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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

28 May 2019

Diurnal Group plc
("Diurnal" or the "Company")

Placing, Open Offer and Notice of General Meeting

Diurnal Group plc (AIM: DNL), the specialty pharmaceutical company targeting patient needs in chronic endocrine (hormonal) diseases, today announces a conditional placing (the "Placing") of new ordinary shares in the Company and launch of an Open Offer, in order to raise funds to progress the development and commercialisation of the Company's products.

Highlights

- Diurnal has conditionally raised approximately £5.35 million before expenses by the placing of 20,576,924 Placing Shares at a price of 26 pence per Placing Share.
- The Company is also making an Open Offer, for up to 3,857,617 million new Ordinary Shares, to raise up to approximately £1.00 million, on the basis of 1 Open Offer Share for every 16 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date. The Open Offer will provide Qualifying Shareholders with the opportunity to subscribe for new Ordinary Shares from the date of this announcement to 13 June 2019.
- The net proceeds of the Placing and Open Offer will be used to progress the development and commercialisation of Diurnal's products, including, inter alia:
    - Filing a Market Authorisation Application (MAA) for Chronocort® in Europe by end 2019;
    - Filing a New Drug Application (NDA) for Alkindi® in the US by end 2019;

- Continuing the development of the European commercial organisation and roll-out of Alkindi® in Europe to maximise revenues; and

- Progressing licensing discussions for Alkindi® and Chronocort® in the US and the rest of the world.

- The Placing Price represents a discount of approximately 16.1 per cent. to the mid-market closing price of the Company's Ordinary Shares on 24 May 2019, being the last practicable date prior to the date of this announcement.

The Placing and Open Offer are conditional upon, amongst other things, the passing of the Resolutions to be considered by Shareholders at the General Meeting to be held at 11.00 a.m. on 14 June 2019 at the offices of Eversheds Sutherland (International) LLP at 1 Wood Street, London EC2V 7WS. For the avoidance of doubt, the Placing is not conditional on the Open Offer.

The Company intends to publish the Circular setting out details of the Placing, the terms and conditions of the Open Offer and the Notice of General Meeting together with application forms for the Open Offer later today. The Circular will be available at this time on the Company's website at www.diurnal.co.uk.

The expected timetable of the principal events is set out in Appendix II.

Martin Whitaker, PhD, Chief Executive Officer of Diurnal, commented:
"Diurnal has continued to make strong progress across its business, including the successful launch of Alkindi® in Europe and confirmation of the regulatory paths for Chronocort® in Europe and Alkindi® in the US, where regulatory submissions are planned for Q4 2019. The funds raised will allow us to progress our vision of becoming a world-leading specialty pharma company in endocrinology, in particular to support the commercial infrastructure for the further roll-out of Alkindi® in Europe, paving the way for the expected future launch of Chronocort®, and to secure partnerships for Alkindi® and Chronocort® outside of Europe."

This summary should be read in conjunction with the full text of the following announcement.

For further information, please visit www.diurnal.co.uk or contact:

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Notes to Editors

About Diurnal Group plc

Founded in 2004, Diurnal is a UK-based specialty pharma company developing high quality products for the global market for the life-long treatment of chronic endocrine conditions, including Congenital Adrenal Hyperplasia and Adrenal Insufficiency. Its expertise and innovative research activities focus on circadian-based endocrinology to yield novel product candidates in the rare and chronic endocrine disease arena.

For further information about Diurnal, please visit www.diurnal.co.uk

Date of Preparation: May 2019 Code: CORP-GB-0033

Placing of 20,576,924 Placing Shares at a price of 26 pence per Placing Share and an Open Offer at 26 pence per Open Offer Share for up to 3,857,617 Open Offer Shares

Introduction

The Company is pleased to announce a conditional Placing of 20,576,924 New Ordinary Shares at 26 pence each to raise £5.35 million before expenses by means of a placing of shares with the Placees. The Issue Price is at a discount of 16.1 per cent. to the closing middle market price of 31 pence per Existing Ordinary Share on 24 May 2019 (being the last practicable date before publication of the Circular).

In addition, in order to provide Shareholders who have not taken part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe, at the Issue Price, for an aggregate of up to 3,857,617 Open Offer Shares, to raise up to approximately £1.0 million, on the basis of 1 Open Offer Share for every 16 Existing Ordinary Shares, at 26 pence each payable in full on acceptance.

The Placing and Open Offer are conditional on, amongst other things, the passing of the Resolutions by Shareholders at the General Meeting. The Circular, containing amongst other things, the notice of the General Meeting, is expected to be published on or before 28 May 2019. If the Resolutions are passed, the New Ordinary Shares will be allotted and issued after the General Meeting. EIS/VCT Admission is expected to occur no later than 8.00 a.m. on 17 June 2019 and General Admission is expected to occur no later than 8.00 a.m. on 18 June 2019, (or such later time and/or date, in each case, as Panmure Gordon, Cantor Fitzgerald and the Company may agree, being, in the case of EIS/VCT Admission and General Admission, no later than 8.00 a.m. on 28 June 2019. Neither the Placing nor the Open Offer is underwritten.

The purpose of the Circular is to explain the background to and reasons for the Placing and Open Offer, the use of proceeds and the details of the Placing and Open Offer, to set out the reasons why the Board believes that the Placing and Open Offer are in the best interests of the Company and its Shareholders and to seek Shareholder approval to the Resolutions at the forthcoming General Meeting, which will be held at the offices of Eversheds Sutherland (International) LLP at 1 Wood Street, London EC2V 7WS at 11.00 a.m. on 14 June 2019

Description of Company

Diurnal is a UK-based speciality pharmaceutical group targeting patient needs in chronic endocrine (hormonal) diseases. The Group aims to develop and commercialise products to solve patient needs in endocrine diseases, primarily those that result from a deficiency of cortisol, typically where there is either no licensed medicine or where the Directors believe that current treatment does not sufficiently address patients' needs.

