ACACIA PHARMA COMMENCES MANAGEMENT ROADSHOW AND SETS PRICE RANGE FOR ITS INITIAL GLOBAL OFFERING AND PROPOSED LISTING ON EURONEXT BRUSSELS

Cambridge, UK and Indianapolis, USA – 19 February 2018: Acacia Pharma Group plc (“Acacia Pharma”, the “Company” or the “Group”) today announces the commencement of the management roadshow and setting of the price range for its Initial Global Offering (the “Global Offer”) and listing on Euronext Brussels.

Highlights of the Global Offer

- The price range of the Global Offer has been set at between EUR 3.60 and EUR 4.60 per Share (the “Price Range”) implying a pre-money valuation of approximately EUR 150 million to EUR 180 million.
- The Global Offer comprises a base deal of EUR 40 million and will include an over-allotment option of up to 15% of the base deal size (the “Over-Allotment Option”).
- The Global Offer will be conducted as a private placement (i) to institutional investors outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”) and (ii) in the United States only to “qualified institutional buyers” or “QIBs” (as defined in Rule 144A under the Securities Act) in reliance on an exemption for the registration requirements of the Securities Act.
- Application has been made for the admission to trading of all ordinary shares of Acacia Pharma (the “Shares”) on the regulated market of Euronext Brussels (“Admission”), becoming effective following the formal approval of the Prospectus by the UKLA and passporting of the Prospectus to the Belgian Financial Services and Markets Authority.
- The management roadshow commences today (19 February 2018) and is expected to end on 1 March 2018 at 16:00hrs CET, subject to acceleration or extension of the timetable for the Global Offer.
- The final price per Share (the “Offer Price”) will be determined through a book-building process and is expected to be announced, together with the aggregate number of Shares sold in the Global Offer, on 2 March 2018.
- First trading of the Shares is expected to commence, on an “if-and-when-issued-or delivered” basis, on 5 March 2018. Admission and delivery of Shares (“Settlement”) in book entry form is expected to take place on 6 March 2018.
- Depending on demand, the aggregate number of Shares sold in the Global Offer may be increased. Any decision to increase the size of the Global Offer will be announced simultaneously with the announcement of the Offer Price.
- Certain existing shareholders of the Company including Lundbeckfonden Invest A/S (“Lundbeckfonden”), Novo Holdings A/S (“Novo”), F-Prime Capital Partners Healthcare Fund III LP
("F-Prime") and funds advised by Gilde Healthcare Partners B.V. ("Gilde") have irrevocably committed to subscribe for Shares at the offer price in the Global Offer. The aggregate commitments of such shareholders amount to approximately EUR 4 million.

Dr Julian Gilbert, CEO and Founder of Acacia Pharma, commented: “Acacia Pharma is at a pivotal moment having advanced two product opportunities that address important unmet needs into late stages of development. BAREMSIS®, which is under regulatory review in the US has successfully completed four Phase 3 trials, and APD403, which has completed two positive Phase 2 studies, have the potential to improve the lives of millions of patients undergoing surgery or cancer therapy, respectively. The funds from this Global Offer will support our commercialisation plans for BAREMSIS through establishing a direct hospital salesforce in the US and enable us to begin to advance the development of APD403 in CINV. We believe this will support our ambition to build a successful hospital-focused pharmaceutical business and create value for shareholders.”

Expected Timetable of Principle Events

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<tr>
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<tr>
<td>Announcement of Offer Price</td>
<td>2 March 2018</td>
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<td>Publication of the Prospectus</td>
<td>2 March 2018</td>
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<td>Commencement of conditional dealings in the Shares</td>
<td>5 March 2018</td>
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<td>Admission and commencement of unconditional dealings in the Shares on Euronext Brussels and Settlement</td>
<td>6 March 2018</td>
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Lock-up Arrangements

- The Company is expected to agree that, for a 180-day period from Admission, it will not issue or dispose of any interest in the Shares (except pursuant to customary exceptions).
- The Directors and the Senior Managers are expected to agree that, for a 365-day period from Admission, they will not sell or dispose of any interest in the Shares (except pursuant to customary exceptions).
- Certain of the Company’s shareholders are expected to agree that, for a 180-day period from Admission, they will not sell or dispose of any interest in existing Ordinary Shares (except pursuant to customary exceptions).

Bank Degroof Petercam NV/SA and RBC Europe Limited are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Global Offer. Bank Degroof Petercam NV/SA will also be acting as Stabilisation Manager on behalf of the Joint Global Coordinators.

