HALF-YEAR REPORT

Period from April 1er to September 30 2024

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HALF-YEARLY BUSINESS REPORT

"Our mission is to help improve and protect the health of people around the world. The fair sharing of the value created with all our employees is the cornerstone of our business model. Medincell's long-term viability is an essential condition for achieving our objectives.

Medincell's raison d'être, voted by the Annual General Meeting on September 5, 2019 and enshrined in the articles of association.

Medincell is a clinical and commercial-stage biopharmaceutical licensing company developing long-acting injectable drugs in a wide range of therapeutic areas. Our innovative treatments aim to ensure compliance with medical prescriptions, improve efficacy and accessibility, and reduce their environmental footprint. They combine active ingredients with our proprietary BEPO technology® , which controls the release of a drug at a therapeutic level for several days, weeks or months from the subcutaneous or local injection of a simple, fully bioresorbable deposit measuring just a few millimeters. The first treatment based on BEPO® technology, intended for the treatment of schizophrenia, was approved by the FDA in April 2023, and is now distributed in the United States by TEVA under the name UZEDY® (the BEPO technology® is licensed to TEVA under the name SteadyTeq™). We collaborate with leading pharmaceutical companies and foundations to improve global health through new treatment options. Based in Montpellier, Medincell currently employs over 130 people representing more than 20 different nationalities.

A technology platform opening up a host of opportunities

BEPO® technology makes it possible to control and guarantee the regular delivery of the optimum therapeutic dose of a drug for several days, weeks or months, by means of a simple subcutaneous or local injection of a polymer deposit just a few millimeters in size, entirely bioresorbable. Through this controlled, prolonged release of the active ingredient, Medincell makes medical treatments more efficient, notably by improving compliance with medical prescriptions, and significantly reducing the amount of medication needed for occasional or chronic treatment.

- Long-acting subcutaneous injections, which enable systemic action, are an alternative to conventional methods of taking medication, most of which are oral. It aims to increase treatment efficiency, notably by improving compliance with medical prescriptions over the entire recommended period - a major global health challenge. Most of the products in the company's current portfolio, notably UZEDY® , the first product to be marketed using BEPO technology® , use subcutaneous injections. Several thousand patients have already been treated in this way for several months, either as part of the various clinical trials carried out in the United States, or as a result of the results of the clinical trials carried out in the United States.

results were positive, both in terms of efficacy and safety, or because they are now being treated with UZEDY .®

- Long-acting local injections, on the other hand, make it possible to administer an active principle directly into the targeted area, for example intra-articularly, particularly in the context of surgical procedures or chronic localized pain. The aim is to significantly reduce the quantity of medication compared with that which would have to be administered orally or intravenously to achieve the same effect, while limiting side effects linked in particular to peak toxicity. Intra-articular injection is used for the mdc-CWM program, whose phase 3 clinical studies, which had begun in November 2022, showed encouraging efficacy results and confirmed the safety of the technology in intra-articular administration.

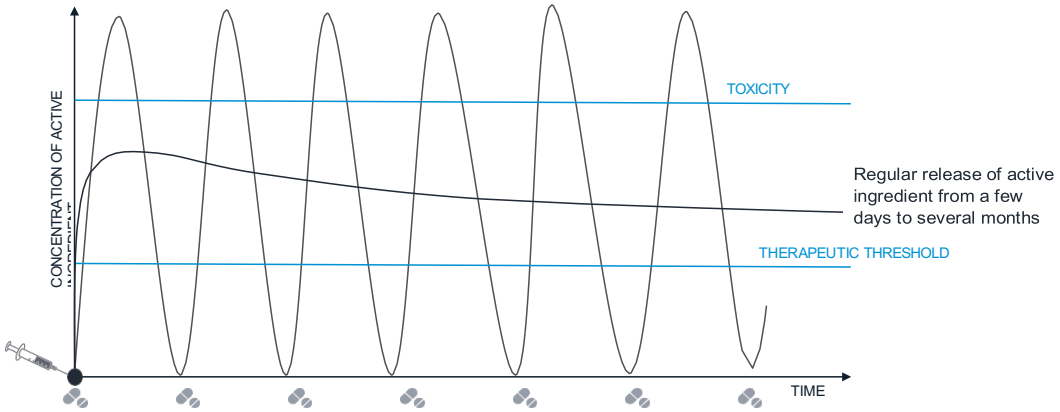
Before entering development, each program undergoes a rigorous selection process, which consists of evaluating and validating its medical interest, economic potential, technical feasibility and the regulatory pathway prior to eventual market launch. This preliminary stage is designed to maximize the chances of success and limit the financial risk. It enables us to draw up a TPP (Target Product Profile), i.e. a set of specifications for the product to be developed, specifying in particular the molecule used, the target indication, the product's duration of action, the dose to be delivered on a regular basis and the regulatory process envisaged. This TPP may evolve during the early stages of product development.

Three-stage product development processes

Each product then follows a similar path in the phases preceding clinical development, when attrition is potentially highest:

- **Formulation**: the aim of this first stage is to obtain a prototype of the product that meets the targeted specifications, in particular the duration of action and the dose of active ingredient to be delivered on a regular basis. Each product leads to the creation of a new combination of polymers, making each formulation unique and exclusive.

  Controlling the release of the active ingredient over the desired duration is a major challenge, in order to maintain the active ingredient concentration within the therapeutic window, i.e. above the therapeutic threshold and below the toxicity threshold.



- **Preclinical development**: Launched after the selection of a candidate formulation, preclinical development encompasses a series of studies and regulatory operations aimed at confirming the viability of the product, testing its safety, as well as helping to establish the scientific basis and regulatory strategy necessary for any applications for clinical trial authorizations. If successful, the product then enters the human clinical development phases.

- **Clinical development**: Once authorization for clinical trials has been obtained from the health authorities (FDA in the U.S. and the EMEA - European Medicines Agency in Europe), on the basis of preclinical studies, clinical development in humans begins. This involves several successive stages (Phases 1, 2 and 3) designed to test and validate treatment tolerance and efficacy. However, as a significant proportion of the products in Medincell's portfolio currently under regulatory development are based on active ingredients that are already known and marketed, they can benefit from streamlined regulatory processes that take into account the lower risk (such as the 505(b) procedure).
  (2) in the United States). For example, UZEDY® did not require Phase 2 clinical trials.

Expertise in polymers

Polymers are at the heart of BEPO® formulations and Medincell's intellectual property. Mastering their manufacture on a commercial scale and to pharmaceutical quality standards is essential. Medincell is therefore a partner in a joint venture, CM Biomaterials, created in 2015 with Corbion, one of the world's leading manufacturers and suppliers of biopolymers for the pharmaceutical industry. From the formulation stage onwards, the copolymers specific to each product are manufactured in compliance with GMP (Good Manufacturing Practice) standards, i.e. to a level of quality identical to that of marketed pharmaceutical products, and are produced on the same production lines as future marketing batches.

A strategy of rapid expansion of the product portfolio

The proprietary BEPO® technology can be combined with a wide range of active ingredients for use in different indications. The Company's strategy is to maximize its medical and financial impact by developing a portfolio of products chosen for their potential.

The products selected will be :

- Or developed entirely in partnership, right from the start of the R&D process. This approach, which is based in particular on financial optimization, was demonstrated by the collaboration with TEVA, initiated in 2013, which led to the market launch of UZEDY® , and the advancement of the mdc-TJK program into Phase 3. More recently, the Company announced a strategic collaboration with AbbVie for the development of 6 treatments using its technology (April 2024);
- Either developed in-house for their upstream phases. This new approach was initiated at the end of 2018 thanks to Medincell's IPO, which provided it with the financial resources needed to implement it, with a view to optimizing the portfolio's value. Internal development aims to:
    - Accelerate the creation of a portfolio of drug candidates,
    - Eliminate upstream risks to better select products for clinical development,
    - improve the conditions for potential partnerships in subsequent stages, and
    - Maintain greater control over products, and even full ownership of some of them.