Cortisol is an essential hormone produced by the adrenal gland. Absence of cortisol can result in fatigue, depression and death through adrenal crisis. The production of cortisol in the human body follows a daily cycle (circadian rhythm), whereby production increases from a minimum level during sleep, peaks upon waking and gradually declines during the day. In adrenal disease, this moderates the impact that excess androgens have on the body throughout the day. If left unregulated for even certain periods during the day, excess androgens can affect patients' growth and sexual development, resulting in symptoms such as short stature, infertility, obesity and increased mortality.

The Directors believe the Group is on track to become a world-leading endocrinology speciality pharma group focused on c. $10 billion market opportunity initially targeting a $3 billion market in cortisol deficiency. The Group is building a life-long "Adrenal Franchise" through the Group's two flagship products, Alkindi® (hydrocortisone granules in capsules for opening) and Chronocort® (modified release capsules), to provide cortisol replacement therapy for patients from birth to old age by targeting two indications, Adrenal Insufficiency ("AI"), where patients lose the ability to produce cortisol leading to insufficient cortisol production, and Congenital Adrenal Hyperplasia ("CAH"), where patients are born without an enzyme that is essential for cortisol production.

Alkindi® is licensed throughout Europe and was successfully launched in Germany and the UK and is now generating revenues for the Group. Chronocort® is on track for submission of a European MAA by the end of 2019. The Group is seeking commercial partners in the US and the rest of the world to enter other global markets.

Product portfolio

The Directors believe that Diurnal's "Adrenal Franchise" is well-positioned within the context of the market and targets both CAH and AI indications in Europe and the US. The other comparable products in the market include generic hydrocortisone and Plenadren®, a modified-release hydrocortisone. These treatments, which are not specifically designed for children, do not provide circadian release and only achieve limited disease and symptom control. In contrast, Alkindi® and Chronocort® have been shown to provide effective disease control in young children and adults respectively.

The Company estimates that CAH and paediatric AI presents a combined market opportunity in the US and Europe of approximately $400 million with Chronocort®, for the treatment of adults, having a far larger market potential compared to Alkindi®. Further significant market opportunity exists for both Chronocort® and Alkindi® in other territories.

Alkindi® is designed for young children suffering from paediatric AI, and the related condition CAH. Alkindi® is licensed for sale in Europe, effective, has an established safety profile and is easy to administer. Given the specialist prescribing base, and to retain the maximum commercial value of the product, Diurnal is commercialising Alkindi® itself in larger European markets, focusing its marketing efforts initially on patients aged 0-6 years where the unmet need is highest. Diurnal will assess the most effective means of accessing smaller markets for Alkindi® and will either use in-house resource or engage distribution partners.

Diurnal launched Alkindi® in the UK in September 2018, its second launch following introduction in Germany in May 2018. Diurnal has continued to make positive progress in both territories, including pricing discussions, notably with a positive Scottish Medicines Consortium pricing and reimbursement decision in October 2018. Diurnal believes that the health economic arguments supporting Alkindi® are robust and support the proposed pricing in key markets. Alkindi® has continued to make strong progress, with continued sales growth in the UK and Germany in line with Company expectations.

In October 2018, Diurnal successfully completed an Alkindi® US reference drug bioequivalence study to support its planned New Drug Application (NDA) application in the US. In addition, the Company also completed the Alkindi® safety evaluation and tolerability extension study in Europe, which will provide valuable long-term exposure data in support of registration and market access in the US. Diurnal has discussed the proposed NDA package with FDA, who confirmed Diurnal's planned regulatory path for Alkindi® in the US. Reflecting this, Diurnal plans to submit an NDA for Alkindi® during Q4 2019, with potential for approval in late 2020. As highlighted in previous announcements, Diurnal intends to seek a licensing partner for its late-stage cortisol deficiency pipeline in the US and, following the recent FDA feedback, has now initiated partnering discussions for Alkindi® in the US.

Chronocort®, provides a drug release profile that the Directors believe better mimics the body's natural cortisol circadian rhythm, which current therapy is unable to replicate, and is designed to improve disease treatment for adults with CAH, as measured by androgen control.

The Company completed its European pivotal Phase 3 clinical trial of Chronocort® for the treatment of CAH in adults, with a total of 122 patients enrolled across 11 clinical sites, the largest interventional study conducted to date in this patient population. Patients completing treatment in this study had the option to enrol into a long-term safety extension study, assessing the impact of treatment with Chronocort® over an extended period, regardless of whether the patients were initially treated with Chronocort® or standard-of-care. A significant proportion of patients eligible to enter the follow-on study did so, and patient drop-out rates from this study have been very low to date.

In October 2018, Diurnal announced that, whilst Chronocort® had been able to demonstrate 24-hour control of androgens in its European Phase 3 trial in CAH, it did not meet the primary endpoint of superior control compared to conventional glucocorticoid therapy. Subsequently, Diurnal has performed a detailed analysis of all the study data, identifying significant differences between Chronocort® and the control arm of the trial based upon a number of important clinical parameters. Diurnal has also analysed interim data from the ongoing Chronocort® safety extension study; notably, a number of patients on the safety extension trial have now been treated for at least 36 months and show sustained benefit from extended Chronocort® treatment, consistent with feedback from the study investigators in this open-label trial. Based on these findings and a positive meeting with the EMA in March 2019, the Company received formal Scientific Advice from the EMA confirming the current clinical and regulatory path for Chronocort® as a treatment for patients with CAH. Consequently, in April 2019, the Company announced that it intends to submit a MAA for Chronocort® in Q4 2019 based upon the existing clinical data, (including additional data on significant benefit which will be required to support Orphan Drug Status in the treatment of CAH).

The Company intends to use its commercial organisation and supply chain developed for Alkindi® for the planned future launch of Chronocort® in Europe. In addition, the pricing work undertaken for Alkindi® has provided insights into the cortisol deficiency market that will be extremely valuable when developing health economic arguments for Chronocort®.

Following discussion with the FDA, Diurnal designed a Phase 3 registration package for Chronocort® in the US designed to recruit c.150 patients with CAH, randomised to either receive Chronocort® twice-daily or standard-of-care. Based upon the headline results from the European Phase 3 study, Diurnal paused this study whilst it reviewed the European data package and the Scientific Advice from the EMA, with a view to optimising the design of the US study based on this new information. Diurnal believes that the preparatory work undertaken prior to this pause, including identification of key clinical sites, will substantially accelerate the updated clinical trial once the protocol has been revised and, if necessary, agreed with the FDA.

