potentially overstated.	• Obtaining the model for MRX's current CBD trials prepared by Management's expert to support the carrying value of assets, and procedures including: ▪ A review of the competence and independence of Management's expert as a firm and the individuals performing the valuation to ensure that they are adequately qualified to complete the work; ▪ Use of internal valuations expert to review the theoretical and mathematical accuracy of the model; ▪ Ensuring that the use of the Real Options valuation approach per Black-Scholes valuation methodology was appropriate under FRS 102; ▪ Challenge of Management as to the key inputs and assumptions used in the valuation, ensuring these could be agreed through to signed contracts, industry data and other external sources of information to support them. • Ensuring disclosures related to the carrying value of investments, amounts due from subsidiaries and intangible assets, and associated impairments are consistent with the requirements of the Financial Reporting Standard 102, including significant estimates and judgements outlined.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and industry research.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from AQUIS listing rules, the Companies Act 2006, United Kingdom Generally Accepted Accounting Standards (UK GAAP / Financial Reporting Standard 102), the Bribery Act 2010, Anti Money Laundering Regulations, Misuse of Drugs Act 1971 (MDA), Proceeds of Crime Act (POCA), Medicines & Healthcare products Regulatory Agency (MHRA) and local laws.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and / or the parent company with those laws and regulations. These procedures included, but were not limited to:
    - Enquiries of Management throughout the audit process;
    - Review of board minutes;
    - Review of RNS publications and other media sources; and
    - Review of legal expenses incurred in the period.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias existed in relation to the carrying value of intangible assets, the carrying value of investments and the recoverability of amounts due from subsidiaries. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Wendy Liang

Signer Name: Wendy Liang
Signing Reason: I approve this document
Signing Time: 30-Jul-2025 | 12:30 BST
9132BC9F2E104A9EB45313F879C3E3B6

Wendy Liang (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

30-Jul-2025 | 12:31 BST

15 Westferry Circus
Canary Wharf
London E14 4HD

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 January 2025

	Notes	2025 £	2024 £
Revenue		1,018	-
Other external expenses		(956)	-
Administrative expenses	3	(2,937,081)	(1,729,317)
Depreciation and other amounts written off tangible and intangible fixed assets	3	(633,966)	(5,063,971)
Interest receivable		20,195	27
Interest payable	7	(219,697)	(138,806)
Operating loss	3	(3,770,487)	(6,932,067)
Loss before taxation		(3,770,487)	(6,932,067)
Tax on loss	8	-	781,280
Loss after taxation		(3,770,487)	(6,150,787)
Other comprehensive income			
R&D repayment	22	108,346	6,624
Loss for the financial year		(3,662,141)	(6,144,163)
Other comprehensive income			
Currency translation differences		984	-
Total comprehensive loss for the year		(3,661,157)	(6,144,163)

Total comprehensive income for the year is all attributable to the owners of the Parent Company.

Earnings per share			
Basic and diluted earnings per share (pence)	23	(0.10p)	(0.23p)

Group operations are classified as continuing.

The notes on pages 36 to 58 form part of these financial statements.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As of 31 January 2025

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Non-current assets					
Goodwill	9	1,266,378	1,677,095	-	-
Other intangible assets	9	176,172	197,744	-	-
Total intangible assets		1,442,550	1,874,839	-	-
Property, plant and equipment	10	1,364,626	1,566,303	-	-
Investments	12	-	-	3,482,555	3,789,253
		2,807,176	3,441,142	3,482,555	3,789,253
Current assets					
Trade and other receivables falling due after more than one year	13	3,971	-	-	-
Trade and other receivables falling due within one year	13	152,310	77,380	1,823,494	345,224
Cash and cash equivalents	14	1,664,098	84,431	797,388	-
		1,820,379	161,811	2,620,882	345,224
Current liabilities					
Trade and other payables	15	(1,712,738)	(2,565,666)	(1,239,780)	(2,194,768)
Convertible loan notes	16	(737,781)	(636,507)	(737,781)	(636,507)
		(2,450,519)	(3,202,173)	(1,977,561)	(2,831,275)
Provisions for liabilities					
Deferred tax liability	18	(49,436)	(49,436)	-	-
Net assets		2,127,600	351,344	4,125,876	1,303,202
Equity					
Called up share capital	21	8,598,293	5,756,057	8,598,293	5,756,057
Share premium account	24	6,771,545	5,328,996	6,771,545	5,328,996
Share options reserve	24	223,707	48,398	223,707	48,398
Currency translation reserve	24	984	-	-	-
Retained deficit	24	(13,466,929)	(10,782,107)	(11,467,669)	(9,830,249)
Total equity		2,127,600	351,344	4,125,876	1,303,202

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 31 January 2025

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £2,614,739 (2024 - £6,672,084 loss).