In line with its strategy and objectives, Medincell's product portfolio progressed during the first half of the year, with significant advances in several programs that should reach the clinical stage during the 2025-2026 financial year, and the launch of feasibility studies and formulation selection activities for new products, some developed in partnership.

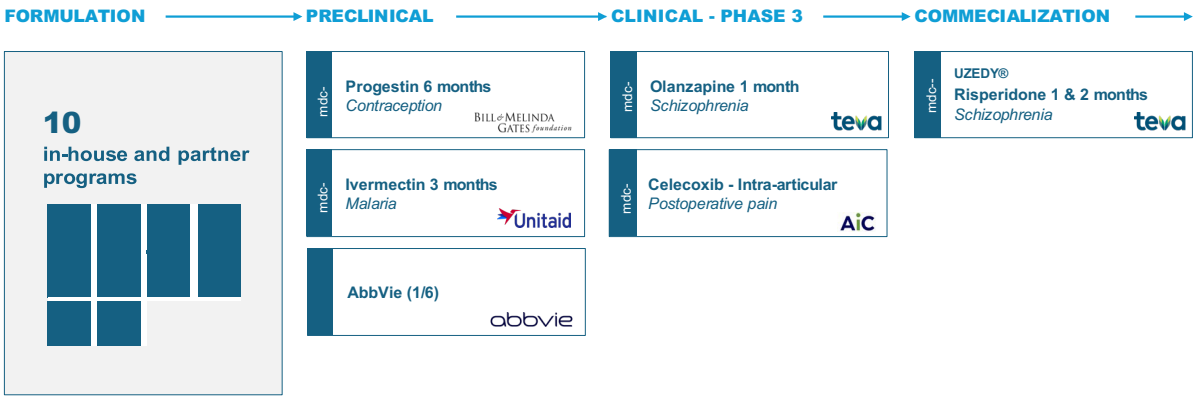
Medincell product portfolio

At the date of publication of this report, the portfolio comprised :

- 1 product marketed under the name UZEDY® by TEVA in the U.S., following FDA approval on April 28, 2023;

- 2 product candidates in clinical development and 3 product candidates in preclinical regulatory development, including the first program developed with AbbVie under the contract signed on April 16, 2024.

At the date of this report, the product portfolio and R&D pipeline were as follows:



Several programs, developed alone or in partnership, are currently at the formulation stage, a prerequisite for the selection of a product candidate. These include the first program developed with AbbVie, for which a contract was signed on April 16, 2024. Details of these programs remain confidential for strategic reasons.

In May 2022, TEVA launched preclinical activities with a view to obtaining approval for UZEDY® in a second neuroscience indication, and these activities are still ongoing. In July 2024, TEVA also announced the exploration of an additional indication for UZEDY® in the treatment of bipolar I disorder in adults.

Summary of the main events of the half-year and beyond

> press releases available on www.medincell.com

*April 2024*The global health agency Unitaid grants Medincell an additional envelope of up to $6 million over three years to fund the Phase 1 clinical trial of the injectable long-acting treatment mdc-STM. If proven safe, effective and well-tolerated, it could have a significant impact on malaria transmission in vulnerable populations living in the worst-affected areas.

Medincell announces a strategic co-development and licensing agreement with AbbVie to develop a new generation of long-acting injectable therapies.

May	2024TEVA and Medincell announce positive efficacy results for the Phase 3 SOLARIS trial of TEV-'749 (olanzapine / mdc-TJK), a monthly long-acting subcutaneous injection for adults with schizophrenia. Medincell reports on the Phase 3 clinical trial of mdc-CWM, conducted by Arthritis Innovation Corporation (AIC): the primary endpoint was not met, but encouraging results were observed on other endpoints. The study also confirmed the safety of the treatment administered into the joint at the time of surgery.
June	2024TEVA presents new data supporting the switch from Invega Sustenna® (paliperidone palmitate) to UZEDY® for the treatment of schizophrenia. Medincell joins the Euronext Tech Leaders index. H.C. Wainwright & Co. initiates coverage of Medincell with a Buy recommendation.
July	2024Medincell presents data showing the enhanced potential of a monoclonal antibody against melanoma tumors thanks to BEPO technology® TEVA provides an update on the pivotal phase 3 clinical trial of long-acting olanzapine injection (LAI) and on the commercial progress of UZEDY® : • Olanzapine LAI: no PDSS observed after around 95% of injections planned for submission for approval • UZEDY® : sales forecast for 2024 confirmed at around $80 million • UZEDY® : Exploration of an additional indication in the treatment of bipolar I disorder in adults
September 2024	Medincell announces advances in the development of its product portfolio and R&D pipeline: • Collaboration with AbbVie: launch of preclinical and CMC work to support LAI candidate's progress towards clinical development • mdc-WWM (contraception): CMC activities underway for the launch of phase 1 clinical trials scheduled for 2025 • mdc-STM (malaria): CMC activities underway in preparation for the launch of phase 1 clinical trials in 2025 • More than 10 active programs, developed in-house or in partnership, are currently at the formulation stage. Olanzapine LAI: TEVA announces at Morgan Stanley's Global Healthcare Conference that no PDSS observed after approximately 99% of injections planned for regulatory submission TEVA presentations at ENCP** 2024: • New efficacy, safety and tolerability data from pivotal Phase 3 trial of olanzapine LAI for adult patients with schizophrenia

- New data supporting the transition from Perseris® to UZEDY® for the treatment of schizophrenia

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November 2024 (post-closing) TEVA presentations at Psych Congress*** 2024:

- Olanzapine LAI: new positive data from the initial period of the Phase 3 SOLARIS trial, demonstrating, across several baseline indicators, a significant improvement in social interactions and quality of life between baseline and week 8 of the study.
- UZEDY® : real-life analyses of UZEDY show high rates of adherence and use in adults with schizophrenia who have difficulty accessing treatment.

Announcements at TEVA's 3ème quarter earnings conference, November 6, 2024:

- Olanzapine LAI: No PDSS* observed after 100% of injections planned for submission for approval
- UZEDY® : New revenue forecast for 2024: revised upwards from $80 to $100 million
  - U.S. revenues year-to-date 2024: $75 million
  - U.S. revenues for the 3ème quarter 2024: $35 million

*PDDS = Post injection Delirium/Sedation Syndrome
**37th Annual Congress of the European College of Neuropsychopharmacology (ECNP) - September 21-24, 2024, Milan, Italy
*** Psych Congress 2024, from October 29 to November 2, 2024, in Boston, MA (United States)

Main events of the half-year

UZEDY® : Successful US market launch

On April 28, 2023, TEVA and Medincell announced that the U.S. Food and Drug Administration ("FDA") had granted marketing authorization for mdc-MRI in the United States. It has been marketed by partner TEVA since May 2023, under the name UZEDY®.

UZEDY® is intended for the treatment of schizophrenia in adults. Clinical studies have demonstrated that it can provide an effective response to the many challenges inherent in treating this complex disease. Thanks to BEPO® technology, UZEDY® has unique and innovative features which could make it the reference treatment for schizophrenia.

