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MedinCell announces the great success of its capital increase and raises 15.6 M€

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Strong demand enabling the contemplated size of the transaction to be significantly increased from 11 M€ to 15.6 M€ (+42%)

Major support from French and international shareholders and investors

Additional resources to finance the development of the product portfolio based on BEPO® technology combined with already approved and widely used active ingredients

Increased financial flexibility enabling the Company to achieve its strategic objectives and cover its working capital requirements until the second half of 2022 ; at this time MedinCell should already be receiving royalty revenues from the sale of the first products based on the BEPO® technology

MedinCell (FR0004065605 - MEDCL), a clinical stage pharmaceutical company that develops a portfolio of long-acting injectable products in various therapeutic areas (the "**Company**"), announces today the strong success of its capital increase of a final amount of 15.6 M€ through an offering to qualified investors, both French and international, by way of an accelerated book-building process (the "**Offer**").

Bryan, Garnier & Co Limited and ODDO BHF SCA acted as Global Coordinators and Joint Bookrunners.

With a very good dynamic in the construction of the book-building, the transaction, which is significantly larger than the initially contemplated size of 11 M€, shows a limited discount of 8.4% compared to the closing price of the Company's share on the regulated market of Euronext Paris on June 15, 2020, and represents 10% of the Company's share capital through the creation of 2,014,495 new shares.

The amount raised in the context of the Offer, combined with the Company's consolidated cash position at 31 March 2020 of 12.4 M€ and 3.6 M€ in short-term investments, to which should be added 10.9 M€ received in May 2020 in the form of a State Guaranteed Loan (PGE) and 5.0 M€ immediately available, corresponding to the last tranche of the loan granted by the European Investment Bank (EIB), should enable MedinCell to achieve its strategic objectives and cover its working capital needs until the second half of 2022.

"We warmly thank our historical shareholders who have renewed their support or are joining us today. Given the strong interest in the transaction, we have chosen to make maximum use of the authorization granted by our general meeting. We have carried out a capital increase under conditions that we consider to be very favourable, with a low discount, and in the interests of all our shareholders. It provides us with additional resources to finance the development of our product portfolio while improving the profile of our balance sheet. The broadening and globalization of our shareholder base also reinforce our visibility and positioning as a

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humanistic pharmaceutical company with the mission to protect the health of people around the world, and a unique business model where all employees are shareholders or are expected to become shareholders," says Christophe Douat, Chairman of the Management Board of MedinCell.

Use of proceeds

The funds raised reinforce those already available to the Company and therefore contribute to the financing of its R&D activities, including the expansion and advancement of its long-acting injectable treatment portfolio. All products in development are based on its BEPO® technology combined with already approved and widely used active ingredients.

The funds will contribute to the financing of the programs developed by the Company, excluding partnerships; in particular, those for which the selection of a formulation candidate, prior to regulatory development (preclinical/clinical), is expected in 2020:

- mdc-GRT: subcutaneous treatment for the prevention of graft rejection in solid organ transplant patients ;
- mdc-NVA: perineural treatment for the management of post-operative episodic pain or the treatment of chronic post-traumatic peripheral neuropathic pain ;
- mdc-KPT: subcutaneous treatment for the treatment of pain in animal health care.

These additional resources will also contribute to the financing of initial costs of the mdc-TTG program, which aims to develop a long-acting injectable formulation of Ivermectin as a preventive treatment for people not infected with Covid-19.

They will also make it possible to initiate new programs in various therapeutic areas, in line with the Company's strategy, as well as to participate in the financing of the Company's working capital requirements.

Terms of the Offer

A total of 2,014,495 new ordinary shares, with a par value of €0.01 each, were issued for the benefit of qualified investors as defined in Article L. 411-2 1° of the French Monetary and Financial Code (*code monétaire et financier*) in accordance with the 9th and 15th resolutions voted by the Company's Combined General Meeting of June 28, 2018. The book was largely covered, based on sustained demand from new and existing institutional investors.

Several existing shareholders have subscribed to the Offer for an amount of approximately 8 M€, including Mirova for 6.4 M€.

The new shares, representing 10% of the Company's share capital, on a non-diluted basis, prior to the completion of the Offer, were issued by decision of the Management Board of the Company pursuant to and within the limits of the delegations of authority granted by the Supervisory Board of the Company as of the date of this press release.

The issue price of the new shares has been set at €7.75 per share, representing a discount of 8.4% compared to the closing price of MedinCell's shares on June 15, 2020, i.e. €8.46, and of 9.0% compared to the volume-weighted average price of MedinCell's shares on the regulated market of Euronext Paris over the last 10 trading days prior to its setting (i.e. from June 2 to June 15, 2020 inclusive), i.e. €8.52, in accordance with the resolutions approved by the Company's Combined General Meeting on June 28, 2018.

As an illustration, a shareholder holding 1% of MedinCell's share capital before the launch of the Offer will now hold a stake of 0.91%.

