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16 December 2024

**Graft Polymer (UK) Plc
("Graft Polymer" or the "Company")**

Proposed acquisition of Awakn Life Sciences Corp.

The board of Graft Polymer (UK) Plc (LON: GPL), an innovative biotechnology company co-developing therapeutics for mental health disorders, is pleased to announce that the Company has entered into a binding letter of agreement (the "LOA") regarding the proposed acquisition of the entire issued share capital of Awakn Life Sciences Corp. ("Awakn"), a clinical-stage biotechnology company developing therapeutics for substance use and mental health disorders (the "Proposed Acquisition").

Graft Polymer intends to issue approximately 2,074,378,592 new ordinary shares of £0.001 each ("Ordinary Shares") as consideration for the Proposed Acquisition of Awakn (the "Consideration Shares"). The Proposed Acquisition values Awakn at approximately £4.98 million (CAN 8.89 million) based upon the closing price of the Ordinary Shares on 13 December 2024, being 0.24 pence per Ordinary Share (the "Issue Price").

The Proposed Acquisition remains subject to a number of conditions, including the completion of due diligence to the satisfaction of both parties, regulatory and shareholder approval, as well as the negotiation and entry into a final definitive agreement (the "Definitive Agreement") and the publication of a secondary prospectus by Graft Polymer in connection with, inter alia, the issue of the Consideration Shares. Accordingly, there can be no certainty that a Definitive Agreement will be executed or that the Proposed Acquisition will complete, or as to timing.

Further details on the Proposed Acquisition

The Proposed Acquisition is subject to and conditional upon the conditions (as set out below) having been satisfied or waived on or before the date six months from the date of the LOA, being 15 June 2025 (the "Long Stop Date") or such later date as agreed to in writing between Graft Polymer and Awakn.

Graft Polymer is proposing to acquire all issued and outstanding common shares (the "Common Shares") in the capital of Awakn, all outstanding restricted share units ("RSUs") in the capital of Awakn, and all outstanding deferred share units (the "DSUs") in the capital of Awakn immediately prior to the completion of the Proposed Acquisition. Graft Polymer will issue to Awakn shareholders 46.67 Consideration Shares for every one Common Share held by them (the "Exchange Ratio"). Based on the same Exchange Ratio, the holders of DSUs and RSUs will receive 46.67 Consideration Shares for each one DSU and for each one RSU held by them.

The Company expects to issue approximately 2,074,378,592 Consideration Shares at the Issue Price in satisfaction of the consideration for the acquisition of the acquisition of all outstanding Common Shares, the DSUs and RSUs expected to be in issue immediately prior to completion of the Proposed Acquisition. The Company will not issue fractional entitlements to Consideration Shares and each Awakn common stock holder, DSU holder and RSU holder will therefore receive Consideration Shares rounded down to a whole number of Consideration Shares (as determined by the Company). The consideration for the Proposed Acquisition is valued at approximately £4.98 million, or CAN 8.89 million, based on the Issue Price and using an exchange rate of CAN 0.56:£1.00.

It is proposed that holders of all issued and outstanding common share purchase warrants (the "Warrants") in Awakn shall be exchanged for new warrants over new Ordinary Shares in Graft Polymer based upon the Exchange Ratio. It is intended that Awakn will seek the consent from holders of stock options to cancel all existing stock options issued by Awakn.

It is intended that the Proposed Acquisition will be effected by way of a Canadian plan of arrangement pursuant to the Business Corporations Act (British Columbia) (the "Plan of Arrangement"). The Proposed Acquisition will be subject to, inter alia, the approval of the Plan of Arrangement by Awakn's shareholders.

It is intended that following the successful completion of the Proposed Acquisition and admission of the Consideration Shares to trading on the Main Market of the London Stock Exchange and to listing on the equity shares (transition) category of the FCA's Official List, Awakn will no longer maintain its quotation on the Canadian Securities Exchange, the FSE or the OTCQB.

The Proposed Acquisition will be conditional on the satisfaction (or waiver) of certain conditions on or before the Long Stop Date, including:

- the satisfactory completion, by each of the parties to the transaction, of legal, financial and commercial due diligence;
- approval of the boards of both Graft Polymer and Awakn of the definitive transaction documents;
- the receipt of all necessary regulatory consents and approvals required for the Proposed Acquisition;
- the approval of the Plan of Arrangement by the British Columbia court;
- the approval of Awakn's shareholders;
- the consent of holders of stock options in Awakn to the cancellation of such stock options;
- obtaining the necessary regulatory approvals of the Financial Conduct Authority in relation to a prospectus which is required pursuant to the Prospectus Regulation rules in order for Graft Polymer to issue the Consideration Shares;
- the approval of the Company's shareholders, at a general meeting of the Company (to be convened), of resolutions to provide authority to the Directors to issue and allot the Consideration Shares, otherwise than on a pre-emptive basis;
- the parties agreeing, signing and exchanging the Definitive Agreement; and

- the admission of Consideration Shares to trading on the Main Market of the London Stock Exchange and to listing on the equity shares (transition) category of the FCA's Official List ("Admission").

The Plan of Arrangement is subject to both Awakn shareholder and court approvals in Canada, which are governed by certain statutory timelines and processes. Once the Definitive Agreement has been executed it is anticipated that the Proposed Acquisition will be completed in approximately 60 to 75 days.