At its quarterly results conferences on May 8, 2024 and July 31, 2024, TEVA confirmed its UZEDY® revenue guidance for 2024 announced at the beginning of the year, i.e. $80 million for the first full year of commercialization. The Medincell partner also announced in July that it was exploring a new indication for UZEDY® for the treatment of bipolar I disorder in adults.

At its November 6, 2024 (post-closing) earnings conference, TEVA raised its forecast for UZEDY® sales in 2024 by 25%, to an estimated $100 million. TEVA also announced that in the first 9 months of 2024, sales had reached $75 million, including $35 million in the third quarter.

The latter forecast is in line with Medincell's anticipated revenues from sales of UZEDY® , with the Company receiving royalties on all sales and being eligible for $105 million in commercial milestones.

During the first half of the year, Medincell received €2.8 million in royalties from sales of UZEDY® (€1.7 million in royalties from sales of UZEDY® had been received during the entire 2023-24 financial year).

During the first half of the year, TEVA gave several presentations on UZEDY® at scientific conferences:

- New data supporting the switch from Invega Sustenna® (monthly intramuscular injection of paliperidone palmitate) to UZEDY® for the treatment of schizophrenia presented at Psych Congress Elevate 2024 (May 30 - June 2, 2024, Las Vegas, USA)
- New data supporting the transition from Perseris® to UZEDY® for the treatment of schizophrenia presented at ENCP 2024 (September 21 - 24, 2024, Milan, Italy). In July 2024, the manufacturer of Perseris announced that it would no longer be marketed.
- Overview of real-world UZEDY® treatment patterns since its approval for the treatment of schizophrenia in adults by the FDA in April 2023 presented at Psych Congress 2024 (October 29 - November 2, 2024, Boston, USA). Analysis of US claims data for adults with schizophrenia treated with UZEDY® (n=715) examined social determinants of health (SDOH) and adherence patterns. Results reveal high adherence rates among schizophrenic adults with unmet social needs.
    - 41% of patients were covered by Medicaid, 8% by Medicare and 40% had dual coverage.[1]
    - Of the patients for whom SDOH data were available (n=189), more than half had a low level of education, lived in poverty, experienced food insecurity and/or had limited access to healthcare. A large minority (44%; n=83/189) were also affected by housing instability.[1]
    - 69% were compliant with treatment (proportion of days covered greater than or equal to 80%).[1]
    - A line-of-treatment analysis revealed that the use of UZEDY® as first-line treatment was 12%, but that patients who had been

prescribed UZEDY® had most often received second-generation oral antipsychotics as initial treatment.[1]

[1] Internal data. Parsippany, NJ: Teva Neuroscience, Inc.

mdc-TJK (olanzapine - schizophrenia): positive results from Phase 3 clinical trial, no PDSS

Positive efficacy results announced for SOLARIS phase 3 trial, May 9, 2024

mdc-TJK / TV-'749 met the primary endpoint for all dose groups. The mean change in total score on the Positive and Negative Symptoms Scale (PANSS) from baseline to week 8 was -9.71 points, -11.27 points and -9.71 points versus placebo, respectively for the high, medium and low dose groups. These differences from placebo were clinically remarkable and statistically significant, with adjusted values of $P < 0.001$ for each comparison. Several key secondary endpoints also showed statistically significant improvements after homogenization: ICG-S (Clinical Global Impressions - schizophrenia) and PSP (Personal and Social Performance Scale) total score.

About the SOLARIS study (Subcutaneous OLAnzapine Extended-Release Injection Study)

SOLARIS is a global, multicenter, randomized, double-blind, parallel-group, placebo-controlled study designed to evaluate the efficacy, safety and tolerability of olanzapine extended-release injectable suspension for subcutaneous use as a treatment in patients (aged 18-65) with schizophrenia. For the first study period (first 8 weeks), 675 patients were randomized to receive a subcutaneous injection of TV-'749 once a month (low, medium or high dose) or placebo in a ratio of 1:1:1:1:1. For the second period, lasting up to 48 weeks, patients who completed the first period were randomized and assigned equally to one of three TEV-'749 treatment groups. End-of-treatment and follow-up visits will take place 4 and 8 weeks after the last dose of treatment, respectively. The primary objective of the Phase 3 SOLARIS study was to evaluate the efficacy of TV-'749 in adult patients with schizophrenia. A key secondary objective was to further evaluate the efficacy of TV-'749 on additional parameters in adult patients with schizophrenia. A secondary objective still ongoing during the second study period is to evaluate the safety and tolerability of TV-'749 in adult patients with schizophrenia.

The PANSS scale quantifies positive (7 items), negative (7 items) and general psychopathological (16 items) symptoms. Each subscale is scored from 1 to 7 points, ranging from no symptoms (1) to extreme presence (7). Each of the 30 items is accompanied by a specific definition and detailed anchoring criteria for the seven assessment points. These seven points represent increasing levels of psychopathology, as follows: 1- absent 2- minimal 3- mild

4- moderate 5- moderately severe 6- severe 7- extreme. The PANSS total score ranged from 30 to 210, with higher scores indicating greater symptom severity. The primary efficacy endpoint was measured by the change in PANSS total score from baseline to week 8.

New efficacy, safety and tolerability data presented at ECPN 2024, September 23, 2024

Efficacy results from the first period of the SOLARIS study show that at the end of week 8 :

- TEV-'749 met its endpoint for all dose groups, with statistically significant mean differences in the change in total Positive and Negative Symptom Scale (PANSS) scores from baseline to week eight of -9,71 points, -11.25 points and -9.69 points versus placebo for the high (531 mg, corresponding to 20 mg/day oral olanzapine), intermediate (425 mg, corresponding to 15 mg/day oral olanzapine) and low (318 mg, corresponding to 10 mg/day oral olanzapine) dose groups, respectively (P<0.0001 for all).[2]
- Treatment with TEV-'749 significantly improved ICG-S (Clinical Global Impressions - schizophrenia) scores in all three dose groups, with reductions in the high, medium and low dose groups of -0.47 points respectively,
  -0.61 points and -0.53 points versus the placebo group between baseline and week 8 (P<0.0001 for all).[2]
- Treatment with TEV-'749 significantly improved PSP (Personal and Social Performance Scale) scores in all three dose groups, with increases in the high, medium and low dose groups of 4.93 points, 3.15 points and 4.63 points respectively, compared with the placebo group between baseline and week 8 (P<0.02 for all).[2]

[1] 37ème annual congress of the European College of Neuropsychopharmacology (ECNP) - September 21-24, 2024 in Milan, Italy
[2] Internal data, Parsippany, NJ: Teva Neuroscience, Inc.

New positive results presented at Psych Congress 2024, November 4, 2024

In the SOLARIS study, mdc-TJK / TEV-'749 significantly improved social interactions and quality of life at week 8 for all three doses tested versus placebo in a hospitalized population. Results showed that:

- The mean difference in change in the Personal and Social Performance Scale, a standard measure of social functioning, from baseline to week 8 was greater with TEV-'749 318 mg (4.63), 425 mg (3.15), and 531 mg (4.93) compared with placebo (P<0.05 for all three doses). The mean difference in change at week 4

was statistically significant for TEV '749 318 mg (P<0.05) and numerically greater for all other doses of TEV-'749 compared with placebo.[2]

- Treatment with TEV-'749 significantly improved Quality of Life Scores for Schizophrenia, with a greater mean difference in baseline change at week 8, observed at doses of 318 mg (-3.99), 425 mg (-5.39), and 531 mg (-5.65), compared with placebo (P<0.05 for all three doses).[2]
- Baseline changes at week 8 in EuroQoL-5 Dimensions- 3 levels (exploratory endpoint), another measure of quality of life, were numerically higher at week 8 with TEV '749 at the 425 mg dose compared to placebo. [23]

[1] Psych Congress 2024, from October 29 to November 2, 2024, in Boston, MA (United States): www.hmpglobalevents.com/psych-congress
[2] Internal data. Parsippany, NJ: Teva Neuroscience, Inc.
[3] EuroQol-5 Dimensions-3 Levels (EQ-5D-3L) is a standardized tool for measuring health-related quality of life. It assesses the impact of an illness or treatment on a person's quality of life through five dimensions: mobility (problems with getting around), personal care (ability to wash and dress oneself), daily activities (daily tasks, work, leisure), pain/discomfort, anxiety/depression.

