

**THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, SINGAPORE, HONG KONG OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE EU REGULATION 596/2014 ("MAR") AND ARTICLE 7 OF MAR AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").**

**Faron Pharmaceuticals Ltd**  
("Faron" or the "Company")

**Inside Information: Proposed Issue and Placing of a minimum of approx. EUR 6.0 million by way of an accelerated book-building**

**Company announcement, 26 October 2023 at 4:30 p.m. GMT / 6:30 p.m. EEST**  
**Inside information**

#### **KEY HIGHLIGHTS**

- A proposed private placement of newly issued treasury shares ("**Placing Shares**") to raise approximately EUR 6.0 million, to be conducted by way of an accelerated book-building, directed to a limited number of institutional and other investors.
- The minimum amount to be raised is approximately EUR 6.0 million. Subject to the Company raising the minimum amount, the Company will have sufficient funding for its working capital needs into Q1 2024 and be able to meet its financial and operational covenants by 27 October 2023, (with a minimum of EUR 3.0 million needed to meet the covenant as per agreed waivers with IPF Partners). The total cash and cash equivalents held by the Company was ca. EUR 6.3 million as of 30 June 2023 and ca. EUR 6.1 million as of 30 September 2023, respectively.
- Significant majority of the net proceeds of the placing would be used for the acceleration of the *bexmarilimab* clinical development program and manufacturing.
- Carnegie Investment Bank AB (publ), Finland Branch ("**Carnegie**") is acting as sole bookrunner and lead manager in the placing.

**TURKU, FINLAND / BOSTON, MA** – Faron Pharmaceuticals Ltd (First North: FARON, AIM: FARN), a clinical stage biopharmaceutical company pioneering macrophage reprogramming for effective anticancer immunotherapies, today announces a proposed private placement to raise a minimum of approximately EUR 6.0 million before expenses to a limited number of institutional and other selected investors ("**Placing**"). Carnegie is acting as sole bookrunner and lead manager in the Placing.

The Placing will be conducted in a private placement by way of an accelerated book-building process in which selected investors may submit bids for the Placing Shares (the "**Bookbuild**"). The subscription price per Placing Share is to be determined on the basis of the bids received in the Bookbuild in EUR. The Bookbuild is expected to commence immediately following this announcement and is expected to end by 9:00 a.m. EEST on 27 October 2023 at the latest. The Bookbuild may be discontinued or extended at any time during the book-building process. Following the close of the Bookbuild, the Board of Directors of Faron (the "**Board**") will first make the decision to issue the relevant number of treasury shares to Faron itself without consideration, followed by the decision to then convey such Placing Shares, including, as applicable, acceptance of the received bids, the number of Placing Shares to be conveyed to investors and the subscription price per Placing Share (the "**Issue Price**"), subject to the registration of the Placing Shares in the Finnish

Trade Register. The Company has received non-binding indications of interest from potential investors to subscribe for the Placing Shares under the Placing during a pre-marketing process.

As soon as practicable after the close of the Bookbuild, and following receipt of binding commitments from investors, an announcement will be made on the final number of the Placing Shares to be issued first to Faron itself without consideration and then to be conveyed in the Placing, the expected registration date of the Placing Shares and the Issue Price.

Further details on the terms and conditions of the Placing are set out below. The Placing Shares are expected to be admitted to trading on Nasdaq First North Growth Market Finland ("**First North**") and AIM ("**AIM**") in London as set out below.

"This fundraise will enable us to accelerate our ambitious *bexmarilimab* development program. The emerging data from Phase 1/2 study has continued to be extremely promising, showing continued good safety, encouraging efficacy and long durations of response," said Dr. Markku Jalkanen, Chief Executive Officer of Faron. "These results strongly support the planned next step of beginning enrollment of the Phase 2 part of the BEXMAB study. We also believe that *bexmarilimab* has the potential to provide better patient outcomes and improve the quality of life of those suffering from relapsed/refractory AML and MDS, which are conditions with dire prognosis and limited new therapies in the last decades."

#### **REASONS FOR THE PROPOSED PLACING**

The development of *bexmarilimab* has advanced significantly over the past 12 months and the furthering of its development provides an opportunity to build additional value for shareholders. The proceeds of the Placing are to be used to advance the development of the Company's pipeline of drug candidates and to strengthen the financial position of the Company. Raising at least EUR 3.0 million is required to secure that the Company meets all its financial and operational covenants by 27 October 2023, as per agreed waivers with IPF Partners.

