TME PHARMA ANNOUNCES SUCCESSFUL €2 MILLION FINANCING AND THE END OF THE CONVERTIBLE BOND PROGRAM WITH A LOCK-UP OF NEW SHARES AND LOCK-UP OF BOND CONVERSIONS EXTENDING FINANCIAL RUNWAY INTO DECEMBER 2023

- **€2 million new cash secured**
- **Termination of the convertible bond agreement by *TME Pharma***
- **Lock-up of all new shares issued and all outstanding convertible bonds for a period of 6 months to align investors and support company through next clinical results**

Berlin, Germany, April 18, 2023, 08:00 p.m. CEST – TME Pharma N.V. (Euronext Growth Paris: ALTME), a biotechnology company focused on developing novel therapies for treatment of cancer by targeting the tumor microenvironment (TME), announced today the successful closing of a financing of €2 million. The financing extends the company's cash runway into December 2023, sufficient to reach its next major inflection points and to allow further advance its ongoing GLORIA Phase 1/2 clinical study of NOX-A12 combination therapies in newly diagnosed brain cancer (glioblastoma) patients.

The transaction involves: 1) a €1 million equity financing at the price of €1.0416[1] per share from a group of new investors, 2) a drawdown of €1.08 million under agreement with Atlas Special Opportunities, LLC (ASO) by issuing 1,100 convertible bonds, 3) the conversion of €2 million (~48%) outstanding convertible bonds held by ASO into newly issued shares at a conversion price of €1.0416[1] per share, 4) a soft lock-up of all shares issued through this transaction for a 6-month period, and 5) a lock-up of all remaining convertible bonds for a 6-month period.

Moreover, the company will not draw any further tranches from the ASO convertible bond vehicle and the agreement with ASO is terminated other than with regard to already issued convertible bonds. *TME Pharma* is also studying options to be able to repurchase the remaining convertible bonds, as allowed under the agreement, to prevent conversion to shares.

"We are very pleased to announce the details of a successful transaction concluded with a group of new investors and Atlas, which extends our cash runway into December 2023," said **Aram Mangasarian, CEO of TME Pharma.** *"This innovatively-structured transaction represents the first step in the commitment we made to our shareholders to end reliance of the company on convertible bond financing. By removing the pressure of convertible bonds, we hope our exceptional therapeutic assets will be able to reach a valuation on the market that reflects their therapeutic potential. We estimate*

[1] For the purpose of this press release rounded from the average of the 3 lowest daily VWAPs from the 10 consecutive trading days preceding the transaction.

the addressable market for first line glioblastoma to be $2.5 billion per year. We would like to thank Atlas for their support in facilitating the transaction and welcome our new investors who showed their confidence in TME Pharma *through this latest financing. This will enable us to maintain our focus on our goal of developing novel therapies for cancer patients and bringing them to market."*

The convertible bond agreement with ASO was initially entered on April 23, 2020, and amended on October 14, 2020, December 29, 2021, May 19, 2022, and April 17, 2023.

The characteristics, terms and conditions and dilution resulting from the transaction may be found in the Annex to this press release.

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About TME Pharma

TME Pharma is a clinical-stage company focused on developing novel therapies for treatment of the most aggressive cancers. The company's oncology-focused pipeline is designed to act on the tumor microenvironment (TME) and the cancer immunity cycle by breaking tumor protection barriers against the immune system and blocking tumor repair. By neutralizing chemokines in the TME, *TME Pharma's* approach works in combination with other forms of treatment to weaken tumor defenses and enable greater therapeutic impact. In the GLORIA clinical trial, *TME Pharma* is studying its lead drug candidate NOX-A12 in newly diagnosed brain cancer patients who will not benefit clinically from standard chemotherapy. *TME Pharma* has delivered top-line data from the NOX-A12 three dose-escalation cohorts combined with radiotherapy of the GLORIA clinical trial, observing consistent tumor reductions and objective tumor responses. Additionally, GLORIA expansion arms evaluate safety and efficacy of NOX-A12 in other combinations where the interim results from the triple combination of NOX-A12, radiotherapy and bevacizumab suggest even deeper and more durable responses. NOX-A12 in combination with radiotherapy has received orphan drug designation for glioblastoma in the United