No PDSS observed after 100% of injections scheduled for approval, November 6, 2024

Post-injection delirium/sedation syndrome (PDSS) is a rare but significant complication associated with current long-acting injectable formulations of olanzapine. PDSS occurs when some of the injected drug accidentally enters the bloodstream too rapidly, causing sudden sedation, confusion, and potentially serious side effects, such as respiratory problems. For healthcare professionals and patients alike, PDSS remains an obstacle to the widespread use of olanzapine LAI. The need for close post-injection monitoring limits the convenience and flexibility of this treatment option. Medincell's olanzapine LAI is designed to eliminate the risk of PDSS, potentially offering a safer and more accessible treatment option.

mdc-CWM (celecoxib - post-operative pain)

On May 14, 2024, Medincell announced the main results of the phase 3 clinical study for the product developed in partnership with the Canadian company AIC, called mdc-CWM at Medincell (or F14 at AIC). The product failed to meet its primary endpoint, i.e. the time-weighted AUC (Area under the curve) of pain intensity over 14 days, when comparing treatment with multimodal analgesia (MMA) alone with MMA combined with a single dose of F14, administered in the knee at the time of total knee arthroplasty. The control MA, received by each patient, was defined by the protocol as a standard periarticular infiltration with bupivacaine, oral acetaminophen and an opioid medication as a complement.

A quantitative improvement in favor of F14 was observed for the primary endpoint. The secondary endpoints of time-weighted AUC of pain intensity at 3 and 7 days also showed a quantitative improvement in favor of F14. The safety profile of F14

was consistent with the previous Phase 2 study, no new safety signals were identified, and no serious adverse events were reported as related to F14 treatment.

The study also assessed multiple effects related to inflammation (not just pain) due to total leg arthroplasty. A substantial improvement was observed in F14-treated patients for the key secondary endpoint of knee range of motion at 6 weeks, as well as at 3 months ($p<0.005$ and $p<0.0005$ respectively; not homogenized). Knee effusion (i.e. swelling) showed significantly better results for patients treated with F14 than for those treated with AMM at 6 weeks and 3 months ($p<0.005$ and $p<0.05$ respectively; not homogenized). The Timed-Up-and-Go (TUG) test, a widely used measure of lower limb function based on clinical performance, also showed improved results in the F14 group at 6 weeks.

Moreover, even more remarkable improvements were observed for the time-weighted AUC endpoints of pain intensity, range of motion (ROM), effusion and TUG in a subgroup of patients representing over 70% of the trial population (108/151) who had not previously undergone contralateral (non-study) knee arthroplasty. This subgroup analysis was pre-specified in the protocol, but was not alpha-controlled for formal statistical testing. AIC therefore intends to discuss the results of this trial with the regulatory authorities and to explore routes of approval for F14 in this patient subgroup.

Progress in the R&D pipeline

Other programs at the regulatory stage have also advanced, with some aiming to launch clinical activities in 2025: mdc-WWM (contraception) and mdc-STM (malaria).

During the first half, several programs entered the evaluation and formulation stages, some as part of the development strategy for new internal programs, others as part of new partnerships. Given the early stage of these programs, for obvious strategic reasons and/or in compliance with confidentiality undertakings, the Company cannot make public either the compounds it is working on, or the indications targeted by these new programs.

Strategic co-development and licensing agreement with AbbVie

On April 16, 2024, Medincell announced an agreement with AbbVie to co-develop and commercialize up to six products in different therapeutic areas and indications. Medincell will use its technology platform to formulate these innovative long-acting injectable therapies. Medincell is in charge of formulation activities, preclinical studies, including CMC (Chemistry, Manufacturing, and Controls) support, to bring the candidates to market.

to the clinical stage. AbbVie will fund and lead the clinical development of each program, and will be responsible for regulatory approval, manufacturing and commercialization.

Under the terms of the agreement, Medincell received an initial payment of $35 million in May 2024.

Medincell could also receive up to $1.9 billion in milestones linked to the potential achievement of development and revenue thresholds, as well as mid-single to low-double-digit payments on worldwide net sales.

At the time the agreement was signed, a first drug candidate had already been selected and formulation activities were underway. On September 3, 2024, Medincell announced that preclinical and CMC work to support the LAI candidate's progress towards clinical development had begun.

Activity report

1. INCOME STATEMENT ANALYSIS

OPERATING INCOME AND OTHER INCOME: €9.4M

(In thousands of €)	30/09/2024 6 months	30/09/2023 6 months	Change (€)	% change
Revenues	**8 620**	**6 985**	**1 635**	**23%**
- Income from services development	5 516	2 064	3 452	167%
- Milestones	-	3 643	-3 643	-100%
- Commercial royalties	2 752	643	2108	328%
- Royalties with CM Biomaterials	353	635	-282	-44%
Other products	**815**	**1 195**	**-380**	**-32%**
- Research tax credit	723	1 195	-472	-39%
- Other products	92	-	92	-
Operating and other income	**9 435**	**8 180**	**1 255**	**15%**

Up 23% on the previous period, revenues for the first half of the 2024-2025 financial year came from :

- Services for the formulation of products developed with partners. These revenues mainly result from (i) the new collaboration agreement signed in April 2024 with the pharmaceutical group AbbVie; (ii) the collaboration with the Bill & Melinda Gates Foundation on the development of an active injectable female contraceptive (mdc-WWM); (iii) and the collaboration with the international agency Unitaid on a project to combat malaria transmission (mdc-STM).
- A royalties from the commercialization of the first product, mdc-IRM, marketed by Teva in the United States under the brand name UZEDY since May 2023. These royalties are calculated on Teva's net sales. During the launch period, sales growth depends on a number of factors: coverage by private or public insurance organizations in the United States (Teva expects optimal coverage during 2024), marketing strategy (free samples, promotions, discounts, etc.), wholesaler stock-building strategies, etc.
- As well as royalties on intellectual property invoiced to the CM Biomaterials joint venture.

With regard to its revenues, the Company notes that :

In the 1er half-year of the previous year, a milestone payment of €3.6m was recorded for one of the programs in partnership with TEVA (US FDA marketing authorization for mdc-IRM).

Because of the product development cycle, and depending on the financial parameters set for partnerships (which may or may not include certain elements such as invoicing for formulation services, milestone payments, royalties, cost-sharing, profit-sharing, etc.), revenues linked to portfolio development may vary significantly from one period to the next.

As part of its research and development (R&D) activities, the Company benefits from the Research Tax Credit (Crédit d'Impôt Recherche - CIR) recorded under "Other income". Compared with the half-year ended September 30, 2023, this has fallen by 39% due to the revaluation of the provision for risks relating to the CIR.

OPERATING EXPENSES: €17M

(In thousands of €)	30/09/2024 6 months	30/09/2023 6 months	Change in sales	Change in % of
Research and development costs	(10 274)	(11 144)	870	-8%
Marketing and sales expenses	(1 686)	(1 409)	(277)	20%
General and administrative expenses	(5 073)	(4 584)	(489)	11%
Total operating expenses	**(17 033)**	**(17 137)**	**104**	**-1%**

Operating expenses were stable compared with the same period last year.

