

Celadon Pharmaceuticals Plc
("Celadon", the "Group" or the "Company")
Update on Strategic Collaboration with Danish Company

London, 16th January 2025 - 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 provide an update on its strategic collaboration with Valeos Pharma A/S ("Valeos") and its progress in meeting European supply commitments.

Following the announcement of our strategic collaboration with Valeos on 11 September 2024, we are pleased to confirm that this agreement is now actively contributing to Celadon's operations. The collaboration with Valeos, a Danish pharmaceutical company, will enable us to accelerate the supply of pharmaceutical-grade EU-GMP cannabis Active Pharmaceutical Ingredient (API) products to our customers, including the German medicinal cannabis contract announced on 16 November 2023.

The Valeos agreement is expected to provide Celadon with up to 3 tonnes of annual cultivation capacity from their Danish EU-GMP facility. This capacity supports Celadon's ability to fulfil its commitments under the German supply contract, which is expected to generate up to £26 million in revenue over its three-year term, with £8.7 million annually.

The collaboration is now beginning to deliver tangible results, with Celadon raising its first invoice to Valeos as part of this agreement. Moving forward Celadon now anticipates regular revenue to be generated as operations at Valeos' facility progress and production using Celadon's genetics and IP scales further.

The Directors believe that the partnership with Valeos positions Celadon to address the European market's increasing demand for pharmaceutical-grade medicinal cannabis. With Valeos' Danish facility now operational and supporting Celadon's EU-based supply chain, the Company is well-placed to deliver on its current contracts and pursue additional opportunities in the months ahead, driven by the increasing demand for high-quality medical cannabis across the UK and Europe.

James Short, Chief Executive Officer of Celadon Pharmaceuticals Plc, commented:

"This is a pivotal moment for Celadon as we see the early results of our collaboration with Valeos come to life. By leveraging Valeos' cultivation capacity and our proprietary genetics and IP, we will be able to expedite supply to our existing customers, including our key German contract, while simultaneously creating a new revenue stream for the Company.

The successful initiation of this agreement highlights the effectiveness of our strategic approach, using partnerships to expand our production capacity. We look forward to strengthening our collaboration with Valeos and exploring further opportunities to meet the growing demand for high-THC medicinal cannabis across Europe."

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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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