States and glioma in Europe. *TME Pharma* has delivered final top-line data with encouraging overall survival and safety profile from its NOX-A12 combination trial with Keytruda® in metastatic colorectal and pancreatic cancer patients, which was published in the Journal for ImmunoTherapy of Cancer in October 2021. The company has entered in its second collaboration with MSD/Merck for its Phase 2 study, OPTIMUS, to further evaluate safety and efficacy of NOX-A12 in combination with Merck's Keytruda® and two different chemotherapy regimens as second-line therapy in patients with metastatic pancreatic cancer. The design of the trial has been approved in France and Spain and is in discussion with regulatory authorities in the United States. The company's second clinical-stage drug candidate, NOX-E36, is designed to target the innate immune system. *TME Pharma* is considering several solid tumors for further clinical development. Further information can be found at: www.tmepharma.com.

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Visit *TME Pharma* on LinkedIn and Twitter.

About the GLORIA Study

GLORIA (NCT04121455) is *TME Pharma's* dose-escalation, Phase 1/2 study of NOX-A12 in combination with radiotherapy in first-line partially resected or unresected glioblastoma (brain cancer) patients with unmethylated MGMT promoter (resistant to standard chemotherapy). GLORIA further evaluates safety and efficacy of NOX-A12 three additional arms combining NOX-A12 with: A. radiotherapy in patients with complete tumor resection; B. radiotherapy and bevacizumab; and C. radiotherapy and pembrolizumab.

About the OPTIMUS Study

OPTIMUS (NCT04901741) is *TME Pharma's* planned open-label two-arm Phase 2 study of NOX-A12 combined with pembrolizumab and nanoliposomal irinotecan/5-FU/leucovorin or gemcitabine/nab-paclitaxel in microsatellite-stable metastatic pancreatic cancer patients.

Disclaimer

Translations of any press release into languages other than English are intended solely as a convenience to the non-English-reading audience. The company has attempted to provide an accurate translation of the original text in English, but due to the nuances in translating into another language, slight differences may exist. This press release includes certain disclosures that contain "forward-looking statements." Forward-looking statements are based on *TME Pharma's* current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, the risks inherent in oncology drug development, including clinical trials and the timing of and *TME Pharma's* ability to obtain regulatory approvals for NOX-A12 as well as any other drug candidates. Forward-looking statements contained in this announcement are made as of this date, and *TME Pharma* undertakes no duty to update such information except as required under applicable law.

ANNEX: Transaction Description, Use of Proceeds and Dilution

The "Issuer": TME Pharma N.V., a Dutch public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands, and its office address at Max-Dohrn-Strasse 8-10, 10589 Berlin, Germany, and registered with the trade registry of the Dutch Chamber of Commerce under number 62425781.

Use of proceeds: continuation of the ongoing GLORIA Phase 1/2 clinical study of NOX-A12 combination therapies in newly diagnosed brain cancer (glioblastoma) patients, preparation of a future trial including regulatory interactions, and general corporate purposes.

Financial Visibility: This financing will bring sufficient cash to allow *TME Pharma* to continue operations according to its current budget into December 2023.

Shareholder and Corporate Authorizations: The issuance of shares in this transaction relies upon the authorizations granted to the Issuer by its shareholders on June 29, 2022, under which *TME Pharma N.V.* may issue up to 11.5 million ordinary shares each with a nominal value of €1.00.
Issuer has completed and obtained all necessary corporate approvals for the private placement, specifically a Supervisory Board authorization dated March 28, 2023.