The financial statements were approved by the board of directors and authorised for issue on 30-Jul-2025 | 11:56 BST .... and are signed on its behalf by:

Signed by:

Signer Name: Melissa Sturgess
Signing Reason: I approve this document
Signing Time: 30-Jul-2025 | 11:55 BST
C859C5C90FE846CB8B9A15512E904DA1

Melissa Sturgess
Director

Company Registration No. 11159584

The notes on pages 36 to 58 form part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 January 2025

	Notes	Share capital £	Share premium account £	Share options reserve £	Currency translation reserve £	Retained deficit £	Total £
Balance at 1 February 2023		2,341,110	3,468,944	32,499	-	(4,637,944)	1,204,609
Year ended 31 January 2024:							
Loss and total comprehensive income		-	-	-	-	(6,144,163)	(6,144,163)
Issue of share capital	21	3,414,947	1,860,052	-	-	-	5,274,999
Issue of share options		-	-	15,899	-	-	15,899
Balance at 31 January 2024		5,756,057	5,328,996	48,398	-	(10,782,107)	351,344
Year ended 31 January 2025:							
Loss for the year		-	-	-	-	(3,662,141)	(3,662,141)
Other comprehensive income:							
Currency translation differences		-	-	-	984	-	984
Total comprehensive income		-	-	-	984	(3,662,141)	(3,661,157)
Issue of share capital	21	2,842,236	1,442,549	-	-	-	4,284,785
Issue of warrants		-	-	977,319	-	-	977,319
Issue of share options		-	-	175,309	-	-	175,309
Balance at 31 January 2025		8,598,293	6,771,545	1,201,026	984	(14,444,248)	2,127,600

The notes on pages 36 to 58 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 January 2025

	Notes	Share capital £	Share premium account £	Share options reserve £	Retained deficit £	Total £
Balance at 1 February 2023		2,341,110	3,468,944	32,499	(3,158,165)	2,684,388
Year ended 31 January 2024:						
Loss and total comprehensive income for the year		-	-	-	(6,672,084)	(6,672,084)
Issue of share capital	21	3,414,947	1,860,052	-	-	5,274,999
Issue of share options		-	-	15,899	-	15,899
Balance at 31 January 2024		5,756,057	5,328,996	48,398	(9,830,249)	1,303,202
Year ended 31 January 2025:						
Profit and total comprehensive income		-	-	-	(2,614,739)	(2,614,739)
Issue of share capital	21	2,842,236	1,442,549	-	-	4,284,785
Issue of warrants		-	-	977,319	-	977,319
Issue of share options		-	-	175,309	-	175,309
Balance at 31 January 2025		8,598,293	6,771,545	1,201,026	(12,444,988)	4,125,876

The notes on pages 36 to 58 form part of these financial statements.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(816,385)		(721,698)
Investing activities					
Cash on acquisition		-		24,015	
Purchase of property, plant and equipment		-		(2,962)	
Interest received		20,195		27	
Net cash generated from investing activities			20,195		21,080
Financing activities					
Proceeds from issue of shares		2,375,857		466,212	
Proceeds from borrowings		-		300,000	
Net cash generated from financing activities			2,375,857		766,212
Net increase in cash and cash equivalents			1,579,667		65,594
Cash and cash equivalents at beginning of year			84,431		18,837
Cash and cash equivalents at end of year			1,664,098		84,431

The notes on pages 36 to 58 form part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 January 2025

1 Accounting policies

Company information

Ananda Pharma Plc is a Company limited by shares incorporated in England and Wales under the Companies Act 2006 and is quoted on the Aquis Stock Exchange, formerly NEX Growth Market. Its registered office is at 60 Gracechurch Street, London, EC3V 0HR. The Company is the Parent Company of DJT Group Ltd, MRX Global Ltd, Tiamat Agriculture Limited and Tiamat Agriculture Pty Ltd, DJT Group Ltd is the sole Parent Company of DJT Plants Limited and MRX Global Ltd is the sole Parent Company of MRX Medical Ltd.

The Group and Company financial statements are presented in sterling and rounded to the nearest pound.

The financial information includes the results of the Company and its subsidiaries (together referred to as the "Group" and individually as "the Company").

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

1.2 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the income statement as incurred. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the consolidated income statement. Contingent consideration that in the consolidated financial statements is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1.3 Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control exists when then the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

All intra-Group transactions balances income and expenses are eliminated on consolidation. Uniform accounting policies are applied by the Group to ensure consistency.

1.4 Going concern

The Board has reviewed the Company's cash flow forecast for the period to January 2027. The forecasts show that the Company will require further funding to meet operational commitments and overheads. In the Directors' opinion further equity funding, loans and/or a reduction or deferment of overheads (including Directors' remuneration) will be required. The Directors have also received a letter of support confirming that the Director's loans of £473,231 will not become payable for at least 12 months from the date of approval of these financial statements unless sufficient cash funds are available. The Directors believe that the required funding and financial support will be forthcoming, if required, although this is not guaranteed.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis as the Company will have sufficient funds to finance its operations for the next 12 months from the approval of these financial statements.

For the year ended 31 January 2025, the Group recorded a loss after tax of £3,770,487 and had net cash outflows, from operating activities of £816,385. Upon review of the cashflow forecast prepared through to 31 January 2027, an operating loss is expected in the year subsequent to the date of these accounts. The ability of the entity to continue as a going concern is dependent on the Group generating positive operating cash flows and/or securing additional funding through the raising of debt or equity to fund its projects.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident that they will be able to raise additional funds to satisfy its immediate cash requirements; and
- The Directors have the ability to reduce expenditure in order to preserve cash if required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. In the unlikely event that the Company will not be able to raise the required funds for the foreseeable future, the Directors will institute a programme of cuts to directors' and consultant's remuneration along with other non-fixed and operational costs. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the fair value of the Group's share of the identifiable assets,

1 Accounting policies (Continued)

liabilities and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash generating unit ("CGU") that is expected to benefit from the synergies of the combination. CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Any impairment loss is recognised directly in the income statement.