More than 60% of these costs relate to R&D. These costs fell by 8% in the first half of the year, mainly due to purchases of raw materials for the mdc-CWM project in the first half of the previous year.

Marketing and sales costs rose by 20%. This increase was due to personnel expenses (notably bonuses and social security contributions on bonus shares).

Overheads rose by 11% over the period, mainly due to higher personnel costs (increased salaries and bonuses for members of the Executive Board), and slightly higher fees and consultancy costs (legal fees, accounting fees and consultancy costs related to the roll-out of the investor strategy in the United States).

NET FINANCIAL EXPENSE: -€6.9M

(In thousands of €)	30/09/2024 6 months	30/09/2023 6 months	Change (€)	% change
Income from cash investments	741	156	585	375%
Gross cost of debt	(2 515)	(2 399)	(116)	5%
Change in fair value of financial liabilities	(4 260)	2 970	(7 230)	-243%
Net cost of debt	**(6 034)**	**727**	**(6 761)**	**-930%**
Foreign exchange losses	(1 009)	(34)	(975)	2868%
Other financial expenses	(6)	-	(6)	
Other financial expenses	**(1 015)**	**(34)**	**(981)**	**2885%**
Foreign exchange gains	139	130	9	7%
Other financial income	-	-	-	
Other financial income	**139**	**130**	**9**	**7%**
Total financial result	**(6 910)**	**823**	**(7 733)**	**-940%**

The financial result showed an expense of €6.9m, compared with income of €0.8m for the first half of the previous year, mainly due to the change in the fair value of the financial liabilities corresponding to the warrants in favor of the EIB, from an income of +€3.0m at September 30, 2023 to an expense of -€4.3m. The income recognized at September 30, 2023 included income of €1.2 million (decrease in financial liabilities) corresponding to a debt adjustment for the six months ended September 30, 2023, as the fair value at the issue date of the warrants associated with Tranche B of the EIB loan had been recognized in the consolidated financial statements at March 31, 2023 as a financial expense, whereas it should have reduced the debt component of the loan. The charge for the period is mainly due to the rise in the Company's share price during the six months to September 30, 2024, which contributed to an increase in the fair value of the warrants issued to the EIB. The increase in financial exchange losses amounts to -1.0 M€, due to the unfavorable variation in the EUR/USD exchange rate, which impacted cash held in USD currency.

NET INCOME: (€14.6 M)

(In thousands of €)	30/09/2024 6 months	30/09/2023 6 months	Change (€)	% change
Operating and other income	9 435	8 180	1 255	15%
Total operating expenses	(17 033)	(17 137)	104	-1%

Current operating income	**(7 598)**	**(8 957)**	**1 359**	**-15%**
Operating income	**(7 529)**	**(8 981)**	**1 452**	**-16%**
Net financial income	**(6 910)**	**823**	**(7 733)**	**-940%**
Profit before tax	**(14 439)**	**(8 158)**	**(6 281)**	**77%**
NET INCOME	**(14 568)**	**(8 158)**	**(6 410)**	**79%**
- Attributable to Medincell shareholders	(14 568)	(8 158)	(6 410)	79%
- Attributable to non-controlling interests	0	0	0	0%
Basic earnings per share in €	-0,50	-0,29	-0,21	72%
Diluted earnings per share in €	-0,50	-0,29	-0,21	72%

Operating income recurring improved by €1.4 million, thanks to a sharp rise in operating revenues and other income (+15%), coupled with a slight decrease in operating expenses (-1%).

The net loss for the period rose by €6.4 million, from €8.2 million to €14.6 million, due to the deterioration in the financial result (negative change in the fair value of financial liabilities (-€4.3 million) versus a positive change (€3 million) in the first half of the previous year).

Basic and diluted loss per share (calculated on the basis of the weighted average number of shares outstanding during the period) also increased, to € -0.50 at September 30, 2024 from € -0.29 per share at September 30, 2023.

2. BALANCE SHEET ANALYSIS

(In thousands of €)	**30/09/2024**	**31/03/2024**	**Change (€)**	**% change**
Total non-current assets	**11 111**	**9 690**	**1 421**	**15%**
Total current assets	**47 752**	**27 258**	**20 494**	**75%**
TOTAL ASSETS	**58 863**	**36 948**	**21 915**	**59%**

Non-current assets comprise property, plant and equipment, intangible assets and non-current financial assets. Net non-current assets amounted to €11.1m and €9.7m at September 30, 2024 and March 31, 2024 respectively. The increase is mainly due to the Research Tax Credit 2024 receivable in the second half of 2025.

Current assets stood at €47.7m and €27.2m at September 30, 2024 and March 31, 2024 respectively. During the first half, Medincell strengthened its cash position by

the receipt of an initial payment in May 2024 of $35 million under the strategic co-development and licensing agreement with AbbVie, and the receipt of royalties linked to the marketing of UZEDY by its partner Teva.

(In thousands of €)	30/09/2024	31/03/2024	Change (€)	% change
Consolidated shareholders' equity	(54 030)	(40 824)	(13 206)	32%
Total non-current liabilities	80 236	61 304	18 932	31%
Total current liabilities	32 657	16 466	16 191	98%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**58 863**	**36 948**	**21 915**	**59%**

The increase in non-current liabilities is due for €15 million to the recognition of percentage-of-completion revenues relating to the Group's various programs with partners due in more than one year, and for €3 million to the revaluation of derivative liabilities (corresponding to the share warrants granted to the EIB in connection with the October 2022 loan).

The increase in current liabilities is mainly due to the recognition of progress income relating to the co-development and licensing program with AbbVie, and to a lesser extent to partnership agreements with the Bill & Melinda Gates Foundation and the Unitaid Foundation.

3. ANALYSIS OF CASH FLOW STATEMENT

At September 30, 2024, Medincell had cash and cash equivalents of €31.6 million, plus €7.2 million in term deposits recorded as financial investments, compared with €19.5 million in cash and cash equivalents at March 31, 2024.

Over the period, Medincell received an initial payment of $35 million in May 2024 as part of the strategic co-development and licensing agreement signed with AbbVie to develop a new generation of long-acting injectable treatments.

Without including future revenues relating to products developed in partnership (service revenues and milestone payments), Medincell benefits from improved financial visibility at September 30, 2024, thanks to the contribution of net cash flow generated by operations, which has significantly improved the cash and cash equivalents position.

(In thousands of €)	30/09/2024 6 months	30/09/2023 6 months
Net cash flow from operating activities	21 559	(11 759)
Net cash used in investing activities	(6 993)	(190)
Net cash used in financing activities	(2 398)	32 260
Net change in cash and cash equivalents	**12 176**	**20 312**

Opening cash and cash equivalents	19 460	6 467
Cash and cash equivalents at end of year	31 636	26 779

The change in net cash flow from operating activities reflects the receipt of the AbbVie upfront payment, as well as the receipt of UZEDY royalties and the Unitaid payment in the first half of the 2024-2025 financial year.

Net cash used in investing activities was mainly due to changes in financial investments over the period. These financial investments of €7.2 million consist exclusively of highly liquid term deposits with no risk of capital loss. They can be easily mobilized if necessary, and generate additional financial income.

Net cash used in financing activities in the first half ended September 30, 2024 was mainly due to the repayment of financial debts and rental liabilities (total disbursements of €2.4 million), whereas the first half of the previous year included receipts linked to the capital increase carried out in May 2023 (€23.3 million net of expenses) as well as the drawdown of the final EIB tranche (€10 million).