Should the Company raise approximately EUR 6.0 million, the Company would have sufficient funding for its working capital needs into Q1 2024. The Company intends to use the proceeds of the Placing for the following:

- *BEXMAB program (approx. 29%)*
  - *Initiation of Phase 2*
  - *Opening 5 new sites in the US*
  - *Full Phase 1 data readout*
- *Bexmarilimab CMC (approx. 38%)*
  - *First commercial scale production batch of Bex (2000 L)*
- *Other clinical development (approx. 5%)*
- *G&A (approx. 15%)*
- *Financing (approx. 13%)*

The use of proceeds from the Placing above is based on streamlined focus on BEXMAB study and resulted in significant cost savings.

Under the terms of the facilities arrangement with IPF Partners, the Company is required to maintain a minimum cash balance of EUR 6.0 million while maintaining three months cash runway. Faron will commence monthly amortisations of the IPF facility at the end of October 2023 with 4.5% PIK interest added to the monthly amortisation instead of earlier agreed quarterly amortisations with no PIK interest payable.

#### **DETAILS OF THE PROPOSED PLACING AND ISSUE OF EQUITY**

- Faron intends to raise a minimum of approximately EUR 6.0 million by offering Placing Shares to a limited number of domestic and international institutional and other selected investors in the Placing. The Company has an authorization to offer a maximum of 9,298,490 Placing Shares in the Company.
- With the minimum amount of approximately EUR 6.0 million, the Placing Shares issued would correspond to at least approximately 2.7 % of all the shares and voting rights in the Company immediately prior to the Placing.
- Subject to the Company raising the minimum amount of approximately EUR 6.0 million, the Company will have sufficient funding for its working capital needs until Q1 2024.
- IPF has agreed to waive certain covenants under the terms of the facilities agreement until completion of the Placing, subject to the Company raising a minimum of EUR 3.0 million by 27 October 2023, amongst other conditions. Under the terms of the facilities arrangement with IPF, the Company is required to maintain a minimum cash balance of EUR 6.0 million while maintaining three months cash runway.
- The Placing Shares will be offered by way of an accelerated book building process to institutional investors outside of the U.S. in accordance with Regulation S of the U.S Securities Act and in a private placement in the U.S. to a limited number of qualified institutional buyers, or QIBS, pursuant to an exemption from registration under the U.S. Securities Act.
- The Company has entered into a lock-up undertaking for a period of 90 days with customary and certain other exemptions, including the possibility to issue further shares provided that Carnegie is provided reasonable notice and consultation, any such further issue is at least at the prevailing market price taking into account customary and market standard discount and other terms, is made to qualifying long-only investors and is within the existing authorities granted at the Company's Annual General Meeting held on 24 March 2023 (taking into account the authorities used in connection with the contemplated Placing). The Company's existing authorities, without factoring in the authorities used in connection with the proposed Placing, equate to the conveyance of up to 9,298,490 shares in total.
- Carnegie acts as sole bookrunner and lead manager.

The proposed Placing is being carried out within the authorisation granted to the Board by shareholders at the Company's Annual General Meeting held on 24 March 2023 to issue up to a total of 12,500,000 new ordinary shares in the Company as well as to convey up to the same maximum number (12,500,000) of treasury shares in the possession of the Company, in a directed share issue and in deviation from the shareholders' pre-emptive rights. A total of 2,601,510 new ordinary shares have been issued and conveyed by the Company and up to 600,000 new shares are reserved for share issuances based on the exercise of warrants pursuant to the funding arrangement entered into by Faron with IPF Partners, as disclosed on 28 February 2022. Therefore, pursuant to the outstanding authority, the Company may issue and further convey up to a maximum of 9,298,490 ordinary shares, which represents approximately 14.0 per cent of all the issued shares and votes in the Company immediately prior to the Placing.

The Placing, arranged by Carnegie, will be conducted in a private placement by way of the Bookbuild, which is an accelerated book-building process in which selected investors may submit bids for the Placing Shares. The Issue Price is to be determined on the basis of the bids received in the Bookbuild. The Bookbuild is expected to commence immediately following this announcement and is expected to end by 9:00 a.m. EEST on 27 October 2023 at the latest. The Bookbuild may be discontinued at any time during the book-building process. Following the close of the Bookbuild, the Board will make the decision to issue the relevant number of new Placing Shares to the Company itself and subsequently convey the Placing Shares to the investors in the Placing, including deciding upon, as applicable, the acceptance of the received bids, the number of Placing Shares to be conveyed and the Issue Price. As soon as practicable after the close of the Bookbuild, receipt of binding commitments from investors and the Board having resolved on carrying out the Placing, an announcement will be made on the final outcome of the Bookbuild and, as applicable, the number of the Placing Shares to be issued to the Company itself and then conveyed to investors, the Issue Price as well as the expected registration date of the Placing Shares.

In connection with the proposed Placing, the Company has entered into a placing agreement with Carnegie (the "**Placing Agreement**"). Pursuant to the terms of the Placing Agreement, the sole bookrunner has agreed to use its reasonable endeavours to procure the subscription of Placing Shares.

