PRESS RELEASE

MEDESIS PHARMA SETS UP BOND FINANCING FOR A POTENTIAL MAXIMUM NOMINAL AMOUNT OF 2,500,000 EUROS

Montpellier, France, March 31, 2023 – 8:00am CET - **MEDESIS PHARMA, a pharmaceutical biotechnology company developing drug candidates with Aonys®, its proprietary buccal nanodroplet active ingredient administration technology, is announcing that it has signed a financing agreement for up to 2,500,000 euros through the issuing of convertible bonds subscribed for by the investment company Nice & Green S.A.**

To meet its short-term financing requirements, Medesis Pharma's Executive Board met on March 28, 2023 and decided, under the delegation of authority granted by the seventh resolution from the extraordinary general meeting on June 13, 2022, to carry out a gradual tranche-based issue of Convertible Bonds (the "**Convertible Bonds**") which will entitle beneficiaries, upon being exercised, to the issuing and/or awarding of new and/or existing shares, for a total nominal value of up to 2,500,000 euros. The total amount of the issue will enable Medesis Pharma to push back its cash horizon to the end of 2023.

The agreement includes provisions to restrict sales of shares resulting from the exercising of the Convertible Bonds to 15% net of the daily amounts traded, with the Company to set the minimum price of the shares sold and drawdowns initiated by the Company subject to certain conditions relating in particular to the share price.

Subscriptions for these Convertible Bonds are restricted to Nice & Green SA, a Swiss-law investment company specialized in structuring and financing for small and mid-size listed companies, with its investments focused in particular on the medical technologies and sciences sectors. The Convertible Bonds, with a nominal value of 10,000 euros, have a maturity of 18 months and will not be entitled to the payment of any interest. Based on the current share price, i.e. 2.8066 euros, if all 270 Convertible Bonds were drawn down and converted, this would result in a total dilution of 23.84%.

Within this framework, 50% of the funds raised will be allocated to finance the clinical trial underway with NanoLithium for the treatment of Alzheimer's disease. The balance from the bond issue will enable the Company to cover the pre-clinical trials underway and its current financing requirements. The first tranche, totaling 1,000,000 euros, will be drawn down on **March 31, 2023**. A presentation of the detailed characteristics is appended to this press release.

Jean-Claude Maurel, Chairman of the Company's Executive Board: "***We have set up flexible financing to meet our short-term financing requirements, while continuing to develop our priority programs, with the NanoLithium clinical trial for the treatment of Alzheimer's disease and the continued preclinical development of the NanosiRNA HD product for the genetic treatment of Huntington's disease. Alongside this, we are continuing to move forward with our initiatives to identify new sources of financing, particularly with support from our Supervisory Board, which was further strengthened with the arrival of two new American members in October 2022, in addition to calling on the financial markets when relevant.***

The coming months represent an important period for Medesis Pharma, with several key milestones: Completion of patient recruitments and end of the first three-month treatment period for all the Alzheimer's patients included with our future drug NanoLithium, as well as the advances with negotiations of agreements for academic and industrial collaboration in several therapeutic areas".

This operation will not be covered by a prospectus submitted for approval by the French financial markets authority (AMF). Details of the operation's characteristics and dilutive impact are appended to this press release. The Company would like to draw readers' attention to the fact that the conversion or exercising of the securities issued under this program may be converted or exercised, in accordance with the terms of the Convertible Bond issue and subscription agreement, at the request of the bondholder, while the resulting shares issued will be freely transferable on the Euronext Growth market (Paris), in compliance with the legal and regulatory provisions applicable. A table tracking the conversion of the Convertible Bonds will be available on Medesis Pharma's website under "**Investors**" then "**Share information**". The detailed characteristics of the Convertible Bonds that will be issued will be available on the Company's website.

Information concerning the financing operation

The shares, resulting from the conversion of the abovementioned securities, will in general be sold on the market. However, Nice & Green S.A has made a commitment (i) to not sell shares at a lower price than the price set by the Company, and (ii) to not sell a number of shares representing more than 15% of the daily volume of transactions on Euronext Growth, with a summary of the reports for transactions carried out by Nice & Green S.A published each month on the Company's website in order to verify compliance with these commitments.

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 72 patents, the result of 17 years of research.

