PRESS RELEASE

MEDESIS PHARMA

2022 FULL-YEAR BUSINESS AND EARNINGS

Montpellier (France), April 17, 2023 - 8am (CET) – MEDESIS PHARMA, a pharmaceutical biotechnology company developing drug candidates with Aonys, its proprietary buccal nanodroplet active ingredient administration technology, is reporting its full-year earnings at December 31, 2022 and providing an update on its activities.

2022 full-year earnings

The audited full-year financial statements for 2022, prepared in accordance with French GAAP, were approved by the Executive Board during its meeting on April 13, 2023 and submitted to the Supervisory Board on the same day. The statutory auditors' reports are currently being issued.

Corporate accounts (€)	December 31, 2021 *(12 months)*	December 31, 2022 *(12 months)*	Change (%)
Net revenues	73,050	0	-100%
Total operating income	95,729	197,297	+106%
EBIT	(3,214,816)	(3,243,567)	-1%
Financial income and expenses	2,601	930	-64%
Non-recurring income and expenses	1,847	14,105	+664%
Net income	(2,646,613)	(2,748,931)	-4%
Shareholders' equity	1,646,099	(1,057,832)	-
Liabilities	2,074,632	2,328,222	+12%
Transferable securities	2,700,000	0·	·
Cash and cash equivalents	189,232	255,052·	+35%·
Balance sheet total	4,326,379	1,921,708	-56%

In FY 2022, Medesis Pharma did not record revenues and continued to develop its clinical research and programs. In 2021, the €73,050 of revenues corresponded to billing under the collaborative research agreement with the company Transgene. This agreement with exclusive licensing options aims to test an innovative approach to modulating the tumoral micro-environment with a view to increasing the therapeutic efficacy of the oncolytic viruses. It continued in 2022 with a new animal model-based study that demonstrated the Aonys technology's efficacy for inhibiting the expression of the target gene in tumors. Transgene has a priority right to acquire a license through to July 11, 2023.

The expenses related to the Company's operations and its research programs and clinical trials (NanoLithium Alzheimer's, NanosiRNA® HD, NanoManganese COVID-19) came to €3,440,864 in 2022, compared with €3,310,545 in 2021. Operating expenditure is virtually stable at €(3,243,567), compared with €(3,214,816) for the previous year. Medesis Pharma has further strengthened its teams, up from eight staff at end-2021 to 10 at the end of 2022. Staff costs totaled €740,480, compared with €622,289 in 2021.

Liabilities at December 31, 2022 totaled €2,328,222, compared with €2,074,632 in 2021, primarily comprising reimbursable subsidies and advances for €1,636,775, with €1,282,915 disputed by the Company, as well as €334,442 of trade payables and €102,293 of tax and employee-related liabilities.

The Company has €(1,057,832) of shareholders' equity, in line with the losses from the last two years. The cash position at December 31, 2022 represented €255,052 (compared with €2,889,232 at end-2021). On March 30, 2023, Medesis Pharma signed a €2.5 million financing agreement with the Swiss company Nice & Green through convertible bonds based on new shares, with a first drawdown on signing for €1 million. This overall financing will enable Medesis Pharma to have sufficient cash to cover its activities through to the end of 2023.

Various initiatives to set up additional non-dilutive financing were rolled out at the start of April. The search for partners across all the clinical programs is being carried out with Partner International, a world leader for securing partnership, licensing, merger and acquisition agreements between biotechs and pharmaceutical companies. The drive to secure public funding from the American authorities has been entrusted to FreeMind Group, a specialist in this field, focusing specifically on the three programs for treating contamination after a nuclear accident following the rejection by France's Defense Innovation Agency (AID) midway through 2022.

Clinical development programs moving forward

NanoLithium® program for the treatment of psychoses associated with Alzheimer's Disease: The study covering 68 patients with Alzheimer's Disease is underway at eight CHU university hospital centers (Montpellier, Toulouse, Paris, Lille, Lyon, Marseille, Limoges and Strasbourg). The first patients were included in June in Toulouse, and the other CHU university hospital centers began including patients from November. Half of the patients have been included in the study currently and all of the recruitments are expected to be completed by the start of summer 2023, with the prospect of the first clinical results in the fourth quarter of 2023.

NanosiRNA® HD program for the genetic treatment of Huntington's Disease: The development plan, which is currently being prepared, will require a pharmaceutical, pharmacological and toxicological preclinical phase of around 18 months before launching the clinical trial. A preclinical trial based on an animal model is underway with an academic team in Florida. The implementation of this development is also dependent on the level of cash, and applications for funding from Europe (EIC Accelerator) and the United States will be submitted soon.

NanoManganese® program for the treatment of severe forms of COVID-19: This program was discontinued in the third quarter of 2022. The shortcomings with the social security system in Brazil did not make it possible to recruit patients when the disease started to worsen.

Programs for the treatment of contamination after a nuclear accident: For these three drug candidates developed in collaboration with the French Atomic Energy Commission (LRT-CEA) and the French Armed Forces Biomedical Research Institute (IRBA), with their therapeutic activity demonstrated during studies on irradiated animals, Medesis Pharma will submit applications for funding in the United States within the next few months. These would make it possible to conduct a tolerance study on healthy volunteers in order to demonstrate their safety, prior to registration with the Medicines Agencies.

Progress with collaborative programs

Collaboration program with Transgene: a new animal model-based study has demonstrated the Aonys technology's efficacy for inhibiting the expression of the target gene in tumors. Transgene has a priority right to acquire a license through to July 11, 2023.

Program on the efficacy of NanoManganese to optimize radiotherapy for cancer: this was explored at the end of the year based on an animal model with a grafted glioblastoma and demonstrated no reduction in the radiotherapy's efficacy. A further study will be required to validate the protection of healthy tissues during radiotherapy.

Outlook

In 2023, Medesis Pharma aims to continue developing its priority programs and rolling out its collaborative programs covering oncology and neurodegenerative diseases.

The clinical trial for the treatment of Alzheimer's Disease is expected to provide the first results on the efficacy of NanoLithium concerning the psychotic symptoms associated with this disease during the fourth quarter of 2023 (after three months of treatment), and the disease's development one year later (12 months of treatment).

The work to secure non-dilutive financing, further strengthened by the agreements set up in April 2023 and the new American members who joined the Supervisory Board in October 2022, is continuing to move forward. Medesis Pharma could also consider putting in place new financial resources before the end of 2023, by notably calling on the financial markets, subject to market conditions. The financing conditions will be determined based on the progress made and assessments of the best opportunities for the various programs underway.

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 certain 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 11 patent families and 71 patents, the result of 19 years of research.

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

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