4. Main risks and uncertainties

On the occasion of its IPO on Euronext, Medincell presented in its Document de Base (registered by the Autorité des marchés Financiers (the "AMF") under number I.18-062 on September 4, 2018 and available on the Company's website), the risk factors identified by the Company.

These risks were reviewed and updated in Chapter 2 of the universal registration document filed with the AMF on July 26, 2024, and have not changed significantly since that publication.

Medincell points out that its activities are based on Research and Development operations, aimed at healthcare applications. The success of its projects is therefore subject to scientific and technological uncertainties.

5. Related party transactions

During the six months ended September 30, 2024, there were no new transactions or changes between related parties that significantly affected Medincell's financial position or results.

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HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS AT SEPTEMBER 30, 2024

Contents

I- CONSOLIDATED INCOME STATEMENT

(In thousands of €)	Notes	09/30/2024 6 months	09/30/2023 6 months
Revenues	6.1	8 620	6 985
Other income from ordinary activities	6.1	815	1 195
Operating and other income	**6.1**	**9 435**	**8 180**
Cost of goods and services sold		-	-
Research and development costs	6.2.1	(10 274)	(11 144)
Marketing and sales expenses	6.2.2	(1 686)	(1 409)
General and administrative expenses	6.2.3	(5 073)	(4 584)
Operating income recurring		**(7 598)**	**(8 957)**
Other non-current operating expenses	6.4	-	(134)
Other non-recurring operating income	6.4	69	109
Operating income		**(7 529)**	**(8 981)**
Interest income	6.5	741	156
Gross cost of debt	6.5	(2 515)	(2 399)
Change in fair value of financial liabilities	6.5	(4 260)	2 970
Other financial expenses	6.5	(1 015)	(34)
Other financial income	6.5	139	130
Net financial income		**(6 910)**	**823**
Share of profit of associates	8	-	-
Profit before tax		**(14 439)**	**(8 158)**
Income tax (expense)/income	6.6	(129)	-
NET INCOME		**(14 568)**	**(8 158)**
- Attributable to Medincell shareholders		(14 568)	(8 158)
- Attributable to non-controlling interests		-	-
Basic earnings per share in €	6.7	(0,50)	(0,29)
Diluted earnings per share in €	6.7	(0,50)	(0,29)

II- CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of €)	09/30/2024 6 months	09/30/2023 6 months
Net income	**(14 568)**	**(8 158)**
Other recyclable components of comprehensive income		
Currency translation adjustments	4	(1)
Other non-recyclable items of comprehensive income		
Actuarial gains and losses on employee benefits, net of tax	-	-
- Actuarial gains and losses on employee benefits	-	-
- Tax effect	-	-
Overall result	**(14 564)**	**(8 159)**
- Attributable to Medincell shareholders	(14 564)	(8 159)
- Attributable to non-controlling interests	-	-

III- CONSOLIDATED BALANCE SHEET

(In thousands of €)	Notes	30/09/2024	31/03/2024
Intangible assets	5.1	2 618	2 450
Property, plant and equipment	5.2	2 141	2 283
Rights of use of property, plant and equipment under operating leases	5.3	3 033	3 150
Investments in associates	8	15	15
Financial and other non-current assets	5.4	3 305	1 792
Deferred tax assets	6.6	-	-
TOTAL NON-CURRENT ASSETS		**11 111**	**9 690**
Accounts receivable	5.5	2 824	2 254
Other current assets	5.6	6 074	5 544
Financial investments	5.6	7 217	-
Cash and cash equivalents	5.7	31 636	19 460
TOTAL CURRENT ASSETS		**47 752**	**27 258**
TOTAL ASSETS		**58 863**	**36 948**

(In thousands of €)	Notes	30/09/2024	31/03/2024
Capital	5.8	291	291
Premiums	5.8	31 160	31 014
Reserves	IV	(70 913)	(47 091)
Net income for the year - Group share	I	(14 568)	(25 038)
Shareholders' equity - Group share	**IV**	**(54 030)**	**(40 824)**
Non-controlling interests	IV	-	-
CONSOLIDATED SHAREHOLDERS' EQUITY	**IV**	**(54 030)**	**(40 824)**
Financial liabilities - non-current	5.11	49 878	50 541
Derivative liabilities - non-current	5.11	9 589	5 745
Employee benefits	5.12	414	365
Provisions - non-current	5.16	2 576	1 902
Lease liabilities - non-current	5.3	2 183	2 259
Other non-current liabilities	5.14	15 594	492
TOTAL NON-CURRENT LIABILITIES		**80 236**	**61 304**
Financial liabilities - current	5.11	6 886	5 518
Provisions - current	5.16	79	-
Trade accounts payable	5.13	2 365	1 849
Lease liabilities - current	5.3	658	643
Other current liabilities	5.15	22 668	8 457
TOTAL CURRENT LIABILITIES		**32 657**	**16 466**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**58 863**	**36 948**

IV- CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of €)	Number of shares	Capital	Bonus	Currency translation adjustments	Consolidated reserves	Net income	Shareholders' equity - Group share	Non-controlling interests	Consolidated shareholders' equity
Balance at March 31, 2024	**29 085 821**	**291**	**31 015**	**(72)**	**(47 020)**	**(25 038)**	**(40 823)**	**-**	**(40 824)**
Net loss	-	-	-	-	-	(14 568)	(14 568)	-	(14 568)
Translation adjustments	-	-	-	4	-	-	4	-	4
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**4**	**-**	**-**	**(14 564)**	**-**	**(14 564)**
Appropriation of prior-year income	-	-	-	-	(25 038)	25 038		-	-
Capital increase	-	-	-	-	-	-	-	-	-
Subscription of warrants	14 000	-	23	-	-	-	23	-	23
SO subscription	20 439	-	122	-	-	-	122	-	122
Change in treasury shares	-	-	-	-	25	-	25	-	25
Share-based payments	-	-	-	-	1 187	-	1 187	-	1 187
Balance at September 30, 2024	**29 120 260**	**291**	**31 160**	**(67)**	**(70 846)**	**(14 568)**	**(54 030)**	**-**	**(54 030)**

(In thousands of €)	Number of shares	Capital	Bonus	Currency translation adjustments	Consolidated reserves	Net income	Shareholders' equity - Group share	Non-controlling interests	Consolidated shareholders' equity
Balance at March 31, 2023	**25 288 045**	**253**	**7 416**	**(71)**	**(17 881)**	**(32 010)**	**(42 294)**	**-**	**(42 294)**
Net loss	-	-	-	-	-	(8 158)	(8 158)	-	(8 158)
Translation adjustments	-	-	-	(1)	-	-	(1)	-	(1)
Other comprehensive income, net of tax	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income	**-**	**-**	**-**	**(1)**	**-**	**(8 158)**	**(8 159)**	**-**	**(8 159)**
Appropriation of prior-year income	-	-		-	(32 010)	32 010	-	-	-
Capital increase	3 430 000	34	23 208	-	-	-	23 242	-	23 242
Subscription of warrants	32 600	1	354	-	-	-	354	-	354
Change in treasury shares	-	-	-	-	(169)	-	(169)	-	(169)
Share-based payments	-	-	-	-	1 280	-	1 280	-	1 280
Balance at September 30, 2023	**28 750 645**	**288**	**30 977**	**(72)**	**(48 781)**	**(8 158)**	**(25 747)**	**-**	**(25 747)**