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

For more information:
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APPENDIX

Operation's characteristics and dilutive impact

Legal framework for the operation

The extraordinary general meeting on June 13, 2022, under the terms of the seventh resolution, delegated to the Executive Board its authority, for eighteen (18) months from the general meeting, i.e. through to December 13, 2023, to issue financial securities and/or transferable securities giving access immediately or in the future to a share of the capital, with shareholders' preferential subscription rights waived for categories of parties in accordance with Article L.225-138 of the French Commercial Code, with the maximum nominal amount of capital increases that may be carried out under the delegation capped at three million (3,000,000) euros, within the overall maximum limit of six million (6,000,000) euros set by the general meeting.

The extraordinary general meeting on June 13, 2022 decided to waive shareholders' preferential subscription rights for the securities that may be issued under the seventh resolution for the following categories of beneficiaries:

- companies, investment funds and family offices that usually invest in small and medium-sized enterprises in the health sector, and the BioTech and MedTech sectors in particular, with the Executive Board to set the corresponding list, while noting that the maximum number of beneficiaries has been capped at fifty (50);
- holding companies, collective savings management funds or life insurance companies, specialized in investing in small and mid caps from the health sector, and the BioTech and MedTech sectors in particular;
- French or foreign-law companies or groups of companies that have operational activities in the health sector, with the Executive Board to set the corresponding list, while noting that the maximum number of beneficiaries has been capped at twenty (20) per issue.

Under this delegation of authority, the Executive Board has decided to set up a 2,500,000 euro bond financing line based on convertible bonds (the "**Convertible Bonds**") subscribed for exclusively by Nice & Green, a Swiss-law private company specialized in providing adapted financing solutions for listed companies ("**Nice & Green S.A**").

Key features of the Convertible Bonds

- The Convertible Bonds will be issued by the Company at the Company's request for a maximum of two million five hundred thousand (2,500,000) euros in four tranches, with the first tranche comprising one hundred (100) Convertible Bonds, and each of the following three tranches comprising fifty (50) Convertible Bonds;
- The drawdowns will be able to be made during a period of **25 months** from the date when the Convertible Bond issue agreement was signed on March 29, 2023;
- The Company will be able to request subscriptions for a new tranche only if (i) since the subscription for the previous tranche, 15% of the total value of the cumulative transactions carried out on Euronext Growth represents at least 80% of the nominal amount of the previous tranche, or (ii) Nice & Green has sold shares for an amount representing 80% of the nominal amount of the current tranche, or (iii) a period of two hundred and twenty trading days has passed since the subscription date for the last tranche;
- The Convertible Bonds will be issued and subscribed for subject to compliance with certain conditions precedent (which Nice & Green may waive) as set out in the Agreement, such as the inclusion of a reduction in the share's par value to €0.50 on the agenda for the Company's next general shareholders' meeting or other standard conditions precedent for this type of operation, such as the Company's compliance with its commitments with the exception of minor breaches, the absence of any Event of Default or the fact that the Company has sufficient authorizations to issue the shares that will result from the conversion of the Convertible Bonds;

- The Convertible Bonds will have an individual nominal value of ten thousand (10,000) euros;
- The Convertible Bonds will not accrue interest and will have a maximum maturity of eighteen (18) months from their issue date ("**Maturity Date**");
- The outstanding Convertible Bonds may be fully or partially redeemed in advance at any time at the Company's request and at its sole discretion at the price of 103% of their nominal value. The Agreement may also be terminated ahead of schedule and the outstanding Convertible Bonds redeemed under the same conditions by, on the one hand, the Company at its sole discretion and without any liability, or on the other hand, by Nice&Green following an Event of Default as provided for in the Agreement (list provided in Note 1);
- The Convertible Bonds may be converted at Nice & Green's request through to the Maturity Date;
- The conversion of the Convertible Bonds is dependent on Nice & Green having sold 90% of the shares resulting from the previous conversion of the Convertible Bonds. In addition, Nice & Green will not be able to convert a number of Convertible Bonds representing a nominal amount that is higher than the total amount of the Company shares sold by Nice & Green since the last conversion;
- The number of shares issued by the Company to Nice & Green on the conversion of one or more Convertible Bonds will be calculated based on the following formula:

$$\mathbf{N = N_v / P}$$

Where:
"**N**": number of new ordinary Company shares to be issued on the conversion of one Convertible Bond;
"**N_v**": nominal value of one Convertible Bond, i.e. ten thousand (10,000) euros each independently from their subscription value;
"P": will correspond to the conversion price, i.e. one hundred percent (100%) of the Investor VWAP although without being lower than a minimum price representing 70% of the share's volume weighted average price for the five (5) consecutive trading days ending on the trading day immediately prior to the date concerned. If, during a trading session, the VWAP for a period of five (5) trading days including the current session is equal to seventy percent (70%) of the share's volume weighted average price for a period of five (5) trading days ending on the day before the current trading session, the Investor will have an acceleration option enabling it to freely convert a number of Convertible Bonds equivalent to the amount of shares sold on the market since the last conversion or, for the first tranche, since its subscription date. The conversion price will be determined to a number of decimal places in accordance with the rules applied by Euronext Growth for quotes (tick sizes), rounding down to the last decimal place. In any event, the conversion price cannot be strictly lower than the par value of the Issuer's share (currently 2 euros). If the conversion price is less than or equal to the par value of the Issuer's share, the Investor will only be able, until the conversion price becomes higher than the par value of the Issuer's share again, to convert the outstanding Convertible Bonds that it holds at a conversion price that is equal to the par value of the Issuer's share. In any event, "P" cannot be lower than (i) the share's par value on the conversion date for the Convertible Bond(s) concerned, and (ii) 70% of the share's volume weighted average price for the five (5) consecutive trading days ending on the trading day immediately prior to the date concerned, while noting that, in any event, the price will not be lower than the share in equity per share based on the latest approved balance sheet or the latest interim accounting position certified by the Company's statutory auditors, in accordance with the seventh resolution from the extraordinary general meeting held on June 13, 2022 (the "**Minimum Price**").

- The Convertible Bonds will constitute transferable securities held on a registered basis, as recorded in the Company's registers, and will not be covered by a request for admission to trading on any financial market and will therefore not be listed; and
- The new shares issued with the conversion of the Convertible Bonds will be entitled to dividends from delivery. They will have the same rights as those associated with the Company's existing ordinary shares and will be admitted to the

Euronext Growth market on the same listing line as the existing shares (ISIN at March 23, 2022: FR0010844464). The Company will keep an up-to-date table on its website tracking the number of Convertible Bonds outstanding and the shares issued with the conversion of the Convertible Bonds.
- Nice & Green will not be able to sell a number of shares representing more than 15% of the daily volume of transactions recorded on Euronext Growth and the Company will be able, in any event, to set a minimum sales price.
- On a monthly basis, Nice & Green will provide the Company with a summary of the statements for transactions demonstrating compliance with its commitments regarding the volume and price of the shares sold, which the Company will need to publish on its website.
- The Company, at its sole discretion and at any time, subject to payment of five thousand (5,000) euros of compensation and the redemption in cash of all the outstanding Convertible Bonds subscribed for by Nice & Green and not converted at 103% of their nominal value (i.e. 10,300 euros each), by submitting a notification to Nice & Green, will have the right to terminate the Agreement without being liable in any way.

Commitment fees and commissions

As remuneration for the commitment by Nice & Green to subscribe for the tranches of the Convertible Bonds issued in connection with the aforementioned financing, the Company will pay Nice & Green one or two fees based on the conversions:
- A structuring fee for an amount equal to 8% of the maximum nominal amount of the financing, representing a total fee of 200,000 euros. This fee will be paid through the issuing of 20 Convertible Bonds; and
- A potential transaction fee for an amount equal to 6% of the nominal value of the Convertible Bonds effectively converted by Nice & Green and that may be increased on an ad hoc basis by 50% of half of the increase in the value of the share price above 2.8 euros at the time of the conversion of one or more Convertible Bonds.

Operation's impacts in terms of liquidity risk management and the financing horizon

At December 31, 2022, the Company had 255,074 euros of cash.
The Company's total debt represented approximately 2,328,000 euros; on this date, the maturities under 12 months represented approximately 640,000 euros, with a monthly cash burn of just under 270,000 euros, giving a cash horizon of around two months as of this date. To date, before taking into account the operation, and with the funds to be received, including the application of the research tax credit (CIR), the Company has a cash horizon of around two months.

