PRESS RELEASE

MEDESIS PHARMA
2023 FULL-YEAR BUSINESS AND EARNINGS

Montpellier (France), July 15, 2024 - 8am (CET) – MEDESIS PHARMA, a pharmaceutical biotechnology company developing drug candidates with Aonys, its proprietary oral nanodroplet active ingredient administration technology, is reporting its full-year earnings at December 31, 2023 and providing an update on its activities.

2023 full-year earnings

The audited full-year financial statements for 2023, prepared in accordance with French GAAP, were approved by the Executive Board during its meeting on July 10, 2024 and submitted to the Supervisory Board on July 11, 2024. The 2023 Annual Report in French has also been published with the AMF and made available to the public today. It can be viewed or downloaded at https://www.medesispharma.com/fr/documentation-et-rapports/.

Corporate accounts (€)	December 31, 2023 *(12 months)*	December 31, 2022 *(12 months)*	Change (%)
Net revenues	0	0	
Total operating income	300,034	197,297	+52%
EBIT	(4,229,375)	(3,243,567)	-39%
Financial income and expenses	(160,395)	930	
Non-recurring income and expenses	(5,986)	14,105	
Net income	(3,959,491)	(2,748,931)	-53%
Shareholders' equity	(4,499,849)	(1,057,832)	-325%-
Liabilities	5,675,472	2,328,223	+143%
Transferable securities		·	·
Cash and cash equivalents	41,790	255,052·	·
Balance sheet total	1,926,333	1,915,615	+0.6%

For 2023, Medesis Pharma did not record any revenues and focused its financial resources on expenditure relating to the Company's operations and the clinical trials and research programs for NanoLithium Alzheimer.

Operating expenditure totaled €4.5m, up €1.1m, including a €0.6m increase in costs for studies and research. Staff costs are down €0.2m. The headcount of 10 people at December 31, 2023 is stable compared with the previous year.

Liabilities at December 31, 2023 represented €5.7m, up €3.3m, and primarily concerned:

- Bond debt: €1.2m corresponding to the contract for convertible bonds set up with Nice&Green.
- Reimbursable subsidies and advances for €1.6m, with €1.3m disputed by the Company.
- Trade payables for €2.3m following the freeze on debt from prior to September 29, 2024 with the Company safeguard proceedings opened with Montpellier's commercial court.
- Tax and employee-related liabilities for €0.4m.

The Company's shareholders' equity represented €(4.5)m, compared with €(1.1)m at December 31, 2022 in line with the losses from the last two years, with €(2.7)m in 2022 and €(4.0)m in 2023.

The cash position totaled €41,790 at December 31, 2023, compared with €255,052 at December 31, 2022.

Progress with clinical trials and programs: priority clinical development program continuing to move forward

NanoLithium® program for the treatment of neuropsychiatric disorders associated with Alzheimer's Disease

The study was prepared with Professor Jacques Touchon (former Dean of Montpellier School of Medicine and Chairman of the last Global Conference of Alzheimer's Disease). The national coordinating center (CHU Toulouse) opened in May 2022, followed by another in June (Montpellier), while the other six university hospital centers (Paris, Lille, Lyon, Marseille, Limoges and Strasbourg) opened between September 7 and the end of 2022. The 68 subjects have been included in the study, with the final subject integrated on October 16, 2023.

The first phase of the treatment is placebo-controlled and analyzes changes in the mental and behavioral disorders associated with Alzheimer's Disease. As announced, the results of this phase will be available in September 2024.

All the patients have received and are continuing to receive the treatment (open non-placebo study) for an additional nine months with the criteria relating to the disease's progression analyzed at the end of the study: clinic, biomarkers and brain scans. The results of this second phase will be obtained at the end of 2024 / beginning of 2025.

All the other preclinical development programs are currently waiting for funding.