Diurnal also developed a Phase 2 study design to assess the utility of Chronocort® in AI, which represents a sizeable commercial opportunity (potentially $0.9 billion in the US alone) and with a highly favourable competitive landscape in the US. Following the Chronocort® European Phase 3 study results, the AI study was paused in order to preserve cash whilst seeking Scientific Advice from the EMA. Diurnal believes that this study is ready to commence, either in-house or with the support of a US partner.

Diurnal also intends to explore the development of Chronocort® for adolescent CAH patients, providing the potential for life-long treatment, with patients commencing treatment with Alkindi® and transitioning to Chronocort®.

Diurnal's pipeline of product candidates for cortisol deficiency are protected by an extensive patent portfolio, benefitting from granted or pending patents in key jurisdictions, along with strong protection through orphan drug designations. During Q1, 2019, a second US patent was granted for Chronocort®, further strengthening the in-house patent portfolio. The FDA has granted Chronocort® orphan drug designation in the treatment of both CAH and AI and has granted Alkindi® orphan drug designation in the treatment of paediatric AI. In Europe, the PUMA for Alkindi® affords ten years of data and market exclusivity, whilst Chronocort® benefits from the orphan drug designations for CAH and AI. These orphan drug designations mean Alkindi® and Chronocort® have the potential to be granted market and data exclusivity on approval in the US and Europe.

Diurnal has continued to refine its strategy to optimise market access for its products. Outside of key European markets and the US, the Group aims to maximise revenues from Alkindi® and Chronocort® by entering into distribution agreements. The Group seeks to access territories where there is the potential for a price which reflects the innovation for its products and which can use the European or US regulatory dossiers as the basis for local regulatory submissions. This approach is exemplified by its agreements with Emerge Health for the marketing of Alkindi® and Chronocort® in Australia and New Zealand, and Medison for the marketing of Alkindi® and Chronocort® in Israel. Medison confirmed that the MAA for Alkindi® in Israel had been accepted for filing during Q1, 2019. In April 2019, Alkindi® was granted Orphan Drug Designation in Australia by the Therapeutic Goods Administration (TGA) for AI in infants, children and adolescents. Furthermore, a marketing and

distribution agreement with Anthrop Pharmaceuticals AB was announced in April 2019, which covers the commercialisation of Alkindi® in Sweden, Norway, Denmark, Finland and Iceland, providing an estimated total market opportunity for Alkindi® of approximately $3.3 million per annum.

Following the grant of the Group's first patents for Alkindi® and Chronocort® in Japan during 2018, Diurnal is continuing to assess its strategy for entry into this important market with a local partner. Japan is an attractive market for Diurnal's late-stage cortisol deficiency pipeline, with a well-developed pharmaceutical market, including orphan drug designation and a large population, with the market for CAH and AI estimated at $397 million.

Whilst Diurnal's current primary focus is on bringing its late-stage cortisol deficiency pipeline to the market in Europe and the US and to expand these products into new indications, the Group's long-term plan is to expand into other endocrine disease areas, such as those associated with the thyroid, gonads and pituitary. Diurnal's recent focus has been on applying for grants to assist the development of its early-stage pipeline whilst focusing resources on its late-stage pipeline. Feedback from these grant applications have been positive and highlight the significant unmet needs Diurnal is aiming to address.

Diurnal's early-stage pipeline products include a native oral testosterone for the treatment of male hypogonadism (a greater than $4.8 billion market opportunity), which has completed dosing in a Phase 1/2 clinical study in male patients with hypogonadism, its novel siRNA therapy for Cushing's disease, a condition characterised by an excess of cortisol (a c.$463 million market opportunity), and a modified-release T3 replacement therapy for patients with hypothyroidism who do not respond to current standard-of-care (a potential market of $1 billion in the US and Europe). In addition, Diurnal regularly assesses third party products for chronic endocrine disorders that fit within its strategic vision.

Current trading and prospects

Diurnal reported cash and cash equivalents and held-to-maturity financial assets (unaudited) as at 31 December 2018 of £6.9 million (31 December 2017: £14.0 million). The Company's loss after tax for the six-month period ended 31 December 2018 was £9.7 million (six months ended 31 December 2017: £7.7 million).

In addition to the planned MAA submission for Chronocort® by the end of 2019, Diurnal expects additional progress for Alkindi®, with further country launches scheduled during 2019 to accelerate growth of revenues, along with a planned NDA submission in the US during Q4 2019. Diurnal has received strong interest in Alkindi® and Chronocort® for the US and will continue to progress licensing discussions, including the potential for co-development of Chronocort® in the US, both in CAH and AI.

In addition to developing the Group's own specialist products and bringing them to market the Directors also believe there is potential for targeted mergers and acquisitions to accelerate and leverage the Group's increasing international profile.

Use of proceeds

The net proceeds of the Capital Raising will be used by the Company to continue to support the development of Alkindi® and Chronocort® in US and the rest of the world. In particular it is the Board's expectation that the net proceeds from the Capital Raise, in addition to existing cash resources and anticipated tax credits, will be used to fund:

- Filing a MAA for Chronocort® in Europe by end 2019;
- Filing an NDA for Alkindi® in the US by end 2019;
- Continuing the development of the European commercial organisation and roll-out of Alkindi® in Europe to maximise revenues; and

- Progressing licensing discussions for Alkindi® and Chronocort® in US and the rest of the world.

The Directors believe that delivering the milestones outlined above will enhance the value of the Company and that these milestones will ensure wider recognition of the Group both in the United States and Europe.

The Company intends to submit a MAA for Chronocort® in Q4 2019 based upon existing clinical data and, subject to regulatory processes, estimates approval in Q4 2020. The net proceeds of the Placing of approximately £4.99 million are expected to provide funding through to mid-Q2 2020 (excluding any proceeds from the Open Offer). The Company continues to assess future sources of funding, including further equity investment (currently anticipated to be following achievement of key milestones) and non-dilutive financing, including potential licensing agreements. Further announcements regarding funding arrangements will be made as and when required.