The proceeds from the operation will enable the Company to continue moving forward with its clinical and preclinical development investments and to extend its financing horizon, with conservative assumptions, at least through to August 2023 in the event of a subscription for 1 million euros, and through to December 2023 in the event of a subscription for 2.5 million euros.

Main risks associated with the Company

The main risks associated with the Company were presented in the 2021 Annual Financial Report and in the 2022 Half-Year Financial Report for the first half of the financial year ended June 30, 2022.

The main risks associated with the issuing of Convertible Bonds in the context of the operation are presented hereafter:
- In the event of the conversion of the Convertible Bonds through the issuing of new shares, the shareholders will see their interest in the Company's share capital diluted;
- In the event of the conversion of the Convertible Bonds through the issuing of new shares, the volatility and liquidity

of Medesis Pharma's shares could fluctuate significantly;
- In the event of the conversion of the Convertible Bonds through the issuing of new shares, the sale of Medesis Pharma shares by the Convertible Bond holders could have an adverse impact on Medesis Pharma's share price;
- In the event of a decrease in Medesis Pharma's share price to a level that is less than or equal to the share's par value, the Company could carry out one or more operations to reduce the share's par value in order to enable the remaining Convertible Bonds to be converted;
- In the event of all of the operation's tranches not being carried out, while noting that its potential total amount is not guaranteed, the Company's financing horizon presented here would be reduced proportionately.

Theoretical impact of the issuing of new shares on the stake in shareholders' equity

For reference, the impact of the issuing of new shares on the share in equity per share (based on the amount of shareholders' equity at December 31, 2022 as taken from the interim accounts at December 31, 2022, which are currently being audited, and the number of shares comprising the Company's capital at December 31, 2022, i.e. 4,390,344 shares, would be as follows:

	Stake in shareholders' equity per share (€)	
	Undiluted basis	Diluted basis (following exercising of all the dilutive instruments that exist to date) (1)
Before the issue of new ordinary shares with the conversion of all the Convertible Bonds	-0.24	-0.24
Following the issuing of new ordinary shares with the conversion of the 100 Convertible Bonds for financing from the first tranche and the 20 Convertible Bonds issued for payment of the structuring fee(2)	0.03	0.03
Following the issuing of new ordinary shares with the conversion of all 250 of the Convertible Bonds for financing and the 20 Convertible Bonds issued for payment of the structuring fee (2)	0.28	0.28
Following the issuing of new ordinary shares with the conversion of all 250 of the Convertible Bonds for financing and the 20 Convertible Bonds issued for payment of the structuring fee based on the share price of 0.50 euros (the share's post-general meeting par value)	0.29	0.29

(1) The diluted basis takes into account the exercising of all the dilutive instruments that exist to date, which could result in the creation of an indicative maximum of 0 new shares.

(2) Theoretical calculations carried out based on 70% of the 5-day Volume-Weighted Average Price (VWAP) for the Company's share at market close on March 27, 2023, representing a conversion price for the Convertible Bonds of €1.96. This dilution does not prejudge the final number of shares to be issued or their issue price, which will be set based on the share price, in accordance with the conditions presented above.

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Theoretical impact of the issuing of new shares on a shareholder's position

For reference, the impact of the issue of new shares on the position of a shareholder holding a 1% interest in the Company's capital (based on the amount of shareholders' equity at December 31, 2022, as resulting from the interim accounts at December 31, 2022, which are currently being audited, and the number of shares comprising the Company's capital at December 31, 2022, i.e. 4,390,344 shares, would be as follows:

Impact of the issue on the interest of a shareholder currently holding 1% of the Company's share capital based on the Company's share price at March 27, 2023:

	Shareholder's interest (%)	
	Undiluted basis	Diluted basis (following exercising of all the dilutive instruments that exist to date) (1)
Before the issue of new ordinary shares with the conversion of all the Convertible Bonds	1%	1%
Following the issuing of new ordinary shares with the conversion of the 100 Convertible Bonds for financing from the first tranche and the 20 Convertible Bonds issued for payment of the structuring fee(2)	0.8779%	0.8779%
Following the issuing of new ordinary shares with the conversion of all 250 of the Convertible Bonds for financing and the 20 Convertible Bonds issued for payment of the structuring fee (2)	0.7616%	0.7616%
Following the issuing of new ordinary shares with the conversion of all 250 of the Convertible Bonds for financing and the 20 Convertible Bonds issued for payment of the structuring fee based on the share price of 0.50 euros (the share's post-general meeting par value)	0.7648%	0.7648%

(1) The diluted basis takes into account the exercising of all the dilutive instruments that exist to date, which could result in the creation of an indicative maximum of 0 new shares.