To the best of the Company's knowledge, the shareholder structure before and after the completion of the Offer is as follows:

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MedinCell shareholding on a non-diluted basis	Pre-Offer				Post-Offer			
	Number of shares	% of capital	Voting Rights	% of Voting Rights	Number of shares	% of capital	Voting Rights	% of Voting Rights
Nguyen Family	4 300 622	21%	8 601 244	25%	4 300 622	19%	8 601 244	24%
Total Management Board + Supervisory Board + F. Sturtz	2 256 810	11%	4 501 537	13%	2 256 810	10%	4 501 537	13%
Employees	837 553	4%	1 643 855	5%	837 553	4%	1 643 855	5%
Crédit Mutuel Innovation	1 577 448	8%	2 472 016	7%	1 577 448	7%	2 472 016	7%
BNP Paribas Développement	937 326	5%	937 326	3%	1 066 358	5%	1 066 358	3%
Managed Funds by Seventure Partners	1 251 048	6%	1 251 048	4%	1 251 048	6%	1 251 048	3%
Former employees, consultants and affiliates	5 819 276	29%	11 425 706	34%	5 819 276	26%	11 425 706	32%
Treasury shares	21 598	0%	-	0%	21 598	0%	-	0%
Total Free float of which:	3 143 272	16%	3 143 272	9%	5 028 735	23%	5 028 735	14%
Mirova	1 265 192	6%	1 265 192	4%	2 083 992	9%	2 083 992	6%
TOTAL	20 144 953	100%	33 976 004	100%	22 159 448	100%	35 990 499	100%

Admission to trading of the new shares

The new shares will carry current dividend rights and will be admitted to trading on the regulated market of Euronext Paris under the same ISIN code FR0004065605 - MEDCL. Settlement and delivery of the new shares and their admission to trading on the regulated market of Euronext Paris are scheduled for June 18, 2020.

The Offer is not subject to a prospectus requiring approval from the *Autorité des marchés financiers*.

Standstill commitment

Medincell agreed to a standstill agreement on the shares of the Company for a period of 90 calendar days, starting from the date of settlement and delivery of the Offer, subject to certain customary exceptions thereby limiting the Company's ability to issue new shares during the said period.

Guarantee of the Offer

The Offer has not been guaranteed. However, the Offer has been subjected to a placement agreement between the Company, Bryan, Garnier & Co Limited and ODDO BHF SCA acting as Global Coordinators and Joint Bookrunners.

The placement agreement may be terminated by the Global Coordinators and Joint Bookrunners at any time up to and including the settlement date of the Offer on June 18, 2020, subject to certain customary conditions.

In the event that the placement agreement is terminated in accordance with its terms, all investor orders placed under the Offer will be null and void.

Risk factors

The attention of the public is drawn to the risk factors associated with the Company and its activity presented in Appendix B of the French version of the annual financial report published on the Company's website on July 31, 2019, which is available free of charge on the Company's website (<https://invest.medincell.com>). The occurrence of all or part of these risks could have a negative impact on the Company's activity, financial situation, results, development or outlook. The risk factors presented in that document are the same today.

Additionally, investors are invited to consider the following risks specific to this Offer: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued as part of the Offer, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) sales of the Company's shares may take place on the market and have a negative impact on the market

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price of its share and (iv) the Company's shareholders could suffer potentially significant dilution resulting from any future capital increases required to provide the Company with additional financing.

About MedinCell

MedinCell is a clinical stage pharmaceutical company that develops a portfolio of long-acting injectable products in various therapeutic areas by combining its proprietary BEPO® technology with active ingredients already known and marketed. Through the controlled and extended release of the active pharmaceutical ingredient, MedinCell makes medical treatments more efficient, particularly thanks to improved compliance, i.e. compliance with medical prescriptions, and to a significant reduction in the quantity of medication required as part of a one-off or chronic treatment. The BEPO® technology makes it possible to control and guarantee the regular delivery of a drug at the optimal therapeutic dose for several days, weeks or months starting from the subcutaneous or local injection of a simple deposit of a few millimeters, fully bioresorbable. Based in Montpellier, MedinCell currently employs more than 130 people representing over 25 different nationalities.

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*This announcement is an advertisement and not a prospectus within the meaning of regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**").*

In France, the offering of the Company's securities as described above has been carried exclusively through an offer to the benefit of qualified investors, as defined in Article 2(1)(e) of the Prospectus Regulation and in accordance with article L. 411-2 of the French Monetary and Financial code (code monétaire et financier) and applicable regulatory provisions. No prospectus will require to be approved or subject to approval from the AMF (Autorité des Marchés Financiers).

*With respect to Member States of the European Economic Area other than France (the "**Member States**"), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State (other than France) other than in accordance with the exemptions of Article 1(4) of the Prospectus Regulation or, otherwise, in cases not requiring the publication by MedinCell of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.*

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