Details of the Placing

The Company has conditionally raised approximately £5.35 million before expenses by way of the placing of 2,171,539 EIS/VCT Shares and 18,405,385 General Shares under the Placing at the Issue Price to Placees.

It is expected that the EIS/VCT Shares (in respect of the Placing) will be allotted, conditional upon, amongst other things, EIS/VCT Admission occurring by 8.00 a.m. on 17 June 2019 (or such later time and/or date as the Joint Brokers may agree with the Company, not being later than 8.00 a.m. on 28 June 2019) and that the General Shares (in respect of the Placing) will be allotted, conditional upon, amongst other things, General Admission occurring by 8.00 a.m. on 18 June 2019 (or such later time and/or date as the Joint Brokers may agree with the Company, not being later than 8.00 a.m. on 28 June 2019). The EIS/VCT Placing is not conditional on the issue of the General Shares and General Admission, nor is the EIS/VCT Placing (or the General Placing) conditional on the Open Offer.

The Placing is not subject to clawback in favour of Shareholders pursuant to the Open Offer. The Placing is not underwritten.

The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Placing Shares to trading on AIM. Subject to Shareholder approval of the Resolutions at the General Meeting, it is expected that: (i) EIS/VCT Admission will occur, and that dealings in the EIS/VCT Shares subscribed for pursuant to the Placing will commence, at 8.00 a.m. on 17 June 2019, at which time it is also expected that the EIS/VCT Shares subscribed for pursuant to the Placing will be enabled for settlement in CREST; and (ii) General Admission will occur, and that dealings in the General Shares will commence, at 8.00 a.m. on 18 June 2019, at which time it is also expected that the General Shares will be enabled for settlement in CREST.

Shareholders should note that it is possible that EIS/VCT Admission will occur but General Admission will not occur. If any Admission does not occur, then the Company will not receive the relevant net proceeds in respect of such Admission and the Company may not be able to finance the activities it intends to utilise the net proceeds of the Placing for, as described in the Circular and may have to seek additional funding.

Details of the Open Offer

The Company is proposing to raise up to a further £1.00 million before expenses by the issue of up to 3,857,617 Open Offer Shares under the Open Offer at the Issue Price, payable in full on acceptance. Any entitlements to Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to the Placees under the Placing.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares

which Qualifying Shareholders do not apply for will not be sold in the market for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

1 Open Offer Share for every 16 Existing Ordinary Shares

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in a Restricted Jurisdiction will not qualify to participate in the Open Offer.

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares up to the maximum number of Open Offer Shares available less their Open Offer Entitlement, subject to availability. Further details of the Open Offer and the Excess Application Facility will be set out in the Circular.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their entitlements under the Open Offer, but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied, as this will depend, in part, on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right not to satisfy any application above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

EIS income tax relief will only be available to Qualifying Shareholders who hold Existing Ordinary Shares which were acquired pursuant to an EIS compliant issue of shares by the Company. EIS income tax relief is not available for Qualifying Shareholders who subscribe for Open Offer Shares at a time when they hold Existing Ordinary Shares for which EIS relieve has not been claimed.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of the Circular and, where relevant, on the accompanying Application Form.

The EIS/VCT Open Offer is conditional on the EIS/VCT Placing becoming or being declared unconditional in all respects (save for the condition relating to EIS/VCT Admission) and not being terminated before EIS/VCT Admission. The other principal conditions to the EIS/VCT Open Offer are:

(a) the passing of all of the Resolutions at the General Meeting;

(b) the Placing and Open Offer Agreement having become or being declared unconditional (save for the condition relating to EIS/VCT Admission) and not having been terminated before EIS/VCT Admission; and

(c) EIS/VCT Admission becoming effective by no later than 8.00 a.m. on 17 June 2019 (or such later time and/or date (being not later than 8.00 a.m. on 28 June 2019) as the Company, Panmure Gordon and Cantor Fitzgerald may agree).

Accordingly, if those conditions are not satisfied or waived (where capable of waiver), the EIS/VCT Open Offer will not proceed and the EIS/VCT Open Offer Shares will not be issued and all monies received by Link Asset Services in respect of the EIS/VCT Open Offer will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter and any Open Offer Entitlements and Excess CREST Open Offer

Entitlements in relation to EIS/VCT Open Offer Shares admitted to CREST will thereafter be disabled. In this circumstance, the Company will not receive the relevant net proceeds in respect of the issue of the EIS/VCT Open Offer Shares and monies paid by Qualifying Shareholders in respect of subscriptions for EIS/VCT Open Offer Shares will be returned.

The General Open Offer is conditional on the General Placing becoming or being declared unconditional in all respects (save for the condition relating to General Admission) and not being terminated before General Admission. The other principal conditions to the General Open Offer are:

(a) the passing of all of the Resolutions at the General Meeting;

(b) the Placing and Open Offer Agreement having become or being declared unconditional (save for the condition relating to General Admission) and not having been terminated before General Admission;

(c) the EIS/VCT Open Offer becoming unconditional in all respects; and

(d) General Admission becoming effective by no later than 8.00 a.m. on 18 June 2019 (or such later time and/or date (being not later than 8.00 a.m. on 28 June 2019) as the Company, Panmure Gordon and Cantor Fitzgerald may agree).

Accordingly, if those conditions are not satisfied or waived (where capable of waiver), the General Open Offer will not proceed and the General Open Offer Shares will not be issued and all monies received by Link Asset Services in respect of the General Open Offer will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter and any Open Offer Entitlements and Excess CREST Open Offer Entitlements in relation to General Open Offer Shares admitted to CREST will thereafter be disabled. In this circumstance, the Company will not receive the relevant net proceeds in respect of the issue of the General Open Offer Shares and monies paid by Qualifying Shareholders in respect of subscriptions for General Open Offer Shares will be returned.