(2) Theoretical calculations carried out based on 70% of the 5-day Volume-Weighted Average Price (VWAP) for the Company's share at market close on March 27, 2023, representing a conversion price for the Convertible Bonds of €1.96. This dilution does not prejudge the final number of shares to be issued or their issue price, which will be set based on the share price, in accordance with the conditions presented above.

Note 1: Event of Default

"Event of Default" refers to the occurrence of any of the following events which it has not been possible to resolve within thirty (30) Working Days of the first of the following dates: *(i)* The date when Nice & Green SA receives the Event of Default Notification issued by the Company and *(ii)* the date when the Company receives the Notification from Nice & Green SA indicating the infringement and asking for it to be resolved:

(i) The Company does not pay an amount due to Nice & Green SA under the Agreement by its due date;

(ii) Any breach of any its commitments by the Company (particularly the payment of the structuring or transaction fee, the issuing of shares following the conversion of the Convertible Bonds) (which Nice & Green SA has not waived in writing) as a result of which Nice & Green SA will have effectively sustained damages for an amount of one hundred thousand (100,000) euros or higher, with said damages duly established based on a report prepared by a judicial expert registered with the Court of Appeals (*Cour d'Appel*), following adversarial proceedings, appointed by the President of the competent Court issuing an interim order and called on by Nice & Green SA within a maximum of eight (8) Working Days following the end of the period of thirty (30) Working Days granted to the Company with a view to resolving an Event of Default or, when such a timeframe is not applicable, from the first of the Notification dates referred to in the definition of the "Event of Default".

The commitment made by the Company to issue shares resulting from the conversion of the Convertible Bonds will only constitute an Event of Default if the shares resulting from the conversion of the Convertible Bonds have been issued with a delay strictly exceeding five (5) Trading Days after the deadline of two (2) Trading Days following the conversion date;

Moreover, the absence of a meeting, voting or approval by an extraordinary general shareholders' meeting within the timeframe set, of a stock split or a capital reduction with a view to reducing the Share's par value to €0.50 will be considered as an "Event of Default" even if it has been convened by the Company.

(iii) The delisting of the shares from Euronext Growth at the Company's request unless this delisting is carried out in connection with a transfer of the listing of the Company's shares to another market managed by Euronext Paris;

(iv) Any refusal to certify the financial statements by the Company's statutory auditors that has not been resolved within thirty (30) Working Days of the date by which the Company's accounts need to be certified in accordance with the regulations applicable;

(v) If the resolution to reduce the capital by reducing the par value of the Company's shares is rejected by the general shareholders' meeting;

(vi) A significant unfavorable event or a change of control has occurred;

(vii) The Issuer voluntarily suspends or interrupts its activity, sells or transfers its main assets required for its activity unless these assets are sold (i) subject to fair compensation or (ii) under market conditions;

(viii) In the event of a breach of the requirement for an adjustment based on reducing the minimum sales price by 50%;

(ix) The Company is subject to insolvency proceedings (receivership or compulsory liquidation proceedings); and

(x) A final judgment with a view to the payment of a total sum exceeding two million (2,000,000) euros is issued by a competent court against the Company, and the Company does not pay said sum or does not ensure its payment in accordance with its terms or does not request a suspension of the judgment's enforcement within thirty (30) calendar days (or any longer period during which the suspension of the enforcement of this judgment needs to have been requested by the Company) following the date when the Company would have been notified of this under normal conditions or does not appeal or ensure that its enforcement is suspended during such an appeal, while noting that, to avoid any ambiguity, a final judgment that is not subject to appeal awarding BPIFRANCE all or part of the sums that it has claimed from the Company will not constitute an Event of Default.