V- CONSOLIDATED CASH FLOW STATEMENT

(In thousands of €)	Notes	09/30/2024 6 months	09/30/2023 6 months
Net income		**(14 568)**	**(8 158)**
Non-cash or non-operating income and expenses		**9 012**	**2 270**
Adjustments for items not affecting cash:			
- Provisions	5.12/5.16	801	759
- Depreciation of property, plant and equipment, intangible assets and rights of use	5.1/5.2/5.3	840	864
- Share-based payment expenses	5.10	1 187	1 280
- Cost of net financial debt	6.5	6 034	(727)
- Elimination of tax expense (income)	6.6	129	-
- Gains and losses on asset disposals	5.1/5.2/5.3	20	94
Change in working capital		**27 244**	**(5 871)**
- Net trade accounts receivable	5.5	(570)	(23)
- Trade accounts payable	5.13	515	(2 144)
- Other operating receivables	5.4/5.6	(2 013)	(1 480)
- Other operating liabilities	5.14/5.15	29 312	(2 224)
Corporate income tax paid		**(129)**	**-**
NET CASH FLOW FROM OPERATING ACTIVITIES		**21 559**	**(11 759)**
Acquisitions of property, plant and equipment	5.2	(195)	(152)
Acquisitions and production of intangible assets	5.1	(291)	(235)
Disposals of property, plant and equipment and intangible assets	-	-	3
Financial income received	6.5	741	35
Change in financial investments	5.6	(7 217)	-
Change in non-current financial assets	5.4	(31)	159
NET CASH FLOW FROM INVESTING ACTIVITIES		**(6 993)**	**(190)**
Income from capital transactions, net of expenses	5.8	145	23 283
Financial debt subscriptions	5.11	-	13 843
Repayment of borrowings	5.11	(1 931)	(2 985)
Repayment of rental liabilities	5.3	(343)	(333)
Interest paid	5.11	(294)	(1 415)
Acquisition and disposal of treasury shares		25	(133)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(2 398)**	**32 260**
Impact of non-cash items and changes in foreign exchange rates		8	-
CHANGE IN NET CASH AND CASH EQUIVALENTS		**12 176**	**20 312**
Opening cash and cash equivalents	5.7	19 460	6 467
Cash and cash equivalents at end of year	5.7	31 636	26 779

VI- NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

1.1 Group presentation

Medincell is a clinical-stage and commercial-stage biopharmaceutical company developing innovative long-acting injectable drugs in a wide range of therapeutic areas, by combining its patented BEPO technology® with already known and marketed active ingredients. Thanks to the controlled and prolonged release of the active ingredient, Medincell's technology makes treatments more effective, notably by improving compliance with medical prescriptions. It also makes it possible to significantly reduce the amount of medication needed for occasional or chronic treatment. The patented BEPO® technology enables the regular delivery of the optimal therapeutic dose of a drug to be controlled and guaranteed for several days, weeks or months, from a simple, fully bioresorbable deposit just a few millimeters in size, which forms immediately after a subcutaneous or local injection. Medincell collaborates with many of the world's leading pharmaceutical companies and foundations to improve health worldwide through new therapeutic options. Based in Montpellier, France, Medincell currently employs over 130 people of more than 25 different nationalities.

The parent company Medincell S.A. is a French Société Anonyme with a Board of Directors, headquartered at 3, rue des Frères Lumière, 34830 Jacou, France. It should be noted that the Annual General Meeting of Shareholders held on September 12, 2024 approved a change in the company's governance structure from a SA with a Management Board and Supervisory Board to a SA with a Board of Directors.

It has been listed since October 8, 2018 on the Euronext regulated market in Paris under ISIN code FR0004065605 and ticker MEDCL, and since 2021 on Compartment B.

The Medincell Group's condensed half-year consolidated financial statements for the six months ended September 30, 2024 were approved for publication by the Board of Directors on December 9, 2024.

1.2 Highlights of the period

1.2.1 An additional funding of $6 million secured from Unitaid to combat malaria

On April 8, 2024, the global health agency Unitaid granted Medincell an additional budget of up to $6 million over three years to fund the phase 1 clinical trial of the injectable long-acting treatment mdc-STM. If proven safe, effective and well-tolerated, mdc-STM could have a significant impact on malaria transmission in vulnerable populations living in the worst-affected areas.

Based on Medincell's BEPO® technology, mdc-STM is an injectable formulation of ivermectin active for three months aimed at combating malaria transmission. A previous Unitaid grant of $6.4 million was awarded in March 2020 to fund the program's research, formulation and preclinical studies, carried out by Medincell and the academic consortium members gathered around the project (including Institut de Recherche et Développement (IRD), Institut de Recherche en Science de la Santé (IRD) and the Centre International de

recherche-développement sur l'élevage en zone subhumide CIRDES).

As of April 17, 2024, the Company had received $1.1 million of the $6 million granted, recognized partly as revenues on a percentage-of-completion basis for related expenses, and in deferred income for the balance; the rest of the payments are expected later on a percentage-of-completion basis.

1.2.2 Strategic co-development and licensing agreement signed with AbbVie

On April 16, 2024, Medincell announced that it had entered into a strategic co-development and licensing agreement with AbbVie to develop a new generation of long-acting injectable therapies. Medincell and AbbVie will co-develop up to six innovative long-acting injectable products, and AbbVie will be responsible for their commercialization.

Under the terms of the agreement, Medincell received an upfront payment of $35 million in May 2024, and could receive up to $1.9 billion in form of (i) milestones linked to the potential achievement of development milestones and revenue thresholds attached to each program, (ii) and royalties on worldwide sales. This strategic alliance will draw on Medincell's technological platform and know-how for the development of long-acting injectable treatments, and on AbbVie's expertise in driving the clinical development of innovative therapeutic solutions and marketing them to patients worldwide (see note 6.1).

1.2.3 Positive efficacy results for the phase 3 SOLARIS trial of TEV-'749 (olanzapine / mdc-TJK)

On May 8, 2024, Medincell and its partner Teva announced positive efficacy results for the Phase 3 SOLARIS trial of TEV-'749 (olanzapine / mdc-TJK), a monthly long-acting subcutaneous injection for adults with schizophrenia.

TV-'749 met the primary endpoint in all dose groups. The mean change in total score on the Positive and Negative Symptoms Scale (PANSS) from baseline to week 8 was -9.71 points, -11.27 points and -9.71 points versus placebo, respectively for the high, medium and low dose groups. These differences from placebo were clinically remarkable and statistically significant, with adjusted values of $p < 0.001$ (criterion of statistical significance) for each comparison. Several key secondary endpoints also showed statistically significant improvements after homogenization: ICG-S (Clinical Global Impressions - schizophrenia) and PSP (Personal and Social Performance Scale) total score. No cases of PDSS (Post Injection Delirium and Sedation Syndrome) have been reported to date, after administration of around 80% of the number of injections required by the FDA (Food and Drug Administration, the body responsible for regulatory approval of drugs in the USA).

1.2.4 Russian invasion in Ukraine

The war in Ukraine, following the Russian invasion, which began at the end of February 2022, has had no impact on the Group's accounts to date. The Company and its main customers, suppliers and service providers have no significant activities in these countries that could significantly affect their future operations.

1.2.5 Conflict between Israel and Hamas

The possible extension of the conflict between Israel and Hamas could disrupt the business of its partner TEVA.

Indeed, TEVA's global headquarters and several of their manufacturing and R&D facilities are located in Israel. Although operations in Israel are not currently affected, the continuation, escalation or expansion of this war could lead to supply chain disruptions, delays in production and distribution processes, R&D initiatives and in their ability to respond in a timely manner to consumer demand.

According to information provided by TEVA as of June 30, 2024, while the impact of this war on TEVA's operating results and financial position has been negligible, this impact could increase significantly in the future.