Shareholders should note that it is possible that EIS/VCT Admission occurs but that General Admission does not. If General Admission does not occur then the Company will not receive the relevant net proceeds in respect of the issue of the General Open Offer Shares and General Placing Shares and the Company may not be able to finance the activities referred to in the Circular.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Open Offer Shares to trading on AIM. Subject to Shareholder approval of the Resolutions at the General Meeting, it is expected that: (i) EIS/VCT Admission will occur, and that dealings in the EIS/VCT Shares subscribed for pursuant to the Open Offer will commence, at 8.00 a.m. on 17 June 2019, at which time it is also expected that the EIS/VCT Shares will be enabled for settlement in CREST; and (ii) General Admission will occur, and that dealings in the General Shares subscribed for pursuant to the Open Offer will commence, at 8.00 a.m. on 18 June 2019, at which time it is also expected that the General Shares will be enabled for settlement in CREST.

The Placing and Open Offer Agreement

Pursuant to the Placing and Open Offer Agreement, the Joint Brokers have each severally agreed to use their respective reasonable endeavours, as agents of the Company, to procure subscribers for the Placing Shares at the Issue Price.

The Joint Brokers' obligations under the Placing and Open Offer Agreement are conditional on, amongst other things:

- EIS/VCT Admission occurring at or before 8.00 a.m. on 17 June 2019 (or such later time and/or date (being not later than 8.00 a.m. on 28 June 2019) as the Company, Panmure Gordon and Cantor Fitzgerald may agree);

- the compliance by the Company with all of its obligations under the Placing and Open Offer Agreement to the extent they are required to be performed on or prior to EIS/VCT Admission;

- the Resolutions being approved by the required majorities of Shareholders attending and voting (in person or by proxy) at the General Meeting at which they are proposed;

- the obligations of the Joint Brokers not having been terminated pursuant to clause 12 of the Placing and Open Offer Agreement, so far as the same fall to be performed prior to EIS/VCT Admission; and

- in respect of the General Shares to be issued in relation to the Placing and the Open Offer only, amongst other things:

    - General Admission occurring at or before 8.00 a.m. on 18 June 2019 (or such later time and/or date (being not later than 8.00 a.m. on 28 June 2019) as the Company, Panmure Gordon and Cantor Fitzgerald may agree);

    - the compliance by the Company with all its obligations under the Placing and Open Offer Agreement to the extent they are required to be performed on or prior to General Admission; and

    - the obligations of the Joint Brokers not having been terminated pursuant to clause 12 of the Placing and Open Offer Agreement, so far as the same fall to be performed prior to General Admission.

The Placing is not part of or subject to any condition related to the Open Offer.

If: (i) any condition contained in the Placing and Open Offer Agreement in relation to the Placing Shares is not fulfilled or waived (to the extent capable of being waived) by the Joint Brokers, by the respective time or date where specified; (ii) any such condition becomes incapable of being fulfilled; or (iii) the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing (following EIS/VCT Admission, in relation to General Shares only) will not proceed and the Placees' rights and obligations thereunder in relation to the Placing Shares shall cease and terminate at such time (provided that following EIS/VCT Admission, only the obligations relating to the General Shares shall terminate) and each Placee agrees that no claim can be made by the Placee in respect thereof. EIS/VCT Admission is not conditional on General Admission but General Admission is conditional on EIS/VCT Admission.

The Placing and Open Offer Agreement provides, amongst other things, for payment by the Company to each of Panmure Gordon and Cantor Fitzgerald of certain commissions and fees in connection with their appointment.

The Company will bear all other expenses of and incidental to the Capital Raising, including the fees of the London Stock Exchange, printing costs, registrar's fees, all properly incurred legal and accounting fees of the Company, Panmure Gordon and Cantor Fitzgerald and any other taxes and duties payable.

The Placing and Open Offer Agreement contains customary warranties and indemnities from the Company in favour of Panmure Gordon and Cantor Fitzgerald.

Panmure Gordon and Cantor Fitzgerald may (after consultation with the Company and the other Joint Broker) terminate the Placing and Open Offer Agreement prior to EIS/VCT Admission and/or General Admission in certain circumstances, if, amongst other things, the Company is in material breach of any of its obligations under the Placing and Open Offer Agreement (including the warranties contained in the Placing and Open Offer Agreement), if there is a material adverse change in the condition, earnings, business, operations or solvency of the Group or if there is a material adverse change in the financial, political, economic or stock market conditions,

which in the Joint Brokers' reasonable opinion (acting in good faith) makes it impractical or inadvisable to proceed with the Capital Raising.

Enterprise Investment Scheme and Venture Capital Trust

The Company received advance assurance on 12 February 2019 from HMRC that it is a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS Advance Assurance"). Accordingly, the Company expects HMRC to authorise the Company to issue compliance certificates under section 204(1), ITA 2007 in respect of the EIS Shares to be issued, following receipt of a form EIS1 satisfactorily completed following the issue of shares to investors seeking EIS Relief for their investment. As of 2 January 2018, HMRC can no longer consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

The Directors believe that the EIS/VCT Shares should be eligible (subject to the circumstances of investors) for tax reliefs under EIS and as a qualifying holder for VCTs. The Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the EIS/VCT Shares from being eligible VCT and EIS investments on this occasion. However, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in EIS/VCT Shares pursuant to the Circular or the Capital Raising, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

Companies can raise up to £10 million from State Aid investment sources, including under the combined EIS and from VCTs, in any 12-month period. In order to comply with this restriction only Open Offer Shares which are allocated as EIS/VCT Shares will be issued to VCTs or to individuals wishing to claim EIS Relief.

The Company will, following EIS/VCT Admission, make an application to HMRC to authorise the Company to deliver certificates under section 204, ITA 2007 in respect of those Open Offer Shares which Qualifying Shareholders have indicated on their Application Form that they wish to seek EIS Relief on and which have been duly allocated such relief by the Board. Assuming that HMRC gives authorisation to the Company, it will deliver such certificates in respect of such allocations of EIS/VCT Shares.