Goodwill is amortised on a straight line basis over 5 years.

1.7 Intangible fixed assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired on business combinations are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Intangible assets are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows

Licence	**7 years**
Trade secrets	**7 years**
Unpatented formulations	**10 years**

Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

1.8 Property, plant and equipment

Tangible assets are stated at purchase price less accumulated depreciation and impairment losses. The cost includes all expenses directly related to the purchase of a relevant asset. All other repair and maintenance costs are charged to the income statement for the period during the reporting period in which they are incurred.

Depreciation on tangible assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	**20 years**
Fixed Plant	**5-10 years**
Small plant & other	**5 years**
IT & Office Equipment	**5 Years**
Irrigation	**20 years**
Reservoir	**20 years**
Multi-Chapelle	**20 years**

1.9 Non-current investments

Where the fair value of an equity investment cannot be estimated reliably, such as investments in unquoted companies, fair value is based on cost less any impairment charges. In this case impairment charges are recognised in profit or loss. The Company assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets has been impaired.

1.10 Impairment of non-current assets

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its physical life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

At the end of each reporting period management assesses whether the indicators of impairment of fixed assets exists.

The carrying amounts of fixed assets and all other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. For the purpose of impairment testing the recoverable amount is measured by reference to the higher of value in use (being the net present value of expected future cashflows of a relevant cash generating unit) and fair value less costs to sell (the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties who are independent from each other less the costs of disposal).

Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Group would receive for the cash generating unit.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the statement of financial position to its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in profit or loss for the period and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years.

1.11 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents also includes any bank overdrafts, of which there are none.

1.12 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Convertible loan notes

Convertible loan notes are recognised initially at the transaction price excluding transaction costs. Subsequently, they are measured at cost less any impairment.

1.13 Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is calculated using rates and laws enacted or substantively enacted at the reporting date. Current tax is recognised in profit or loss unless it relates to an item of other comprehensive income or equity whereby it is recognised in other comprehensive income or equity respectively.

Deferred tax

Deferred income tax is calculated using rates and laws enacted or substantively enacted at the reporting date that are expected to apply on reversal of the related temporary difference, and is determined in accordance with the expected manner of recovery of the related asset.

Deferred income tax is recognised in profit or loss unless it relates to an item of other comprehensive income or equity whereby it is recognised in other comprehensive income or equity respectively.

1.15 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Share-based payments

The Group and Company provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The Group and Company have no cash-settled arrangements.

The Company has made share-based payment awards to certain Directors, employees and professional service providers by way of issue of share options measured at fair value of the award on the grant date. This is further discussed at note 20.

The fair value of these payments is recognised by the Company over the vesting period based on the Company's estimate of equity instruments that are expected to vest, with a corresponding increase in equity. The impact of revision of the original estimate, if any, at the end of each year, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The expense, where material, is recognised on a straight-line basis over the period from the date of the aware to the date of vesting, based on the Company's best estimate of the number of shares that will eventually vest.

1.18 Leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.19 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the statement of financial position date are translated using the year end rate.

1.20 Related Party Transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates. Critical accounting judgements and estimation uncertainty include fair value measurements and the underlying valuation process, and evaluation of control over investees.

Share-based payments

The Company operates an equity settled share option scheme for Directors and employees. The increase in equity is measured by reference to the fair value at the date of grant. Management uses the Black Scholes model to value the share options. The model requires use of assumptions regarding volatility, risk free interest rate and a calculation of the value of the option at the time of the grant. Where equity instruments are granted to persons or entities other than staff, the fair value of goods and services received is charged to profit or loss when the transaction does not qualify for recognition of assets, and also except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account when material.

The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitation of the calculations used.

Further details of the specific amounts concerned are given in Note 20.

There are no further employee benefits provided by the Group.

Impairment of Intangible assets and Goodwill

The determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions; such as discount rates used and valuation models applied as well as goodwill allocation. See Note 1.6 to the consolidated financial statements.

Intangible assets of £3,204,000 acquired as part of the DJT Group Ltd had a carrying value of £nil as at 31 January 2025 (2024: £nil). The Group tests annually whether intangible assets have suffered any impairment. Management has concluded that an impairment charge was necessary for the year ended 31 January 2024 to the carrying value of the intangible assets due to the research licence at DJT being allowed to lapse. It was not considered prudent to continue to fund the maintenance of a research licence at DJT after the research activities had been completed. This would have involved significant costs related to security which are not justified until such time as the Company decides to move to commercial production of medical cannabis. The amortisation life of the licence had been set at 7 years and so the asset value has been accelerated to a nil value by 6 years. The trade secrets related to the cannabis genetics programme and breeding could still be considered to have a value even with the cessation of research activities at DJT Plants Ltd, but this would need to be in conjunction with a registered licence in place and the impact this has on the future value of cash flows expected to arise from these assets. An impairment charge has been calculated of £nil (2024: £2,860,714).

Goodwill has a carrying value of £1,266,378 as at 31 January 2025 (2024: £1,677,095). The Group tests annually whether goodwill has suffered any impairment.

