

Celadon Pharmaceuticals Plc
("Celadon", the "Group" or the "Company")
Equity Fundraise and Update on Financial Position

London, 11 September 2024 - Celadon Pharmaceuticals Plc (AIM: CEL), a UK-based pharmaceutical company focused on the development, production and sale of breakthrough cannabis-based medicines, is pleased to announce that it has raised £1.05m (the "**Fundraise**") through a placing of 2,625,000 new ordinary shares of 1 pence each in the Company ("**New Ordinary Shares**"). The New Ordinary Shares will be issued at a price of 40 pence per share (the "**Fundraise Price**"), which represents a discount of approximately 23.8 per cent to the previous day closing price of 52.5 pence per share on 10 September 2024, being the last practicable date prior to the publication of this announcement. The Company also wishes to provide an update on its financial position.

Application will be made for admission of the New Ordinary Shares to trading on AIM. It is expected that admission will occur on or around 17 September 2024, with cash settlement on 18 September 2024. The Company's pre-existing authority to allot ordinary shares granted at the 2024 AGM is sufficient to allot the New Ordinary Shares.

Global Investment Strategy UK Limited undertook the placing for which they will receive a cash fee based on the amount raised and warrants over 131,250 new ordinary shares, which can be exercised until 10 September 2027, with an exercise price of 40 pence per share.

Update on Financial Position

On 23 August 2024, the Company provided an update on its financial position. In that update the Company advised that it had experienced delays in expected funding (the "**Delayed Funding**") from a historical equity fundraising round, announced on 10 May 2024, and following the submission of a draw down request on its Committed Credit Facility.

The Company continues to be in dialogue with the equity subscriber (the "**Subscriber**") and lender including through the Fundraise process and both have re-confirmed their intentions to pay the balances due. The Company will make further announcements when the expected funds are received.

The Board also wishes to advise that the Group continues to be in discussion with a small number of potential institutional lenders about entering into substantial longer term debt facilities that would allow the Committed Credit Facility to be refinanced. These discussions however have yet to advance materially since the Company first disclosed them in an RNS on 12 August 2024.

Current Cash Position

The Company continues to manage its cash position and creditors tightly, and this has been exacerbated by the Delayed Funding. The Delayed Funding is a primary reason for the Company proceeding with the Equity Fundraise as the Company has sought to have sufficient cash for its short term cash requirements.

The Company's cash position as at 10 September 2024 was £48k, meaning that the cash resources available to the Company upon receipt of the Fundraise proceeds will be £1,046k. Based on the current forecasts of the Company, the cash resources available to the Company are expected to finance the working capital requirements of the Company through to December 2024, with the Company continuing to manage its cash position and assuming careful creditor management. This funding timeframe is expected to increase once the remaining proceeds of the subscription and the funds due under the draw down are received. While the Directors remain confident of receiving the funds from the Delayed Funding, and there is a legal requirement on both parties to make payment, the Board notes the significantly delayed timeframe of payment which raises uncertainty that the funds will be received at all.

The Company intends to publish its unaudited interim results for the six months ended 30 June 2024 before the end of September 2024. A further update on the Company's working capital position will be provided within these results.

James Short, Chief Executive Officer of Celadon, commented:

"Celadon is grateful to the investors who have participated in the Fundraising, and to the Subscriber and lender for their re-confirmed commitments to the Company. The Group's ongoing conversations with alternative potential lenders continue with a view to securing the long-term future for the business."

Following this morning's announcement of the Group's strategic collaboration with Valeos Pharma A/S, the Fundraise and ongoing funding discussions give the Group confidence in the long term value of the Group."

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About Celadon Pharmaceuticals Plc

Celadon Pharmaceuticals Plc is a UK-based pharmaceutical company focused on the development, production 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 an analytical and R&D laboratory. Celadon's Home Office licence allows for the commercial supply of its pharmaceutical-grade 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.com

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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