Provided that Qualifying Investors and the Company comply with the EIS legislation (Part V, ITA 2007 and sections 150A-C and Schedule 5B of the Taxation of Chargeable Gains Act 1992), which includes a requirement that the EIS Shares are held by investors for not less than three years, UK taxpayers should qualify for EIS Relief on their investment in the EIS Shares.

As the rules governing EIS Relief and VCT Relief are complex and interrelated with other legislation, if Shareholders or any potential investors are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom (including without limitation the United States), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

Effect of the Placing and Open Offer

Upon General Admission, and assuming full take up of all the New Ordinary Shares offered under the Open Offer, the Enlarged Share Capital is expected to be 86,156,421 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 28.36 per cent. of the Enlarged Share Capital.

Related Party Transaction

Certain Directors and Substantial Shareholders (as defined in the AIM rules) in the Company have subscribed for Placing Shares in connection with the Placing. The number of Placing Shares conditionally subscribed for by each

such Director and Substantial Shareholder pursuant to the Placing, and their resulting shareholdings on Admission, are set out below:

Shareholder	*Existing Ordinary Shares held*	*Number of Existing Ordinary Shares held as a percentage of all Existing Ordinary Shares*	*Number of Placing Shares subscribed for*	*Ordinary Shares held post-Admission**	*Percentage of Enlarged Share Capital held**
IP Group plc (including IP2IPO and other subsidiaries and associates) (the "IPG Holders")	26,717,839	43.29%	7,692,308	34,410,147	39.94%
Peter Allen	84,722	0.14%	84,722	169,444	0.20%
John Goddard	65,015	0.11%	38,461	103,476	0.12%
Alan Raymond	28,888	0.05%	38,461	67,349	0.08%
Martin Whitaker	50,729	0.08%	19,230	69,959	0.08%
Richard Bungay	2,222	0.00%	19,230	21,452	0.02%

*assuming the Open Offer is fully subscribed

IP Group are "Substantial Shareholders" in the Company for the purposes of the AIM Rules. Their conditional subscription for Placing Shares pursuant to the Placing (as described above) and the participation of certain Directors as stated above will be related party transactions for the purposes of the AIM Rules. The Director who is independent of the related party transaction, being Richard Ross, having consulted with Panmure Gordon, the Company's nominated adviser for the purposes of the AIM Rules, considers the terms of the participations of each of Peter Allen, John Goddard, Alan Raymond, Martin Whitaker, Richard Bungay and IP Group plc in the Placing to be fair and reasonable insofar as Shareholders are concerned.

General Meeting

The Directors do not currently have authority to allot all the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at the offices of Eversheds Sutherland (International) LLP at 1 Wood Street, London EC2V 7WS at 11.00 a.m. on 14 June 2019, is set out at the end of the Circular. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1 which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £1,221,727.05, being equal to 24,434,541 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Placing and the Open Offer); and

- Resolution 2 which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to issue and allot 24,434,541 New Ordinary Shares pursuant to the Placing and the Open Offer on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2019 or the date falling 15 months after

the date of the passing of the Resolutions (unless renewed, varied or revoked by the Company prior to or on that date) and shall be in addition to the Directors' authorities to allot relevant securities and dis-apply statutory pre-emption rights granted at the Company's Annual General Meeting held on 14 November 2018.

Action to be taken

In respect of the General Meeting

A notice convening the General Meeting to be held at the offices of Eversheds Sutherland (International) LLP at 1 Wood Street, London EC2V 7WS at 11.00 a.m. on 14 June 2019 will be sent to Shareholders today along with a Form of Proxy for use by Shareholders in connection with the General Meeting.

In respect of the Open Offer

Qualifying Non-CREST Holder

If you are a Qualifying Non-CREST Holder, you will receive an Application Form giving details of your entitlements under the Open Offer.

Qualifying CREST Holder

If you are a Qualifying CREST Holder, no Application Form will be sent to you, and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements representing your entitlement under the Open Offer.

Recommendation

The Directors believe that the Placing and the Open Offer and the passing of the Resolutions are in the best interests of the Company and the Shareholders, taken as a whole. The Directors unanimously recommend the Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own holdings of Ordinary Shares, amounting in aggregate to 1,838,749 Existing Ordinary Shares (representing approximately 2.98 per cent. of the Existing Ordinary Shares).

Shareholders are reminded that the Placing and the Open Offer are conditional, amongst other things, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that, if the Resolutions are not passed at the General Meeting, the Placing and the Open Offer will not proceed and the Company will need to seek alternative sources of finance to provide working capital and advance the Group's products.

APPENDIX I

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

"Admission"	EIS/VCT Admission in the case of the EIS/VCT Shares and General Admission in the case of the General Shares
"AIM"	the AIM market operated by London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time
"Application Form"	the personalised application form on which Qualifying Shareholders may apply for New Ordinary Shares under the Open Offer
"Board" or "Directors"	the directors of the Company
"Cantor Fitzgerald"	Cantor Fitzgerald Europe
"Capital Raising"	the Placing and the Open Offer, taken together
"certificated" or "in certificated form"	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
"Circular"	the document to be distributed to Shareholders shortly in connection with the Placing and Open Offer and containing the Notice of General Meeting
"Company" or "Diurnal"	Diurnal Group plc, a public limited company incorporated in England and Wales with registered number 09846650
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations), which facilitates the transfer of title to shares in uncertificated form
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"EIS"	Enterprise Investment Scheme
"EIS/VCT Admission"	admission of the EIS/VCT Shares to trading on AIM becoming effective in accordance with the AIM Rules
"EIS/VCT Open Offer"	the Open Offer to the extent that it relates to EIS/VCT Shares
"EIS Open Offer Shares"	the Open Offer Shares to be allotted and issued by the Company at the Issue Price, conditional on EIS/VCT Admission, in