Management has concluded that an impairment charge of £nil (2024: £1,013,101) should be made against the goodwill that arose on the acquisition of DJT Group Ltd further to the decision to not renew the cultivation licence during the year ended 31 January 2024. Due to the uncertainty in relation to how long operations may be paused; the value of the goodwill is considered to be directly affected and therefore a full impairment of the goodwill in relation to DJT Plants Ltd is still considered to be appropriate. The amortisation period for the

2 Judgements and key sources of estimation uncertainty (Continued)

goodwill was over 5 years and so the asset value has been accelerated to a nil value by 4 years.

Recognition of deferred tax assets

Uncertainty exists related to the availability of future taxable profit against which tax losses carried forward can be used, however deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Further information on income taxes is disclosed in Note 19.

Impairment of investments

Annually the Company considers whether investments are impaired. Management had concluded that a full impairment charge was necessary in the prior year, ended 31 January 2024 to the carrying value of the investment held in DJT Group Limited due to the impact of the research licence held by DJT being allowed to lapse and a pause in the operations of DJT in that year. Due to the uncertainty in relation to how long operations may be paused and the current Net Liability position of the balance sheet of DJT, a full impairment of the investment cost in DJT Group Ltd was considered to still be appropriate. An impairment adjustment of £nil (2024: £3,237,500) has therefore been considered appropriate for the year ended 31 January 2025.

Further to this, an impairment has also been made of £323,629 (2024: £2,022,050) against the intercompany loan included in investments in the Company balance sheet. This has been based on the Net Liability position of DJT of £3,345,679 as at 31 January 2025, to bring the value of the loan still considered to be recoverable to be equal to the balance of net assets in the DJT balance sheet as at 31 January 2025.

Management has also concluded that an impairment charge was necessary for the year ended 31 January 2025 against the intercompany loan due from Tiamat Agriculture Ltd as included in investments in the Company balance sheet. This has been based on the loss making position of the company and the insolvent position of the balance sheet of Tiamat Agriculture Ltd as at 31 January 2025. A further provision of £3,364 has been made against the loan balance outstanding as at 31 January 2025 of £543,240 (2024: £539,876).

3 Operating loss

	2025 £	2024 £
Operating loss for the year is stated after charging:		
Exchange losses	17,243	1,927
Research and development costs	298,814	123,370
Depreciation of owned property, plant and equipment	201,677	199,127
Amortisation of intangible assets	432,289	991,029
Impairment of intangible assets	-	3,873,815
Share-based expense	1,152,628	15,899
Operating lease charges	51,750	53,117

4 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	392,250	368,600
Company pension contributions to defined contribution schemes	4,497	3,534
	396,747	372,134

4 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2024 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2025	2024
	£	£
Remuneration for qualifying services	128,340	134,406
Company pension contributions to defined contribution schemes	1,335	1,890

5 Auditor's remuneration

	2025	2024
Fees payable to the Company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the Group and Company	48,000	50,000

6 Employees

The average monthly number of persons employed by the Company during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Staff	2	5	1	-
Directors	7	7	7	7
Total	9	12	8	7

Their aggregate remuneration comprised:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Wages and salaries	504,623	682,801	436,290	391,919
Social security costs	29,385	41,751	26,053	18,518
Pension costs	5,818	8,976	4,497	3,920
	539,826	733,528	466,840	414,357

7 Finance costs

	2025	2024
	£	£
Other finance costs:		
Other interest	219,697	138,806

Other interest includes interest payable on Convertible Loan Notes of £101,274 (2024: £36,507) and on Director loans of £118,423 (2024: £102,299).

8 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	-	16,214
Deferred tax		
Origination and reversal of timing differences	-	(797,494)
Total tax charge/(credit)	-	(781,280)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2025	2024
	£	£
Loss before taxation	(3,662,141)	(6,925,443)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2024: 24.00%)	(915,535)	(1,662,106)
Unutilised tax losses carried forward	942,622	1,662,106
Research and development tax credit	(27,087)	16,214
Change in deferred tax on Intangible assets	-	(797,494)
Taxation charge/(credit)	-	(781,280)

The charge for the year can be reconciled to the profit before taxation per the profit and loss account as follows:

For the year ended 31 January 2024, the effective tax rate for the 3 months up to 31 March 2023 was 19.00%. From 1 April 2023, the corporation tax rate changed from 19.00% to 25.00%, which covered the remainder of the period, being 9 months.

Therefore the effective corporation tax charge based on 2 months at 19.00%, and 10 months at 25.00% was 24% for the financial reporting period to 31 January 2024.

8 Taxation (Continued)

The Group has estimated tax losses of £6,269,385 (2024: £4,424,407) available to be carried forward and offset against future profits. There has been no deferred tax asset recognised due to the uncertainty concerning the timescale as to its recoverability.

9 Intangible fixed assets

Group	Goodwill	Licence	Trade secrets	Unpatented formulations	Total
	£	£	£	£	£
Cost					
At 1 February 2024 and 31 January 2025	3,319,962	2,874,000	330,000	215,721	6,739,683
Amortisation and impairment					
At 1 February 2024	1,642,867	2,874,000	330,000	17,977	4,864,844
Amortisation charged for the year	410,717	-	-	21,572	432,289
At 31 January 2025	2,053,584	2,874,000	330,000	39,549	5,297,133
Carrying amount					
At 31 January 2025	1,266,378	-	-	176,172	1,442,550
At 31 January 2024	1,677,095	-	-	197,744	1,874,839

The Company had no intangible fixed assets at 31 January 2025 or 31 January 2024.