Use of Proceeds

The proceeds of the Global Offer are expected to allow the Group to build the sales and marketing infrastructure and undertake marketing, supply chain and other preparatory activities ready to launch BAREMSIS to the hospital market in early 2019, assuming approval of the NDA in late 2018.

Additionally, the proceeds will be applied to continue the development of APD403 for CINV, strengthen the corporate infrastructure and for other corporate purposes.
Group Highlights

- Acacia Pharma has identified important and commercially attractive unmet needs in nausea & vomiting and has discovered two product candidates based on the same active ingredient, amisulpride, to meet those needs.
- Acacia Pharma’s lead product candidate, BAREMSIS, has been developed for the management (treatment and prevention) of post-operative nausea & vomiting (“PONV”). A New Drug Application (“NDA”) for these indications has been filed and accepted for review by the US Food & Drug Administration (“FDA”) following completion of four positive pivotal Phase 3 trials. Under the Prescription Drug User Fee Act (“PDUFA”), the FDA has set a target date of 5 October 2018 to complete its review.
- The Group’s second candidate, APD403, has successfully completed one proof-of-concept and one Phase 2 dose-ranging study for the management of chemotherapy induced nausea & vomiting (“CINV”).
- Acacia Pharma has built strong protection for amisulpride for the management of PONV and CINV underpinned in the US by patent listing in the Orange Book and market exclusivity, which will become available following FDA approval. The initial terms of granted US patents run until 2031 with the potential for further extensions.
- Acacia Pharma has retained all rights to commercialise BAREMSIS and APD403 in all territories and plans to commercialise them directly in the US through its own hospital sales force and establish licensing and/or distribution agreements with selected pharmaceutical partners outside the US.
- Acacia Pharma’s management team has extensive experience in the discovery, development and commercialisation of hospital pharmaceutical products and in drug repurposing. The team has strong links with key opinion leaders (“KOLs”) who have input into the Group’s development programmes.
- The Group has been and remains supported by a strong syndicate of specialist healthcare investors: since its founding in 2007, the Group has raised approximately £42.5 million of shareholder equity and debt capital, primarily from Lundbeckfonden, Novo, F-Prime and Gilde.

Strategy

Acacia Pharma aims to become a leading hospital-focused pharmaceutical group, providing products for hospital-based anaesthetists and their surgical teams and hospital- and clinic-based oncologists, initially through the development and US commercialisation of its nausea & vomiting product opportunities. The key elements of this strategy are as follows.

- Complete the registration of BAREMSIS for the management of PONV;
- Directly commercialise BAREMSIS in the US through its own sales and marketing infrastructure;
- Establish strategic partnerships for the commercialisation of its products with companies outside the US that have expertise, sales and marketing infrastructure, initially focusing on the major pharmaceutical markets, e.g. Europe; and
- Leverage the Group’s future US commercial infrastructure to sell APD403 for CINV to oncologists and consider in-licensing or acquiring complementary products or product candidates.

Prospectus

A final form prospectus in English (the “Prospectus”), approved by the Financial Conduct Authority (“FCA”), Acacia Pharma’s home competent authority, is expected to be published in due course. The Prospectus will be made available to prospective investors free of charge, at the registered office of the Company at
Harston Mill, Harston, Cambridge CB22 7GG, United Kingdom. A copy of the Prospectus will also be available at the Group’s website at www.acaciapharma.com.

Board and Corporate Governance

On Admission, the Board is expected to comprise eight members, being the chairman, two executive directors and five non-executive directors.

Dr Patrick Vink (Chairman)
Dr Julian Gilbert (Chief Executive Officer)
Christine Soden (Chief Financial Officer)
Pieter van der Meer (Non-Executive Director)
Professor Johan Kördel (Non-Executive Director)
Scott Byrd (Non-Executive Director)
Dr John Brown (Non-Executive Director)
Ed Borkowski (Non-Executive Director)

Current directors Dr Alexander Pasteur and Dr Martin Edwards will resign as directors immediately prior to Admission. Pieter van der Meer and Professor Johan Kördel have indicated that they will step down from the Board at the 2019 Annual General Meeting. Dr John Brown and Ed Borkowski have been appointed directors subject to Admission. Dr John Brown will take the role of Senior Independent Director.

Dr John Brown (Non-Executive Director)

John has extensive experience in the life sciences sector. He is Chairman of Synpromics Ltd, BioCity Group and the Cell and Gene Therapy Catapult. Previously he was Chairman of Kyowa Kirin International plc, BTG plc, Axis-Shield plc, Touch Bionics Ltd and CXR Biosciences Ltd and a Non-Executive Director of Quantum Pharma plc. In the public sector, he is Chairman of the Roslin Foundation, a Fellow, Trustee and Treasurer of the Royal Society of Edinburgh, a Member of MRC Council and an Honorary Professor of the University of Edinburgh. He was made CBE in 2011.

