RNS Number : 8099M
N4 Pharma PLC
13 May 2020

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

13 May 2020

N4 Pharma Plc
("**N4 Pharma**" or the "**Company**")

Placing to raise £2 million and appointment of Joint Broker

N4 Pharma Plc (AIM: N4P), the specialist pharmaceutical company developing Nuvec®, a novel delivery system for cancer treatments and vaccines, is pleased to announce that it has raised £2,029,250 (£1,907,495 net of expenses) through an oversubscribed placing of 50,731,250 new ordinary shares of 0.4p each in the Company (the "**Placing Shares**") at an issue price of £0.04 per Placing Share (the "**Placing**").

Following the successful Placing, the Company will appoint Turner Pope Investments (TPI) Limited ("TPI") as Joint Broker with effect from admission of the Placing Shares to trading on AIM, as detailed below.

Highlights

- Oversubscribed placing to raise £2.029m utilising the Company's existing share authorities
- The Placing Shares will represent approximately 33.33 per cent. of the enlarged issued share capital of the Company
- The net proceeds of the Placing will be applied to:
    - expand the proof of concept research on the Covid-19 DNA plasmid project, as announced on 25 March 2020;
    - increased manufacture of the Nuvec® nanoparticle for further collaboration with partners;
    - further studies on the use of Nuvec® to support the recently filed patent on use of Nuvec® for viral vector manufacture; and
    - fund the continued growth of the Company, including for working capital purposes.

- Mixture of new and existing institutional and other investors took part in the Placing.

Nigel Theobald, Chief Executive of N4 Pharma, commented: *"We are delighted with the support for the Company through the Placing in challenging market conditions. We continue to demonstrate the potential Nuvec® has as a delivery system for nucleic acids. The current focus on COVID-19 highlights how important delivery systems are for developing successful vaccines. The funds raised will allow us to accelerate work to aid our commercial discussions to license Nuvec®."*

Background to and reasons for the Placing

As announced on 25 March 2020, N4 Pharma has secured access to the plasmid DNA which encodes for the spike protein of COVID-19, which is being used by major pharmaceutical companies that are focused on developing a vaccine for the new coronavirus.

The Company has commenced a proof of concept research project using a COVID-19 DNA plasmid, provided by National Institute for Health ("NIH") in the USA, for the purpose of demonstrating the potential ability of Nuvec® to be used as a delivery system by potential collaboration partners developing COVID-19 DNA or RNA vaccines. The proof of concept work will show whether Nuvec® is capable of loading the COVID-19 plasmid and transfecting cells with the plasmid *in vitro.* Assuming successful *in vitro* transfection, the Company will then undertake a non-clinical proof of concept *in vivo* study to demonstrate the improved transfection when using Nuvec®, compared to not using the delivery system, by measuring the production of the antigenic protein and antibodies generated against the encoded COVID-19 protein.

The Company has appointed an experienced contract research organisation, Evotec, that it has worked with previously, to undertake the program of studies outlined above. It is important to note that N4 Pharma is not itself attempting to develop a vaccine for coronavirus, it is purely seeking to demonstrate whether Nuvec® could work as a delivery system for a DNA or RNA vaccine when it is developed.

On 24 April 2020, the Company announced the filing of a new patent which focussed on how Nuvec® can be used to make viral vectors more efficient. With the prospect of a COVID-19 vaccine nearing, the industry is rapidly shifting its focus to manufacturing capacity and ensuring the vaccine can be produced at scale, fast and safely.

Many companies developing COVID-19 vaccines are using viral vectors such as lentivirus to ensure effective delivery of the vaccine. Production of the lentivirus can be a cumbersome and challenging process and any improvement to that process could result in more vaccines being available faster. In recent research conducted by the Company, N4 Pharma's silica nanoparticle system Nuvec® has been shown to offer an improvement over the current process by being able to bind all three plasmids normally used to produce the virus. This enhances productivity while using less plasmid, as any cell being transfected with Nuvec® will take up all three plasmids necessary for viral production. Preliminary data has shown that as little as 5 micrograms ("ug") total plasmid can yield high lentivirus titres (a titre is a measure of how much a sample can be diluted before antibodies or antigens can no longer be detected).