More information on impairment movements in the prior year is given in note 2.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2025

10 Property, plant and equipment

Group	Buildings	Fixed Plant	Small plant & other	IT & Office Equipment	Irrigation	Reservoir	Multi-Chapelle	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 February 2024 and 31 January 2025	742,504	548,984	102,106	208,948	87,198	85,144	162,830	1,937,714
Depreciation and impairment								
At 1 February 2024	72,733	151,341	33,677	82,490	8,266	7,792	15,112	371,411
Depreciation charged in the year	37,125	85,581	20,422	41,789	4,360	4,258	8,142	201,677
At 31 January 2025	109,858	236,922	54,099	124,279	12,626	12,050	23,254	573,088
Carrying amount								
At 31 January 2025	632,646	312,062	48,007	84,669	74,572	73,094	139,576	1,364,626
At 31 January 2024	669,771	397,643	68,429	126,458	78,932	77,352	147,718	1,566,303

The Company had no property, plant and equipment at 31 January 2025 or 31 January 2024.

11 Subsidiaries

Details of the Company's subsidiaries at 31 January 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
DJT Plants Limited	Bank House, Broad Street, Spalding, for UK	Supporting activities crop production	Ordinary	-	100.00
DJT Group Ltd	Norfolk House Farm, Gedney Marsh, Holbeach, Spalding, UK	Growing of vegetables and melons, roots and tubers	Ordinary	-	100.00
Tiamat Agriculture Ltd	Ibex House, Baker Street, Weybridge, UK	Wholesale of pharmaceutical goods	Ordinary	100.00	-
MRX Global Limited	Ibex House, Baker Street, Weybridge, UK	Holding company	Ordinary	100.00	-
MRX Medical Limited	Ibex House, Baker Street, Weybridge, UK	Development & distribution of health products	Ordinary	-	100.00
Aristaeus Elements Ltd chemicals	6th Floor, 60 Gracechurch Street, London, UK	Manufacture of other organic basic and essential oils	Ordinary	-	100.00
Tiamat Australia PTY Ltd	PO Box 1100, West Perth, Australia	Wholesale of pharmaceutical goods	Ordinary	-	100.00

Tiamat Agriculture Ltd – a fully owned subsidiary of the Company. Tiamat was established during 2019 in order to facilitate the sales of pharmaceutical goods.

Aristaeus Elements Ltd – an indirectly, fully owned subsidiary of the Company. Aristaeus was established in 2019 in order to investigate the extraction of cannabinoids by different methods.

DJT Plants Limited - is an indirectly, fully owned subsidiary and provides the facilities to grow medical cannabis in the UK.

MRX Global Ltd - was acquired in the year ended 31 January 2024 and is engaged in developing cannabinoid formulations.

Tiamat Agriculture Pty Ltd - an indirectly, fully owned subsidiary of the company, now active in year to facilitate the sale of pharmaceutical goods.

12 Fixed asset investments

		Group 2025	2024	Company 2025	2024
	Notes	£	£	£	£
Investments in subsidiaries	11	-	-	3,482,555	3,789,253

12 Fixed asset investments (Continued)

Movements in non-current investments

Company	**subsidiaries**
	£
Cost or valuation	
At 1 February 2024	3,789,253
Additions	20,295
At 31 January 2025	3,809,548
Impairment	
At 1 February 2024	-
Impairment losses	326,993
At 31 January 2025	326,993
Carrying amount	
At 31 January 2025	3,482,555
At 31 January 2024	3,789,253

13 Trade and other receivables

	Group		**Company**	
	2025	**2024**	**2025**	**2024**
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade receivables	60	-	-	-
Amounts owed by group undertakings	-	-	1,755,354	296,375
Other receivables	34,490	28,304	4,295	4,363
Other debtors	66,194	21,666	20,811	20,811
Prepayments and accrued income	51,566	27,410	43,034	23,675
	152,310	77,380	1,823,494	345,224
Amounts falling due after more than one year:				
Other receivables	3,971	-	-	-
Total debtors	156,281	77,380	1,823,494	345,224

Amounts owed by subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 Cash and cash equivalents

Group cash and cash equivalents as at 31 January 2025 of £1,664,098 (2024: £84,431) consist of bank balances.

Company cash and cash equivalents as at 31 January 2025 of £797,388 (2024: £nil) consist of bank balances.

15 Current liabilities

		Group		Company	
		2025	2024	2025	2024
	Notes	£	£	£	£
Directors' loans		473,321	1,486,732	156,814	1,236,601
Trade payables		48,671	57,652	22,451	30,847
Amounts owed to group undertakings		-	-	10	8,836
Other taxation and social security		524	1,219	-	-
Other payables		59,894	75,579	3,626	-
Accruals and deferred income		1,130,328	944,484	1,056,879	918,484
		1,712,738	2,565,666	1,239,780	2,194,768

The Directors' loans in the Company are supported by agreements between Charles Morgan and the Company. The loans bear interest at 10% per annum, accruing monthly and compounding annually. There was one loan between Charles Morgan and the Company in relation to funds from UK sources £nil (2024: £549,699), and the second loan is, in relation to funds from non-UK sources, £156,814 (2024: £676,806). There is also an amount owing to Melissa Sturgess of £nil (2024: £10,096). The Company has received a letter from Charles confirming that the loan will not be called for repayment for at least 12 months following signing of these accounts.