Potential related party transaction and Director's interest in the Proposed Acquisition

The Company's CEO, Anthony Tennyson, also serves as CEO of Awakn and has a shareholding in Awakn of 4.85 per cent.

Anthony Tennyson does not have an interest in the share capital of Graft Polymer. The corporate board of Awakn comprises five directors, of which there are 4 independent non-executive directors. It is noted that Anthony Tennyson is, nevertheless, a member of the key management personnel of Awakn and as a consequence could be deemed to have a significant influence over Awakn. As Anthony Tennyson is the Company's CEO he is deemed to be a related party of Graft Polymer. Anthony Tennyson will, should the Proposed Acquisition complete, receive approximately 108,400,689 Consideration Shares based upon his current holdings in Awakn (being valued at approximately, £260,161 based on the Issue Price).

Accordingly, Awakn could be considered a related party of Graft Polymer given that Anthony Tennyson is a member of the key management personnel of Awakn.

The Proposed Acquisition could therefore constitute a material related party transaction for the purpose of Rule 7.3 of the FCA's Disclosure Guidance and Transparency Rules. This material related party transaction has been approved by the directors independent of the Proposed Acquisition, being Dennis Purcell (Chairman) and Nicholas Nelson (Non-Executive Director). Anthony Tennyson recused himself from the Graft Polymer board's consideration of this transaction and did not vote on the relevant board resolution.

In reaching their decision, the independent Directors considered that the terms of the Proposed Acquisition were fair and reasonable from the perspective of the Company and of its shareholders (not accounting for any person who is a related party). In particular, the independent Directors considered the following:

- Awakn's advanced clinical pipeline with medium-term revenue potential through Awakn's lead programme, AWK-001;
- complementary expertise and synergies because of both companies' therapeutic focus on addiction and mental health; and
- the enlarged group's strengthened position in the UK biotechnology ecosystem due to a significant proportion of Awakn's research being conducted in the UK.

Information about Awakn

Awakn is a clinical-stage biotechnology company developing therapeutics targeting substance use and mental health disorders. Awakn has a near-term focus on Alcohol Use Disorder ("AUD"), a condition affecting approximately 29 million adults in the US and approximately 40 million in the US and key European jurisdictions.

Awakn currently has three key research and development programmes with a significant majority of its activities occurring within the UK. Awakn's three key research and development programmes are as follows:

1. **AWKN-001:** an investigational, novel medication-assisted treatment for severe AUD, targeting the UK market, consisting of racemic ketamine (licensed medication in the UK, approved for use as an anaesthetic and as an analgesic, schedule 2 class B) delivered in combination with manualised therapy. Currently, a phase 3 clinical trial is being undertaken in the UK. The phase 2 trial was 100% funded by the UK Medical Research Council (the "MRC"), part of the UK's Department of Health. The phase 3 trial is being co-funded by a partnership between: i) the MRC; ii) the UK National Institute for Health and Care Research ("NIHR"); and iii) Awakn. The phase 3 trial is being managed by the University of Exeter's Clinical Trials Unit and is being run in 9 National Health Trusts in England.
2. **AWKN-002:** an investigational novel treatment for moderate and severe AUD targeting the US market, consisting of esketamine (a derivative of ketamine, and a licensed medication in UK, approved for the treatment of resistant depression, schedule 2 class B) in an oral thin film plus psycho-social support. A phase 1 trial has been completed with phase 2 trial planning underway.
3. **Aminoindane NCE ("new chemical entity") research programme** a pre-clinical programme developing serotonin, dopamine, noradrenalin targeted small molecule therapeutics for trauma related mental health disorders, such as PTSD. Synthesis has been completed by Charnwood Discovery, a provider of drug discovery services, in the UK, and in vitro screening is being conducted by Eurofins Discovery, a leading global provider of drug discovery products and services, in the UK. In vivo testing has been conducted by the University of Nottingham. Initial results from the pre-clinical study of AW21003, a co-lead compound in the aminoindane NCE programme, were announced by Graft Polymer on 11 December 2024.

The most recently published unaudited financial statements for Awakn report total assets as at 31 October 2024 of CAN 668,812 and total liabilities of CAN 2,192,164. For the nine months ended 31 October 2024 revenue was CAN 35,343 and the loss from continuing operations was CAN 1,281,934. Further information see: <https://awaknlifesciences.com/>.

Dennis Purcell, Chairman of Graft Polymer, commented:

"This proposed acquisition marks an important milestone for Graft Polymer as we broaden our focus to address the pressing global challenges of addiction and mental health disorders. Awakn's advanced research and clinical programs offer the potential to develop more effective and accessible treatments for these critical areas of need. We believe this strategic move will not only drive value for our shareholders but also contribute meaningfully to improving the lives of millions impacted by these conditions."

Appointment of Financial Adviser

Allenby Capital Limited has been appointed as Financial Adviser, in addition to Broker, to the Company.

Enquiries:

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About Graft Polymer (UK) Plc

Graft Polymer (UK) Plc is an innovative biotechnology company focused on developing intellectual property relating to the treatment of mental health and substance use disorders, and the co-development of therapeutics for mental health disorders. Our mission is to improve outcomes for individuals suffering from these conditions, with an initial focus on trauma-related mental health disorders, such as PTSD, which affected approximately 13 million adults in the U.S. in 2020, with the Company estimating a current affected population of 20 million across the US, UK and key EU markets.

For more information, please visit www.graftpolymer.co.uk.

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