Transaction Details

This transaction consists of the following key steps:

1) **Conversion of €2 million of convertible bonds** into shares at a price of €1.0416[1] per share under the agreement with Atlas Special Opportunities
2) **Subscription by new investors for a total of €1 million in ordinary shares** for a price of €1.0416[1] per share
3) **All shares resulting from 1) and 2) above will be subject to 6-month soft lock-up** and shall be held and managed by Invest Securities to ensure compliance
4) **Drawdown of €1.08 million tranche** (nominal) under agreement with Atlas Special Opportunities (ASO) by issuing 1,100 convertible bonds (including 20 convertible bonds issued in relation to the transaction fee) with a nominal value of €1,000 each
5) **Outstanding convertible bonds subject to a lock-up for 6 months** in exchange for interest during this period

ASO has delivered to *TME* Pharma *N.V.* two signed, irrevocable conversion notices to convert a combined total of €2 million of outstanding convertible bonds to shares at a price per share of €1.0416[1], reflecting the current nominal value of the shares and the minimum price under which shares may be issued. The first conversion notice being for immediate conversion into shares and the second for delivery of shares at the final closing of the transaction when all other shares of the capital raise are to be created to ensure that ASO never owns more than 49.99% of the Issuer.

New investors, subject to the above conversion notices and corporate authorizations have unconditionally and irrevocably committed to invest €1 million in a private placement.

All newly created shares for ASO and new investors shall be delivered to blocked accounts managed by Invest Securities for the 6-month soft lock-up. Invest Securities will manage any selling in its discretion during the soft lock-up period for all investors, considering various factors such as prevailing market price and volumes. The principles taken into account in share sales will include the increase in the share price versus that at the transaction and trading volumes. Any sales will be executed pro rata of the shareholding of investors wishing to sell. Six months following the transaction the investors will recover full capacity to freely dispose of their shares.

The company has drawn down its last financing tranche from the financing agreement with ASO, for a total consideration of €1.08 million, and issued 1,100 convertible bonds (including 20 convertible bonds issued in relation to the transaction fee) with a nominal value of EUR 1,000 each. All outstanding convertible bonds held by ASO may not be converted during the lock-up period; this restriction shall only cease to apply if all shares will have been sold by Invest Securities during the 6-month period. During the lock-up period, interest shall accrue to the locked amount at an annual rate of 14.99%, payable (in cash or bonds at the discretion of the Company) at the end of the period or upon repurchase of the bonds by *TME* Pharma *N.V.* at a 5% premium to their nominal value. The agreement with ASO is terminated other than with regard to already issued convertible bonds.

TME Pharma N.V. has made the following undertakings to ASO and new investors: Standstill during the 3 months from the transaction under which it will not issue shares except in certain conditions including for instance the issuance of new shares at a price higher than €2.50 per share, consent of Invest Securities which may be granted in their discretion, *TME Pharma* believes it is advisable to preserve its going concern prognosis, or to honor commitments under its stock incentive plans.

TME Pharma N.V. shall make no additional disbursement on the existing convertible bond facility.

Table: Dilution resulting from the transaction

Description	Price per share	Total value	Shares to be issued (max)	Dilution	Shareholder starting with 1% would then hold
Conversion of 2000 bonds	€ 1.0416	€ 2,000,000	1,920,060	44.07%	0.56%
New Investment	€ 1.0416	€ 1,000,000	960,030	28.26%	0.72%
Total Dilution from transaction		€ 3,000,000	2,880,090	54.17%	0.46%

Outstanding shares before transaction	2,437,108
Outstanding shares after transaction (max)	5,317,198

	Total Value	% of market cap
Upon close of transaction, assuming price remains at €1, convertible debt will have moved from	€ 3,107,000	127%
to	€ 2,207,000	42%

Outstanding convertible bonds before the transaction	3,107
Convertible bonds to be converted	2,000
Convertible bonds to be issued	1,100
Outstanding convertible bonds after the transaction	2,207
Value of each convertible bond	€ 1,000.00