Included in Group there are further director loans with Charles Morgan held in the subsidiary MRX Global Limited of £255,701 (2024: £191,239) which is on the same terms as above and a loan of £58,892 (2024: £58,892) which bears interest at 10% per annum and is repayable on demand. There is also a loan with Charles Morgan in Tiamat Australia Pty Ltd of £1,914 (2024: £nil).

During the year directors' loans due to Charles Morgan and Melissa Sturgess totalling £1,908,828 were capitalised by the issue of ordinary shares.

Amounts owed to subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Convertible loan notes

	Group 2025 £	2024 £	Company 2025 £	2024 £
Liability component of convertible loan notes	737,781	636,507	737,781	636,507

Charles Morgan, Frank Maio and Tim Fry hold £600,000 (2024: £600,000) of CLNs between them (£300,000, £200,000 and £100,000 respectively). The CLNs bear interest at a rate of 15% per annum. The CLNs will be convertible into ordinary shares at the lower of a 20% discount of the price at the next capital raising of £1m price of 0.4p per share, with a minimum conversion price of 0.2p.

Total interest of £101,274 (2024: £36,507) was applied as at 31 January 2025 on the CLNs in issue.

17 Financial instruments

	Group 2025 £	2024 £	Company 2025 £	2024 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,664,098	161,811	2,552,742	321,549
Carrying amount of financial liabilities				
Measured at amortised cost	1,916,780	3,200,954	1,817,121	2,831,275

Financial assets measured at amortised cost comprise bank account balances, loan notes, amounts due from subsidiaries and accrued interest.

Financial liabilities measured at amortised cost comprise trade creditors, loan notes, amounts due to subsidiaries and accruals.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and Company, and movements thereon:

Group	Liabilities 2025 £	Liabilities 2024 £
Intangible assets	49,436	49,436

The Company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

18 Deferred Taxation (Continued)

The acquisition of MRX in the prior year identified intangible assets not previously recognised, the deferred tax liability relating to these on the acquisition of MRX was £53,930. During the prior year the amortisation against this liability has resulted in an offset to reduce this liability by £4,494. The net deferred tax liability as at 31 January 2025 is £49,436.

The acquisition of DJT in a prior year identified intangible assets not previously recognised, the deferred tax liability relating to these on the acquisition of DJT was £793,000. During the year ended 31 January 2024 these intangible assets were amortised and impaired and a debit was offset against the original liability of £793,000 in connection to this. The net deferred tax liability as at 31 January 2025 is £nil.

Deferred tax calculated at a rate of 25% on the movement in the value of the above intangible assets held as at 31 January 2025 has been recognised in the profit and loss account as noted above.

19 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	5,818	8,976

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

20 Share-based payment transactions

Share warrants and options outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Group and Company	Number of share options		Weighted average exercise price	
	2025 Number	2024 Number	2025 Pence	2024 Pence
Outstanding at 1 February 2024	473,335,389	738,222,889	0.43	0.47
Granted	256,666,666	40,000,000	0.27	0.61
Exercised	-	(141,680,555)	0.40	0.40
Expired	(16,751,389)	(163,206,945)	0.51	0.80
Outstanding at 31 January 2025	713,250,666	473,335,389	0.35	0.43

The number of share options granted in the year to 31 January 2024 has been restated to be 40,000,000 as the previous figure stated of 70,000,000 was incorrect.

20 Share-based payment transactions (Continued)

Share warrants and options outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	No of shares	Exercise price per share pence	2025 £	2024 £
Sep 19	Sep 24	6,300,000	0.45	-	7,101
Jun 19	Jun 24	10,451,389	0.45	-	15,250
Nov 20	Oct 25	9,282,778	0.20	-	7,307
Nov 20	Oct 25	9,282,778	0.20	-	7,307
Nov 20	Oct 25	4,641,389	0.45	-	2,923
Dec 22	Dec 32	60,000,000	0.60	14,100	2,289
Dec 22	Dec 32	336,584,000	0.40	737,119	1,136,587
Mar 23	Mar 26	30,000,000	0.61	13,800	2,034
Mar 23	Mar 25	10,000,000	0.61	-	678
Aug 24	Aug 34	200,000,000	0.30	510,800	-
Aug 24	Aug 34	40,000,000	0.30	102,160	-
Aug 24	Aug 34	16,666,666	0.30	42,567	-
Sep 24	Sep 34	100,000,000	0.40	240,200	-

The Group has a total of 713,250,666 options and 436,584,000 warrants in issue (2024: 473,335,389) and the average exercise price is £0.0035 (2024: £0.0043) per share. The figure for 31 January 2024 has been restated to include an adjustment for share options that had lapsed which had been omitted.

The Group has no legal or constructive obligation to settle or repurchase the options in cash. Options are settled when the Group receives a notice of exercise and cash proceeds from the option holder to the aggregate exercise price of the options being exercised.

On 27 August 2024 the company granted a total of 256,666,666 options, of which 100,000,000 were under an EMI scheme, and 156,666,666 were related to an unapproved scheme. These options will all vest in four equal tranches, with the first vesting immediately, and the subsequent options vesting equally every 12 months. Both types of grants will have an exercise price of 0.3 pence.