	connection with the Open Offer, which are intended to qualify for EIS Relief
"EIS/VCT Open Offer Shares"	the EIS Open Offer Shares and the VCT Open Offer Shares together
"EIS/VCT Placing"	the conditional placing of 2,171,539 EIS/VCT Shares with Placees at the Issue Price pursuant to the Placing and Open Offer Agreement
"EIS/VCT Shares"	the EIS Shares and the VCT Shares together
"EIS Relief"	the relief claimed by any holder of the EIS Shares under Part 5 of the ITA 2007 or exemption or relief available under sections 150A, 150C and Schedule 5B Taxation of Chargeable Gains Act 1992
"EIS Shares"	New Ordinary Shares to be allotted and issued by the Company at the Issue Price, conditional on EIS/VCT Admission, in connection with the EIS/VCT Placing and the Open Offer, which are intended to qualify for EIS Relief
"Enlarged Share Capital"	the entire issued share capital of the Company as enlarged by the issue of the New Ordinary Shares following Admission (assuming subscription in full for the Open Offer Shares)
"EU"	the European Union
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying CREST Holder who has taken up their Open Offer Entitlement in full, the Excess Open Offer Entitlements credited to his stock account in CREST
"Excess Open Offer Entitlements"	in respect of each Qualifying Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, subject to the terms and conditions of the Open Offer
"Excess Shares"	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
"Ex-entitlement Date"	the date on which the Existing Ordinary Shares are marked "ex" for entitlement under the Open Offer, being 8.00 a.m. on 28 May 2019.
"Existing Ordinary Shares"	the 61,721,880 Ordinary Shares in issue
"FCA"	the Financial Conduct Authority
"Form of Proxy"	the form of proxy for use in relation to the General Meeting

"FSMA"	Financial Services and Market Act 2000 (as amended)
"General Admission"	admission of the General Shares to trading on AIM becoming effective in accordance with the AIM Rules
"General Meeting"	the general meeting of the Company, convened for 11.00 a.m. on 14 June 2019 or at any adjournment thereof, notice of which will be set out at the end of the Circular
"General Open Offer"	the Open Offer to the extent that it relates to General Shares
"General Open Offer Shares"	the Open Offer Shares being made available to Qualifying Shareholders pursuant to the Open Offer (excluding the EIS/VCT Open Offer Shares)
"General Placing"	the conditional placing of 18,405,385 General Shares with Placees at the Issue Price pursuant to the Placing and Open Offer Agreement
"General Shares"	New Ordinary Shares to be allotted and issued by the Company at the Issue Price, conditional on General Admission, in connection with the General Placing and the Open Offer (excluding the EIS/VCT Shares)
"Group"	the Company and its subsidiaries
"HMRC"	Her Majesty's Revenue and Customs
"ISIN"	International Securities Identification Number
"ITA 2007"	Income Tax Act 2007
"Issue Price"	26 pence per New Ordinary Share
"Joint Brokers"	being Panmure Gordon and Cantor Fitzgerald
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the Placing Shares and the Open Offer Shares
"Notice of General Meeting"	the notice convening the General Meeting as set out at the end of the Circular
"Open Offer"	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Circular and (if relevant) in the Application Form
"Open Offer Entitlement"	in respect of each Qualifying Shareholder, the entitlement to apply for the number of Open Offer Shares pro rata to their holding of Existing Ordinary Shares pursuant to the Open Offer as described in the Circular
"Open Offer Shares"	the 3,857,617 new Ordinary Shares being made available to

	Qualifying Shareholders pursuant to the Open Offer
"Ordinary Shares"	ordinary shares of £0.05 each in the capital of the Company
"Overseas Shareholders"	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
"Panmure Gordon"	Panmure Gordon (UK) Limited
"Placing and Open Offer Agreement"	the agreement dated 28 May 2019 between the Company, Panmure Gordon and Cantor Fitzgerald in respect of the Placing and the Open Offer
"Placees"	the persons who have agreed to subscribe for Placing Shares under the Placing
"Placing"	the conditional placing by the Company of the Placing Shares with the Placees, otherwise than on a pre-emptive basis, at the Issue Price pursuant to the Placing and Open Offer Agreement and comprising the EIS/VCT Placing and the General Placing
"Placing Shares"	the 20,576,924 new Ordinary Shares which are the subject of the Placing
"Qualifying CREST Holders"	holders of Existing Ordinary Shares in uncertificated form on the register of members of the Company at the Record Date
"Qualifying Non-CREST Holders"	holders of Existing Ordinary Shares in certificated form on the register of members of the Company at the Record Date
"Qualifying Shareholders"	Qualifying Non-CREST Holders and Qualifying CREST Holders (other than certain Overseas Shareholders)
"Receiving Agent"	Link Asset Services (a trading name of Link Market Services Limited)
"Record Date"	6.00 p.m. on 22 June 2019
"Registrar"	Link Market Services Limited
"Regulatory Information Service"	has the meaning given in the AIM Rules
"Restricted Jurisdiction"	the US, Canada, Australia, New Zealand, the Republic of South Africa, the Russian Federation, Japan or the Republic of Ireland and any jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable laws or regulations and "Restricted Jurisdictions" shall mean all of them
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"Securities Act"	US Securities Act of 1933 (as amended)

"Shareholders"	the holders of Existing Ordinary Shares
"stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"uncertificated" or "in uncertificated form"	in relation to a share or other security, recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred through CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States", "United States of America" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
"VCT"	Venture Capital Trust as defined by section 259 ITA 2007
"VCT Open Offer Shares"	the Open Offer Shares to be allotted and issued by the Company at the Issue Price, conditional on EIS/VCT Admission, in connection with the Open Offer, which are intended to qualify for VCT Relief
"VCT Relief"	the relief claimed by any holder of the VCT Shares under Part 6 of the ITA 2007 or exemption or relief available under sections 151A, 151B and Schedule 5C Taxation of Chargeable Gains Act 1992 or Chapter 5 of Part 6 of the Income Tax (Trading and Other Income) Act 2005 and
"VCT Shares"	New Ordinary Shares to be allotted and issued by the Company at the Issue Price, conditional on EIS/VCT Admission, in connection with the Placing and the Open Offer, which are intended to qualify for VCT Relief

GLOSSARY OF TECHNICAL AND SCIENTIFIC TERMS

The following technical and scientific terms apply throughout this announcement, unless the context requires otherwise:

Adrenal glands	the adrenal glands are small glands that sit on top of the kidneys in the retroperitoneum (that is, the deepest part of the abdomen). The adrenal glands have two layers: the cortex and the medulla. The cortex is located on the outer layer of the adrenal gland and secretes a number of different hormones, including cortisol, aldosterone and androgens. Diseases of the adrenal cortex may be caused by either too much or too little of any of the above hormones;
Adrenal Franchise	the Group's hydrocortisone product "franchise" or range designed to treat patients with diseases of cortisol deficiency;
Adrenal Insufficiency or **AI**	a condition characterised by deficiency in cortisol, an essential hormone in regulating metabolism and the response to stress. Poor control of disease can result in precocious puberty in young children, virilisation in girls and chronic fatigue leading to a poor quality of life in adulthood resulting in increased morbidity and mortality;
androgens	hormones that regulate the development and maintenance of male characteristics;
CHMP	the Committee for Medicinal Products for Human Use;
Congenital Adrenal Hyperplasia or **CAH**	a condition caused by deficiency of adrenal enzymes, most commonly 21-hydroxylase. This enzyme is required to produce cortisol. The block in the cortisol production pathway causes the over-production of androgens, which are precursors to cortisol. The condition is congenital (inherited at birth) and affects both sexes. The cortisol deficiency and over-production of male sex hormones can lead to increased mortality, infertility and severe development defects including ambiguous genitalia, premature (precocious) sexual development and short stature. Sufferers, even if treated, remain at risk of death through an adrenal crisis;
Cortisol	a life-sustaining adrenal hormone essential to the maintenance of homeostasis. Called the "stress hormone", cortisol influences, regulates or modulates many of the changes that occur in the body in response to stress, including (but not limited to): blood sugar (glucose) levels; fat, protein and carbohydrate metabolism to maintain blood glucose (gluconeogenesis); immune responses; anti-inflammatory actions; blood pressure; heart and blood vessel tone and contraction; and central nervous system activation. Cortisol levels have a rhythm around the day and night, a circadian rhythm. Cortisol levels are high on waking (between 7.00 a.m. and 10.00 a.m.), gradually decline over the day with low levels on going to sleep (between midnight and 2.00 a.m.) and then building-up overnight to peak again shortly after waking;

EMA	the European Medicine Agency;
FDA	the US Food and Drug Administration;
Homeostasis	the tendency towards a relatively stable equilibrium between inter-dependent elements in the human body, as maintained by physiological processes;
Hypogonadism	diminished functional activity of the gonads (the testes);
Hypothyroidism	also called underactive thyroid or low thyroid, is a disorder of the endocrine system in which the thyroid gland does not produce enough thyroid hormone, causing a number of symptoms, including poor ability to tolerate cold, a feeling of tiredness, constipation, depression and weight gain;
Investigative New Drug Application or **IND**	a request for FDA authorisation to administer an investigational drug to humans in the US. Such authorisation must be secured prior to interstate shipment and administration of any new drug that is not the subject of an approved new drug application;
Marketing Authorisation Application or MAA	a Marketing Authorisation Application made to the EMA seeking authorisation of a new medicine. Once granted by the European Commission, the centralised marketing authorisation is valid in all EU Member States, Iceland, Norway and Liechtenstein;
New Drug Application or NDA	the FDA's New Drug Application is the vehicle in the United States through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing;
Orphan Drug Designation	in the European Union, orphan drug designation under Regulation (EC) No. 141/2000 by the EMA's Committee for Orphan Medicinal Products and, in the United States, orphan drug designation under the Orphan Drug Act of 1983;
Phase I clinical trial	a clinical trial which aims to test the safety of a new medicine/treatment on humans for the first time. A small number of people, who may be healthy volunteers, are given the medicine/treatment. Researchers test for side effects and calculate what the right dose might be to use in treatment (known as dose-ranging studies);
Phase II clinical trial	a second phase of clinical trial which tests a new medicine/treatment on a group of people, usually a small number of patients, in order to gain a better understanding of its effects in the short term. A Phase II clinical trial may also be conducted on a blind, double-blind and/or randomised basis;
Phase III clinical trial	a third phase clinical trial only for medicines/treatments that have already passed a Phase I clinical trial and a Phase II clinical trial. In a Phase III clinical trial, a medicine/treatment is tested on a further increased number of people (sometimes several thousand) who are ill and compared against an existing treatment or placebo to see if it is better in practice and if it has important side effects.

	Most Phase III clinical trials are also conducted on a blind, double-blind and/or randomised basis;
PUMA	a Paediatric Use Marketing Authorisation that provides incentives for products intended to be used in children in Europe. A product that benefits from a PUMA will have a total of 10 years exclusivity (eight years of data exclusivity and an additional 2 years of market exclusivity) with effect from market approval in Europe; and
T3	the thyroid hormone triiodothyronine, produced by the thyroid gland.

APPENDIX II

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 22 May 2019
Announcement of the Placing and Open Offer	28 May 2019
Publication and posting of the Circular, the Application Form and Form of Proxy	28 May 2019
Ex-entitlement Date	8.00 a.m. on 28 May 2019
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Holders	29 May 2019
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 7 June 2019
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 10 June 2019
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 11 June 2019
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	11.00 a.m. on 12 June 2019
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 13 June 2019
General Meeting	11.00 a.m. on 14 June 2019
Announcement of result of Open Offer and result of General Meeting	14 June 2019
Admission and commencement of dealings in the EIS/VCT Shares	8.00 a.m. on 17 June 2019
EIS/VCT Shares credited to CREST members' accounts	As soon as possible after 8.00 a.m. on 17 June 2019
Admission and commencement of dealings in the General Shares	8.00 a.m. on 18 June 2019
General Shares credited to CREST members' accounts	As soon as possible after 8.00 a.m. on 18 June 2019
Despatch of definitive share certificates for New Ordinary Shares in certificated form	Within 14 days of allotment

Notes

(1) *References to times in the Circular are to London time (unless otherwise stated).*

(2) *The dates and timing of the events in the above timetable and in the rest of the Circular are indicative only and may be subject to change.*

(3) *If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through a Regulatory Information Service.*