NanosiRNA® HD program for the genetic treatment of Huntington's Disease

A proof of concept study based on a mouse model expressing the same genetic anomaly as that found in 20% of people with Huntington's Disease is being carried out with Professor Amber Southwell's team at the University of Florida in the United States. The three-week treatment has shown good levels of tolerance and not revealed any toxicity. This study was not able to be interpreted due to several biases in its implementation.

Oncology development programs

1/ Potentiation of the therapeutic efficacy of the oncolytic viruses by inhibiting the expression of the intracellular interferon protein, targeting the gene IFNAR-1 with an siRNA formulated in the Aonys microemulsion. Two studies have been carried out and achieved positive results with the company Transgene.

2/ Inhibition of the expression of the gene from cyclin D1 which is overexpressed in many aggressive cancers, including breast cancer. This study has been carried out working with a team from INSERM and has been covered in a scientific publication*.

The three treatments aimed at large populations contaminated or irradiated following a civil or military nuclear accident continue to be at the heart of the geopolitical and energy stakes seen currently

Developed in collaboration with the French Atomic Energy Commission (LRT-CEA), which carried out all the studies on animals contaminated by radionuclides (NU01 Plutonium decorporation and NU02 Cesium decorporation), and with the French Armed Forces Biomedical Research Institute (IRBA) for studies on irradiated animals.

These products are protected by international patents registered or in the process of being registered in most nuclear countries around the world. Their therapeutic activity has been demonstrated and an additional program is required with a pharmaceutical development for industrial production and a tolerance study on healthy volunteers to demonstrate their safety before looking at incorporating the products into the emergency stocks put in place by States.

Progress with collaborative programs

A collaboration agreement was signed in March 2023 with the company Partner International to look for pharmaceutical partners and biotech companies with a view to signing licensing agreements, and specifically a partner to handle the development, registration and marketing of the NanoLithium product for the treatment of Alzheimer's Disease. As this collaboration did not lead to any contact from interested parties, it has been suspended since the start of 2024.

Collaboration program with the company Transgene: despite the results achieved demonstrating the presence of the administered siRNAs inside the tumor, Transgene has chosen to not continue with this development for internal strategic reasons.

Expected development and outlook

The Company's funding shortfall has required it to prioritize the NanoLithium clinical study for the treatment of Alzheimer's Disease. All the other preclinical development programs are provisionally waiting for funding.

The agreement with Nice & Green has been maintained to enable it to convert the current bonds.

At the start of June 2024, Medesis Pharma obtained €450k of additional financing from its active longstanding shareholders. In addition to the financing from shareholders, the Company has just received €426,000 of research tax credits (CIR).

These financing facilities will cover operating expenditure through to September, with a possible extension depending on the results of the clinical trial. The cash horizon has therefore been extended to the beginning of October 2024. In this context, Medesis Pharma will request an additional three- month timeframe from Montpellier's commercial court enabling it to organize in September the ordinary annual general meeting convened to approve the accounts for the year ended December 31, 2023.

Medesis Pharma is still determined to move forward with its candidate for treating Alzheimer's Disease and is also continuing to explore potential partnerships for oncology.

The key information concerning the Company and specifically its financial position is available at www.medesispharma.com/financial-press-releases/.

About Medesis Pharma

To advance the treatment of serious diseases without effective treatments, Medesis Pharma creates drug candidates based on its proprietary Aonys® technology for the oral administration of active ingredients in nanodroplet form, enabling active ingredients to be effectively delivered to all cells, with passage through the blood–brain barrier (BBB).

This innovative approach is being applied to future drugs to treat major diseases that do not have effective treatments: Alzheimer's disease, Huntington's disease, and resistant cancers.

Medesis Pharma is also developing treatments dedicated to populations contaminated or irradiated after a civil or military nuclear accident.

French biopharmaceutical company based near Montpellier, Medesis Pharma is the author of 15 scientific publications, holds 12 patent families and 72 patents, the result of 17 years of research.

Medesis Pharma shares are listed on Euronext Growth Paris: FR001844464 - ALMDP

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