Additionally, on 9 September 2024, 100,000,000 of the 436,584,000 warrants that had been previously issued to an existing director of the company were transferred to another director of the company. These warrants will expire 10 years from the transaction date, and have a subscription price of 0.4 pence. The fair value has been recalculated at the date of the transfer.

	Dec 2022	Dec 2022	Mar 2023	Aug 2024	Sept 2024
Current price (£)	0.00325	0.0046	0.00325	0.00445	0.004350
Options Exercise Price (£)	0.004	0.00435	0.00475	0.003	0.004
Expected Life of Options in years	10	3	2	4	10
Volatility	59%	59%	59%	59%	59%
Dividend yield	-	-	-	-	-
Risk free interest rate	3.505%	3.637%	3.439%	3.755%	3.505%

The directors of the company have evaluated the risk-free rate of return on a case-by-case basis.

21 Share capital

Group and Company	2025	2024	2025	2024
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 0.2p each	4,299,146,581	2,878,027,906	8,598,293	5,756,057

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Reconciliation of movements during the year:

	Ordinary Number
At 1 February 2024	2,878,027,906
Issue of fully paid shares	1,421,118,675
At 31 January 2025	4,299,146,581

During the year 31 January 2025, 1,421,118,675 Ordinary shares, with a par value of £2,842,236, were issued for a total value of £4,284,785. 784,809,342 shares were issued or a cash subscription of £2,375,857 and 636,309,333 shares were issued as capitalisation of loans due to the directors totalling £1,908,928. No issue costs have been offset.

22 Research & Development

The Group have applied for research and development relief. The Group have set up a defined research and development team to look into the consistent genetic stability and quality across all facets of THC[2] cannabis to meet the criteria of the Medicines and Healthcare Regulatory Agency. The Group have calculated that approximately £86,122 (2024: £108,270) is due from H.M. Revenue & Customs in relation to these tax relief returns.

23 Earnings per share

Earnings per share is calculated by dividing the loss for the period attributable to ordinary equity shareholders of the parent by the number of ordinary shares outstanding during the year.

During the year the calculation for the Group was based on the loss after tax for the year of £3,662,141 (2024: £6,144,162) divided by the weighted number of ordinary shares 3,803,000,887 (2024: 2,631,069,313). The basic earnings per share and diluted earnings per share values do not differ due to anti-dilutive factors.

Convertible loan notes were issued during the financial year which will dilute the earnings per share valuation as and when they are converted.

24 Reserves

Share premium

Amount subscribed for share capital in excess of nominal value.

Share capital

This represents the nominal value of shares issued. Currency translation reserves

Foreign exchange gains arising on consolidation of non-UK subsidiaries.

Retained deficit

Cumulative net gains and losses recognised in the statement of comprehensive income.

Share options and warrants reserve

Assessed value of options issued other than options issued as share based payment for services less any exercise of share options during the year.

25 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Within one year	117,000	117,000	-	-
Between two and five years	468,000	404,250	-	-
In over five years	1,131,000	1,361,042	-	-
	1,716,000	1,882,292	-	-

26 Events After Reporting Date

Following the end of the period, the Group has remained fully focused on its mission to deliver cannabidiol based drugs to patients in need.

Clinical Development Progress

- MRX1 Technical Batch Completion (February 2025): The Company completed the manufacture of its final technical batch of MRX1 to support the Investigational Medicinal Product Dossier (IMPD), a regulatory requirement for MHRA clinical trial approval. The batch confirmed specification compliance, batch-to-batch consistency, and shelf-life stability.
- Ethics and Regulatory Approvals: Ethics approval was granted by the Alfred Hospital Human Research Ethics Committee (HREC) in April 2025, followed by Clinical Trial Notification (CTN) acknowledgement by the Australian Therapeutic Goods Administration (TGA).
- MRX1 Stability Data Achievement (June 2025): MRX1 achieved 24-month stability data under both standard and accelerated conditions, in accordance with ICH guidelines. This further validates its pharmaceutical robustness and regulatory readiness.
- GMP Manufacturing Milestone (June 2025): Ananda manufactured forty litres each of MRX1 and matched placebo to Good Manufacturing Practice (GMP) standards. This represents the largest and first GMP-certified production of MRX1, intended for upcoming Phase 1 and Phase 2 trials.
- Product Delivery to Clinical Trial Site (June 2025): Following GMP manufacture, MRX1 was successfully delivered to the clinical site in Australia, confirming supply chain readiness.
- Initiation of Phase 1 PK Study (July 2025): The first participant was dosed in Ananda's Phase 1 pharmacokinetic (PK) study of MRX1 in Melbourne, Australia. The study will assess the PK, safety, tolerability, and food effect of MRX1 in healthy adult volunteers, with initial results expected in Q1 2026.

Corporate and Strategic Developments

- Appointment of High-Profile Industry Advisors: In April and May 2025. Ananda appointed two former GW Pharmaceuticals executives:
    - Chris Tovey, former COO of GW and Jazz Pharmaceuticals.
    - Giles Moss, former GM of Europe at GW.