The Directors have decided to undertake the Placing at this time in order to provide the Company with the resources to enhance the proof of concept work for COVID-19, investigate further how Nuvec® might increase the efficient production of viruses and viral vectors, accelerate GMP readiness of clinical trial quantity supply of Nuvec® and continue to progress its existing research pipeline.

Use of proceeds

In addition to general working capital purposes, the net funds raised from the Placing will be used to fund the following specific areas:

i. Proof of concept research on the COVID-19 plasmid DNA project

The funds will be used to accelerate this proof of concept project and will include the following key activities:

- Establish and validate detection assays for the COVID-19 protein.
- Conduct cell-based assays to confirm whether Nuvec® can bind the plasmid, transport it into cells and effect efficient production of the COVID-19 protein.
- Undertake *in vivo* experiments once cell-based results are available. Positive *in vivo* results would indicate that Nuvec® has the potential to provide an effective platform for the development of a human COVID-19 vaccine.
- Investigate GMP formulation and manufacture of a vaccine containing Nuvec® loaded with the COVID-19 DNA plasmid.

ii. Manufacturing of the Nuvec® nanoparticle.

Small-scale manufacturing of Nuvec® has been successfully and repeatedly established in a development laboratory. To supply immediate needs and prepare for collaborations with partners the proceeds of the Placing will also be used for the following activities:

- Technology transfer to a commercial manufacturer to provide multi-gram scale quantities of Nuvec®.
- Further optimisation of the chemical processes involved in manufacture to facilitate scale production of Nuvec®.
- Develop pharmaceutical quality processes and clinical GMP readiness to support fast use of Nuvec® by a partner in developing a human vaccine.

iii. Use of Nuvec® in viral vector manufacture.

Preliminary data has shown that as little as 5ug of a triple plasmid can yield high lentivirus titres when combined with Nuvec®. The proceeds of the Placing will also be used for the following activities:

- Further optimisation of the titres achievable when using Nuvec® loaded with triple plasmids for lentivirus manufacture.
- Comparative analysis of how Nuvec® compares to existing reagents using low levels of initial plasmid.

Details of the Placing and Total Voting Rights

A total of 50,731,250 Placing Shares are to be issued pursuant to the Placing at a price of 4 pence per Ordinary Share. The Placing has been conducted utilising the Company's existing share authorities. The Placing is conditional, *inter alia*, on admission of the Placing Shares to trading on AIM ("**Admission**") becoming effective.

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares on AIM will commence on or around 20 May 2020.

On Admission, the Company's issued ordinary share capital will consist of 152,193,787 ordinary shares of 0.4p each ("**Ordinary Shares**"), with one vote per Ordinary Share. The Company does not hold any Ordinary Shares in treasury. Therefore, on Admission, the total number of Ordinary Shares and voting rights in the Company will be 152,193,787. With effect from Admission, 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 Guidance and Transparency Rules.

Issue of Broker Warrants

As part of the remuneration for the Placing the Company has agreed to issue 2,536,562 warrants to TPI. The warrants are exercisable at the Placing price up until the second anniversary from the date of Admission. As the Company has exhausted its authorities to issue any further new Ordinary Shares the issue of the warrants will be subject to the Company increasing its authorised share capital which it has undertaken to do within the next three months.

Information to Distributors

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 "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the 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 retail investors and investors who meet the criteria of professional clients and 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, investors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; Placing Shares offer no guaranteed income and no capital protection; and an investment in 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. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Placing Shares.

Enquiries:

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About N4 Pharma

N4 Pharma is a specialist pharmaceutical company developing a novel delivery system for cancer and vaccine treatments using its unique silica nanoparticle delivery system called Nuvec®.

N4 Pharma's business model is to partner with companies developing novel antigens for cancer and vaccine treatments to use Nuvec® as the delivery vehicle to get their antigen into cells to express the protein needed for the required immunity. As these products progress through preclinical and clinical programs, N4 Pharma will seek to receive upfront payments, milestone payments and ultimately royalty payments once products reach the market.

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