The Placing Agreement contains customary warranties and an indemnity from the Company in favour of the sole bookrunner. The Placing Agreement also contains provisions which enable the sole bookrunner to terminate the Placing Agreement in certain circumstances before the completion of the Bookbuild, the Board's resolution on carrying out the Placing and the settlement of the Placing Shares to investors, including where there has been a material breach of any of the warranties contained in the Placing Agreement or where there is a material adverse change, e.g., in the business or financial affairs of the Company. The Company has agreed to pay the sole bookrunner certain commissions and fees in connection with the Placing. Pursuant to the terms of the Placing Agreement, the sole bookrunner shall collect payment of the gross Issue Price from the investors in respect of the Placing Shares allocated in the Placing, paying such amounts to the Company on behalf of the investors and organizing the delivery of the Placing Shares to the investors against payment of the Issue Price in full (DVP).

The Placing is conditional upon, *inter alia*:

- the Placing Agreement having become unconditional in all respects;
- the Board resolving to carry out the Placing at the Issue Price and the Company and sole bookrunner entering into a separate pricing agreement confirming the Issue Price and the number of the Placing Shares; and
- the Placing Shares being issued and being registered with the Finnish Trade Register.

In connection with the Placing, Faron has entered into a lock-up undertaking for a period of 90 days with customary and certain other exemptions, including the possibility to issue further shares provided that Carnegie is provided reasonable notice and consultation, any such further issue is at least at the prevailing market price taking into account customary and market standard discount and other terms, is made to qualifying long-only investors and is within the existing authorities granted at the Company's Annual General Meeting held on 24 March 2023 (taking into account the authorities used in connection with the contemplated Placing). The Company's existing authorities, without factoring in the authorities used in connection with the proposed Placing, equate to the conveyance of up to 9,298,490 shares in total.

Subject to all conditions being met, the Placing Shares are expected to be entered in the Finnish Trade Register approximately on 27 October 2023.

## **ISSUE OF THE PLACING SHARES AND ADMISSION TO TRADING**

The Placing Shares are expected to be issued in one tranche to the Company itself as treasury shares and subsequently conveyed to the investors, and applications will be made for the admission of the Placing Shares to trading on First North and AIM with said admissions expected to become effective and trading to commence on or around 30 October 2023 (the "**Admissions**"). The dates above may be subject to change.

A further announcement will be made to confirm the outcome of the Placing (subject to, *inter alia*, satisfaction of the above conditions) and to confirm the expected timing of issue of the Placing Shares to the Company itself and subsequent issuance to investors, and the Admissions.

Upon registration with the Finnish Trade Register and further conveyance of the Placing Shares to investors (DVP), the Placing Shares will rank *pari passu* in all respects with the existing shares of the Company.

**For more information please contact:**

**Investor Contact, US**

**LifeSci Advisors**

Daniel Ferry  
Managing Director  
[daniel@lifesciadvisors.com](mailto:daniel@lifesciadvisors.com)  
+1 (617) 430-7576

**Investor Contact, EUR****Faron Pharmaceuticals**

Yrjö E K Wichmann  
SVP, Investor Relations  
[yrjo.wichmann@faron.com](mailto:yrjo.wichmann@faron.com)  
[investor.relations@faron.com](mailto:investor.relations@faron.com)  
Phone: +358 (0) 40 5868 979

**Cairn Financial Advisers LLP, Nomad**

Sandy Jamieson, Jo Turner  
Phone: +44 (0) 207 213 0880

**Sisu Partners Oy, Certified Adviser on Nasdaq First North**

Juha Karttunen  
Phone: +358 (0)40 555 4727  
Jukka Järvelä  
Phone: +358 (0)50 553 8990

**ICR Consilium**

Mary-Jane Elliott, David Daley, Lindsey Neville  
[faron@consilium-comms.com](mailto:faron@consilium-comms.com)  
Phone: +44 (0)20 3709 5700

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO SUBSCRIBE FOR, OTHERWISE ACQUIRE OR DISPOSE OF ANY SECURITIES IN FARON PHARMACEUTICALS OY ("FARON") PURSUANT TO THE PROPOSED TRANSACTION REFERRED TO IN THIS ANNOUNCEMENT. THIS ANNOUNCEMENT IS THEREFORE DIRECTED ONLY AT, IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, PERSONS WHO ARE "QUALIFIED INVESTORS" AS DEFINED IN ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (WHICH MEANS REGULATION (EU) 2017/1129) (THE "PROSPECTUS REGULATION"). THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE OR CONTAIN ANY INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE TO ANY PERSON TO SUBSCRIBE FOR, OTHERWISE ACQUIRE OR DISPOSE OF ANY SECURITIES IN FARON OR ANY OTHER ENTITY IN ANY JURISDICTION IN WHICH ANY SUCH OFFER WOULD BE UNLAWFUL.**

