

Celadon Pharmaceuticals Plc

("Celadon" or the "Company" or the "Group")

Fundraise, Update on Future Convertible Loan Note Financing and Total Voting Rights

London, 12 December 2023 - Celadon Pharmaceuticals Plc (AIM: CEL), a UK-based pharmaceutical company focused on the development, production and sale of breakthrough cannabis-based medicines, today announces that it has raised £2.0m (the "**Fundraise**") through a placing and subscription of 1,739,130 new ordinary shares of 1 pence each in the Company ("**New Ordinary Shares**"). The New Ordinary Shares will be issued at a price of 115 pence per share (the "**Fundraise Price**"), which represents a premium of approximately 5.5 per cent to the previous day closing share price of 109 pence per share on 11 December 2023, being the last practicable date prior to the publication of this announcement.

Application will be made for admission of the New Ordinary Shares to trading on AIM (**Admission**). It is expected that Admission will occur on or around 18 December 2023.

The net proceeds, via the Fundraise, will provide the Company with additional working capital. The Directors can confirm that having regard to the proceeds of the Fundraise and the credit facility available to the Group, the working capital available to the Company will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

The Company's pre-existing authority to allot ordinary shares, granted at the 2023 AGM, is sufficient to allot the New Ordinary Shares.

Global Investment Strategy UK Limited assisted in the placing.

Update on Convertible Loan Note Financing

As previously announced on 13 October 2023, the Company is seeking to raise further funding through the issuance of Convertible Loan Notes ("**CLN Financing**"). Funds raised from the CLN Financing will be in addition to the net proceeds received by the Company from the Fundraise as set out above. Subsequent to the expressions of interest received from potential investors at the time of CLN Financing announcement, additional potential investors have expressed an interest in subscribing for the Convertible Loan Notes and the directors are pleased with progress to date.

The anticipated terms for the Convertible Loan Notes remain that they will be issued at par with a 5 year term and will be unsecured. The notes are expected to carry a coupon of 10 per cent. per annum and to be convertible at the option of the investor after 2 years, or to be mandatorily converted into ordinary shares of 1 pence each ("**Ordinary Shares**") on a qualifying financing to be determined or change of control of the Company.

Proceeds raised from the CLN Financing will provide the Company with additional working capital and to accelerate the expansion of fitting out Phase 2 of its Midlands production facility.

Total Voting Rights

On Admission the Company's issued share capital will consist of 64,208,903 Ordinary Shares, with one voting right each. The Company does not hold any shares in treasury. Therefore the total number of Ordinary Shares and voting rights in the Company will be 64,208,903. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

James Short, CEO of Celadon, commented:

"Following the signing of our first three supply contracts this year, and the imminent delivery of the first shipments to our UK customers, we have taken the opportunity to secure £2.0m of additional working capital at an attractive issue price compared to the current one. The Company is now well funded to deliver on its current commitments."

"Investor interest in the CLN is encouraging. We look forward to securing further funds to accelerate the fit out of Phase 2 of the Group's UK based indoor hydroponic cultivation facility, and the delivery of our product to our current and future customers."

"I am grateful for the support shown by our new and existing shareholders as we pursue our primary mission of improving the quality of life for patients most in need."

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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 Group owns an 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 licensed 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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