Ed Borkowski (Non-Executive Director)

Ed is a Certified Public Accountant with significant experience in senior roles in a number of healthcare companies. He has served as the Chief Financial Officer of Concordia International, Amerigen Pharmaceuticals, Convatec Healthcare, CareFusion Corporation and Mylan and in a variety of finance positions at Pharmacia, American Home Products, Cyanamid and at Arthur Andersen. He is currently Chairman of AsurRx BioPharma, Inc. and a Non-Executive Director of Codiagnostics, Inc. and Wherevertv Broadcasting Corp, Inc. Ed holds a Bachelor of Science in Economics and Political Science from Allegheny College and a Master in Business Administration in Finance and Accounting from Rutgers University.

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About Acacia Pharma

Acacia Pharma is a hospital pharmaceutical group focused on the development and commercialisation of new nausea & vomiting treatments for surgical and cancer patients. The Group has identified important and commercially attractive unmet needs in nausea & vomiting and has discovered two product candidates based on the same active ingredient, amisulpride, to meet those needs.

The Group’s lead project, BAREMSIS for post-operative nausea & vomiting (PONV), has generated positive results in Phase 3 clinical studies and an NDA has been accepted for filing by the US FDA for marketing approval. Its sister project, APD403 for chemotherapy induced nausea & vomiting (CINV) has successfully completed one proof-of-concept and one Phase 2 dose-ranging study in patients receiving highly emetogenic chemotherapy.

Acacia Pharma is led by an experienced management team. Management, Gilde Healthcare, Lundbeckfonden Ventures, Novo Holdings A/S and F-Prime Capital are the Company’s primary shareholders. Acacia Pharma is based in Cambridge, UK and its US operations are centred in Indianapolis, IN. www.acaciapharma.com

Important Notice

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 as amended (“FSMA”) by RBC Europe Limited of Riverbank House, 2 Swan Lane, London EC4R 3BF.

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In member states of the European Economic Area (each, a “Relevant Member State), this announcement
and any offer if made subsequently is addressed and directed only at persons who are “qualified investors”
within the meaning of the Prospectus Directive (“Qualified Investors”). For these purposes, the expression
“Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD
Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant
implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive”
means Directive 2010/73/EU. In the United Kingdom this announcement is directed exclusively at Qualified
Investors (i) who have professional experience in matters relating to investments falling within Article 19(5)
of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the
“Order”) or (ii) who fall with Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully
be communicated, and any investment activity to which it relates will only be engaged in with such persons
and it should not be relied on by anyone other than such persons.

This announcement is an advertisement and not a prospectus and investors should not purchase or
subscribe for any shares referred to in this announcement except on the basis of information in the
prospectus to be published by the Group in due course in connection with the admission to trading of the
shares in the capital of the Group to the regulated market of Euronext Brussels (the “Prospectus”). Copies
of the Prospectus will, following publication, be available from the Group’s registered office at Harston Mill,
Harston, Cambridge CB22 7GG, United Kingdom and on the Group’s website at www.acaciapharma.com.

Any purchase of shares in the proposed Global Offer should be made solely on the basis of the information
contained in the final prospectus to be issued by the Company in connection with the Global Offer. Before
investing in the shares, persons viewing this announcement should ensure that they fully understand and
accept the risks which will be set out in the Prospectus when published. The information in this
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any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract
therefor. The information in this announcement is subject to change. Information in this announcement or
any of the documents relating to the Global Offer cannot be relied upon as a guide to future performance.
The price and value of securities may go up as well as down. Persons needing advice should contact a
professional adviser.

This announcement includes forward-looking statements, which are based on current expectations and
projections about future events. These statements may include, without limitation, any statements preceded
by, followed by or including words such as “target”, “believe”, “expect”, “aim”, “intend”, “may”, “anticipate”,
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from actual results. These forward-looking statements are subject to risks, uncertainties and assumptions
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of its business, trends in its operating industry, and future capital expenditures and acquisitions. By their
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events and are subject to risks relating to future events and other risks, uncertainties and assumptions
relating to the Group’s business, results of operations, financial position, prospects, growth or strategies
and the industry in which it operates. Save as required by law or applicable regulation, each of the Company
and the Banks and their respective affiliates expressly disclaims any obligation or undertaking to update,
review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise. Forward-looking statements speak only as of the date they are made.

The timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company’s intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Global Offer. The value of the Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Global Offer for the person concerned.

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