**IN ADDITION, IN THE UNITED KINGDOM, THIS ANNOUNCEMENT IS ONLY DIRECTED AT PERSONS IN THE UNITED KINGDOM THAT ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 WHO ARE ALSO (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (II) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (E) OF THE ORDER (EACH SUCH PERSON, TOGETHER WITH QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS REGULATION, BEING REFERRED TO AS A "RELEVANT PERSON").**

**ACCORDINGLY, THIS ANNOUNCEMENT AND ITS CONTENTS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH**

RELEVANT PERSONS. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE PROPOSED TRANSACTION REFERRED TO IN THIS ANNOUNCEMENT WOULD BE MADE PURSUANT TO A PRIVATE PLACEMENT EXEMPTION UNDER THE PROSPECTUS REGULATION FROM THE REQUIREMENTS TO PRODUCE A PROSPECTUS UNDER THE PROSPECTUS REGULATION FOR OFFERS OF SECURITIES. FARON HAS NOT TAKEN ANY ACTION, NOR WILL IT TAKE ANY ACTION, TO OFFER ANY OF THE PLACING SHARES THAT ARE TO BE SUBSCRIBED FOR PURSUANT TO THE TRANSACTION REFERRED TO IN THIS ANNOUNCEMENT OR ANY DOCUMENTS RELATING TO THE PLACING TO THE PUBLIC IN FINLAND, SWEDEN, NORWAY OR DENMARK, OR IN ANY OTHER JURISDICTION IN ANY FORM WHICH WOULD CONSTITUTE AN OFFER TO THE PUBLIC.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE IS NO INTENTION TO REGISTER THE PLACING SHARES IN THE UNITED STATES OR TO MAKE A PUBLIC OFFERING IN THE UNITED STATES. ANY SALE OF THE PLACING SHARES IN THE UNITED STATES WILL BE MADE SOLELY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

#### **About *Bexmarilimab***

*Bexmarilimab* is Faron's wholly owned, investigational immunotherapy designed to overcome resistance to existing treatments and optimize clinical outcomes, by targeting myeloid cell function and igniting the immune system. *Bexmarilimab* binds to Clever-1, an immunosuppressive receptor found on macrophages leading to tumor growth and metastases (i.e. helps cancer evade the immune system). By targeting the Clever-1 receptor on macrophages, *bexmarilimab* alters the tumor microenvironment, reprogramming macrophages from an immunosuppressive (M2) state to an immunostimulatory (M1) one, upregulating interferon production and priming the immune system to attack tumors and sensitizing cancer cells to standard of care.

#### **About Faron Pharmaceuticals Ltd.**

Faron (AIM: FARN, First North: FARON) is a global, clinical-stage biopharmaceutical company, focused on tackling cancers via novel immunotherapies. Its mission is to bring the promise of immunotherapy to a broader population by uncovering novel ways to control and harness the power of the immune system. The Company's lead asset is *bexmarilimab*, a novel anti-Clever-1 humanized antibody, with the potential to remove immunosuppression of cancers through targeting myeloid cell function. *Bexmarilimab* is being investigated in Phase I/II clinical trials as a potential therapy for patients with hematological cancers in combination with other standard treatments. Further information is available at [www.faron.com](http://www.faron.com).

### **IMPORTANT INFORMATION**

#### **Market Abuse Regulation**

Market soundings, as defined in Regulation (EU) No 596/2014 ("**MAR**") and (ii) MAR as it applies to domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MAR**"), were taken in respect of the proposed Placing with the result that certain persons became aware of inside information, as permitted by MAR and UK MAR. That inside information in relation to the Placing is set out in this announcement and has been disclosed as soon as possible in accordance with article 17 of MAR and UK MAR. Therefore, those persons that received inside

information in such market sounding are no longer in possession of inside information relating to the Company and its securities.

This announcement contains inside information for the purposes of Article 7 of MAR and Article 7 of UK MAR.

#### **EEA product governance**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

#### **UK product governance**

Solely for the purposes of the product governance requirements contained within of Chapter 3 of the FCA Handbook Production Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Placing Shares may decline and investors could lose all or part of their investment; (b) the Placing Shares offer no guaranteed income and no capital protection; and (c) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

#### **Caution regarding forward-looking statements**

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "expect", "envisage", "estimate", "intend", "may", "plan", "potentially", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results and expectations discussed in the forward-looking statements, many of which are beyond the control of the Company. In addition, other factors which could cause actual results to differ materially include the ability of the Company to successfully licence its programmes, risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets or other sources of funding, reliance on key personnel, uninsured and underinsured losses and other factors. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Subject to any continuing obligations under applicable law or any relevant AIM Rule requirements, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.