  Both bring extensive regulatory and commercial experience and are expected to contribute to Ananda's clinical, operational, and market access strategies.
- Commercial Expertise Expansion (February 2025): Andy Rust, former Global Head of Respiratory at Chiesi Group, joined as commercial advisor. His insight into market access, pricing, and international sales strategy will strengthen Ananda's path to commercialisation.
- Engagement of U.S. Strategic Advisors (January 2025): Ananda appointed Viridian Capital Advisors, a New York-based cannabis industry advisory firm, to support its U.S. expansion strategy. This engagement enhances Ananda's access to U.S capital markets and investment networks.

Market and Investor Engagement

- OTCQB Admission (April 2025): Ananda's shares began trading on the U.S. OTCQB Venture Market under the ticker "ANANF", complementing its AQSE listing. This dual listing enhances visibility among

  U.S. investors and supports cross-border trading.
- Benzinga Cannabis Capital Conference (June 2025): Ananda's senior leadership attended the Benzinga Conference in Chicago, further building its profile among North American investors, partners, and media.

27 Related party transactions

Details of the Directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the Directors.

Charles Morgan, a Director of the Company, holds CLNs to the value of £300,000 (2024: £300,000), before interest is accrued. For further details on the CLNs please refer to note 16.

Melissa Sturgess and Charles Morgan are both Directors of Tiamat Agriculture Limited ('Tiamat'). Tiamat is a 100% subsidiary of the Company. Tiamat is a holding Company within the Group and does not have an operational function.

Charles Morgan and the Company have loan agreements in place. The loans bore interest at 10% per annum, accruing monthly and compounding annually. The loans are repayable in full, together with accrued interest, on or before 31 December 2025. There are two loan agreements, one being between Charles Morgan and the Company in relation to funds from UK sources and a second, between Charles Morgan and the Company in relation to funds from non-UK sources. Directors' loan balances were outstanding as at the year end of £156,814 (2024: £1,486,732). This is including any interest payable. Interest payable has been calculated at £118,423 (2024: £102,254).

There are further loans due between Charles Morgan and the subsidiary company MRX Global Limited of £255,701 (2024: £191,239) which are held on the same terms as above and another loan balance of £58,892 (2024: £58,892) that bears interest at 10% per annum and is repayable on demand. There is also a loan balance due to Charles Morgan from Tiamat Australia Pty Ltd of £1,914.

As referred to in note 16 of the accounts Charles Morgan has confirmed that he will not call these loans for repayment for at least 12 months following the signing of these accounts.

A debt of £543,240 (2024: £539,876) was owed by Tiamat to the company as at the year end. An impairment has been made against this loan of £3,364 (2024: £539,876) as detailed in note 2. The net balance outstanding is £nil (2024: £nil). This is excluding any interest payable. The nature of the transactions were mainly consultancy and legal fees.

A debt of £3,366,728 (2024: £3,349,796) was owed by DJT to the company as at the year end. An impairment has been made against this loan of £323,629 (2024: £2,022,050) as detailed in note 2. The net balance outstanding is £1,021,049 (2024: £1,327,746). This is excluding any interest payable. The nature of the transactions before the acquisition were predominately assets in the course of construction, salaries and consultancy expenditure.

A debt of £757,225 (2024: £296,375) was owed by MRX as at the year end. This is excluding any interest payable. The nature of the transactions before the acquisition were predominantly research and development and legal costs.

A debt of £998,129 (2024: £nil) was owed by Tiamat Australia PTY Ltd as at the year end. This is excluding any interest payable. The nature of the transactions was in relation to net funds loaned during the year.

Amounts due by the group to other related parties during the year include:

Seaspin Pty Ltd a company controlled by one of the directors of the company of £8,393 (2024: £7,603). Net movements during the year amounted to £790.

Hartford Corporate Ltd a company controlled by one of the directors of the company of £5,425 (2024: £5,135). Net movements during the year amounted to £290.

27 Related Party Transactions (Continued)

Transactions with other related parties included costs invoiced by Gryon Consulting Ltd, a company controlled by one of the directors of £36,000 (2024: £30,000) that have been included in directors' remuneration and rent due of £51,750 (2024: £53,117) to J E Piccaver & Co (Gedney Marsh), a business controlled by one of the directors.

28 Controlling party

The Directors believe there to be no ultimate controlling party.

29 Cash absorbed by group operations

	2025 £	2024 £
Loss for the year after tax	(3,661,157)	(6,144,163)
Adjustments for:		
Taxation charged/(credited)	-	(797,494)
Finance costs	219,697	138,806
Investment income	(20,195)	(27)
Amortisation and impairment of intangible assets	432,289	4,864,844
Depreciation and impairment of property, plant and equipment	201,677	199,127
Foreign exchange on consolidation	42,962	
Write-off of assets under construction	-	47,080
Write off of CLN interest	-	(133,020)
Equity settled share based payment expense	1,152,628	15,899
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(78,901)	136,667
Increase in trade and other payables	894,615	950,583
Cash absorbed by operations	(816,385)	(721,698)

The figure included for 31 January 2024 for 'Write-off of assets under construction' has been restated to remove the brackets as this was incorrect and the note did not cast in the prior year

30 Analysis of changes in net funds/(debt) - group

	1 February 2024 £	Cash flows £	Other non-cash changes £	31 January 2025 £
Cash at bank and in hand	84,431	1,579,667	-	1,664,098
Convertible loan notes	(636,507)	-	(101,274)	(737,781)
	(552,076)	1,579,667	(101,274)	926,317