

Celadon Pharmaceuticals Plc
("Celadon" or the "Company")
Inaugural Supply Contract Win

London, 24 May 2023 - Celadon Pharmaceuticals Plc (AIM: CEL), a UK-based pharmaceutical company focused on the research, cultivation, manufacturing and sale of breakthrough cannabis-based medicines, announces that it has entered into a contract for the commercial supply of its pharmaceutical-grade high-THC cannabis product with a leading UK medicinal cannabis company.

Under the terms of the contract, Celadon will sell a minimum of £3 million worth of product over the next three years, with the first shipment expected in Q4 2023. At the end of the three years, the contract can be extended for a further two years with the mutual agreement of the parties.

In addition to this inaugural contract win, Celadon has received multiple expressions of interest in the sale of its pharmaceutical-grade product. The Company is currently in discussions to convert these into commercial contracts, and whilst there is no guarantee around if or when these will convert, if successful they would be expected to move the Company to a cash generative position. The discussions include a further contract from the inaugural customer worth in excess of £7 million of annual supply.

The contract win announced today follows the Company's Good Manufacturing Practices ("GMP") registration on 16 January 2023, and the update to its Home Office licence on 14 March 2023. The Directors believe Celadon is one of a limited number of companies globally with the approvals in place to cultivate and manufacture EU-GMP grade high-THC medicinal cannabis and is understood to be the first for high-THC API in the UK since medicinal cannabis was legalised in 2018.

The level of interest in Celadon's product further confirms management's belief that UK production, combined with indoor, fully-controlled hydroponic cannabis cultivation, has a significant advantage over imported product, with the associated frustrations for patients of supply delays and increased cost.

James Short, Chief Executive Officer of Celadon, said:

"We are delighted to have entered into a sizeable first contract so soon after achieving GMP certification in January. It builds on the positive momentum we are seeing across the business and is testament to the hard work of our employees."

"Demand for our product continues to grow, as we deliver on our strategy of being a leading pharmaceutical cannabis company. We remain focused on converting expressions of interest into commercial contracts and have recruited a highly experienced pharmaceutical business development director to drive this."

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About Celadon Pharmaceuticals Plc

Celadon Pharmaceuticals Plc is a UK based pharmaceutical company focused on the research, cultivation, manufacturing, and sale of breakthrough cannabis-based medicines. Its primary focus is on improving quality of life for chronic pain sufferers, as well as exploring the potential of cannabis-based medicines for other conditions such as autism. Its 100,000 sq. ft UK facility is EU-GMP approved and comprises indoor hydroponic cultivation, proprietary GMP extraction and manufacturing and an analytical and R&D laboratory. Celadon's Home Office licence allows for the commercial supply of its GMP pharmaceutical cannabis product. The Company's subsidiary, LVL, owns a MHRA conditionally-approved clinical

trial using cannabis based medicinal products to treat chronic pain in the UK. Celadon also has a minority interest in early-stage biopharma Kingdom Therapeutics which is developing a licenced cannabinoid medicine to treat children with Autism Spectrum Disorder.

For further information please visit our website www.celadonpharma.co.uk

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

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