A deterioration in TEVA's operational and/or financial capacity could expose the Company to the following main risks:

- Delays in clinical trials and in the development of certain products in the portfolio due to TEVA's reorganization and supply chain constraints, or delays in production and distribution. In particular, this could result in a delay in finalizing phase 3 of mdc-TJK and the development of mdc-MRI Neurosciences;
- Delay in expected royalties from the commercialization of UZEDY® due to TEVA's reorganization constraints.

In this context, while the Company does not have control over the management of the situation at its partner TEVA on jointly conducted programs, TEVA has implemented certain measures in response to these macroeconomic pressures and geopolitical events, and is continually considering various initiatives, alternative raw material sourcing strategies and back-up production plans for its key products, in order to mitigate and partially offset the impact of these macroeconomic and geopolitical factors.

NOTE 2 - BASIS OF PREPARATION OF THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation of the Company's condensed IFRS half-year consolidated financial statements

Pursuant to European Council regulation no. 1126/2008 adopted on November 3, 2008, the Medincell Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union at the date of preparation of the financial statements. International accounting standards include IFRS, IAS (International Accounting Standards), and their interpretations SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee).

Medincell's condensed half-year consolidated financial statements for the six months ended September 30, 2024 have been prepared in accordance with IFRS as adopted by the European Union and in force at September 30, 2024, for all periods presented. These standards are available on the European Commission's website :
https://ec.europa.eu/info/business-economy-euro/accounting-and-taxes/annual-accounts_en

The half-year consolidated financial statements at September 30, 2024 are presented in summary form in accordance with IAS 34 "Half-year Financial Reporting".

As these are condensed financial statements, the half-year consolidated financial statements do not include all the financial information required for full annual financial statements, and should be read in conjunction with the IFRS consolidated financial statements for the year ended March 31, 2024, subject to the particularities specific to the preparation of half-year financial statements.

2.2 New standards and interpretations applicable for the period ended September 30, 20 24

The accounting principles applied are identical to those used to prepare the IFRS consolidated financial statements for the year ended March 31, 2024, with the exception of the following new standards, which are mandatory for the Company:

Standard / Interpretation	IASB application date (fiscal years beginning on or after)	Expected EU application date (at the latest for accounting periods beginning on or after)
Amendments to IAS 1 - Classification of liabilities as current and non-current	01/01/2024	01/01/2024
Amendments to IAS 1 bis - Non-current liabilities subject to covenants	01/01/2024	01/01/2024
Amendments to IFRS16 - Obligation under a sale and leaseback transaction	01/01/2024	01/01/2024

Amendments to IAS7 and IFRS7 - Financing arrangements with suppliers	01/01/2024	01/01/2024

The adoption of the new standards / amendments / mandatory interpretations listed above had no impact on the Group's consolidated financial statements.

In addition, the Group has not anticipated the application of any standards, interpretations, amendments or revisions that have not yet been adopted by the European Union or whose application is not mandatory for the preparation of its consolidated financial statements for the year ending April 1, 2024.er

Standard / Interpretation	**IASB application date (fiscal years beginning on or after)**	**Expected EU application date (at the latest for financial years beginning on or after)**
Amendments to IAS 21 - absence of convertibility	01/01/2025	N.C.*
Amendments to IFRS 7 and IFRS 9 - Classification and measurement of financial instruments	01/01/2026	N.C.*
IFRS 18 Presentation and Disclosure in Financial Statements	01/01/2027	N.C.*
IFRS 19 Subsidiaries without public accountability	01/01/2027	N.C.*

N.C.*: Not known

The process of assessing the potential impact of these standards, amendments and interpretations on the Group's consolidated financial statements is currently ongoing.

In addition, the Medincell Group's half-year consolidated financial statements do not take into account draft standards and interpretations that were still in the IASB and IFRIC exposure draft stages at the balance sheet date.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in euros, the parent company's functional currency, and amounts presented in the consolidated financial statements are stated in thousands of euros, unless otherwise indicated. Amounts are rounded up or down for the calculation of certain financial data and other information contained in these financial statements. Consequently, the total amounts presented in certain tables may not be the exact sum of the preceding figures.

3.1 Basis of preparation of the condensed half-year consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis (see Note 3.4) and under the historical cost convention, except for certain assets and liabilities which have been measured at fair value in accordance with applicable IFRS.

With the exception of the accounting principles specific to the preparation of half-year consolidated financial statements set out below, and the application of the new IFRS standards made mandatory as from April 1, 2024, the Group has applied the same accounting rules and principles as those mentioned in its last annual consolidated financial statements drawn up on March 31, 2024:

- In accordance with IAS 34.30, income tax expense is estimated in the half-year financial statements on the basis of the effective tax rate expected at the next year-end.

3.2 Recourse to judgments

The Group's consolidated financial statements have been prepared in accordance with IFRS. Their preparation requires management to exercise judgment and to make estimates and assumptions that affect the carrying amounts of assets and liabilities, income and expenses. These estimates and underlying assumptions are based on past experience and other criteria considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis.
The main areas requiring Management to make judgment and make estimates concern in particular :

- Valuation of the fair value of share-based payment plans (stock warrant plans, stock option plans, free share allocations, restricted stock unit plans) granted to founders, managers, Group employees and certain consultants. Fair value is determined using models requiring the application of assumptions (volatility, turnover, vesting period, etc.) (Note 5.10);
- Valuation of employee benefits, in particular retirement indemnities (Note 5.12);
- Estimated repayments of subsidies and repayable advances (Note 5.11) ;
- The valuation of the variable annual remuneration of the loan contracted with the EIB based on expected revenues linked to milestone payments and the marketing of products resulting from the programs (Note 5.11);
- With regard to the duration of contracts to be retained for the application of IFRS 16, the Group uses judgments to assess whether or not it is reasonably certain that contracts will be renewed beyond

the non-cancellable term (Note 5.3);

- Assessment of deferred taxes and their recoverability (Note 6.6) ;
- Valuation of provisions (Note 5.16) ;
- The valuation of selling prices depends on the identification of the number of performance obligations relating to formulation development service contracts (Note 6.1);
- The assessment of development costs and the stage of completion of expenditure to measure revenues to be recognized for formulation development services in accordance with IFRS 15 (Note 6.1).

The estimates used by the Group to prepare the financial statements take into account the risks induced by climate change, whether physical, regulatory, or linked to customer expectations and sector commitments. Given its current research and development activities and the recent initial marketing of one of its products, the Group's direct or indirect industrial activity is low. In this context, the effects of these long-term changes are not significant at this stage of the Company's development.

3.3 Seasonality of business

Revenues are mainly derived from services rendered for product formulation research activities supported by partners. Due to the product development cycle, and depending on the financial parameters set up within the framework of partnerships (which may or may not include certain elements such as invoicing for formulation services, milestone payments, royalties, cost sharing, profit sharing, etc.), revenues may vary significantly from one period to the next, but are not subject to seasonal effects.

3.4 Sector information

In accordance with IFRS 8, segment reporting is based on internal management data used to analyze business performance and allocate resources.

An operating segment is a component of a company:

a) engages in activities from which it is likely to earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

b) whose operating results are regularly reviewed by the entity's chief operating decision-maker with a view to making decisions on the resources to be allocated to the segment and assessing its performance; and

c) for which isolated financial information is available.

At this stage of development, the Group has concluded that its operations constitute a single operating sector: the conduct of research and development into biodegradable polymer-based processes enabling the controlled and prolonged delivery of active ingredients to humans and animals.

A breakdown of revenues is given in Note 6.1.

3.5 Going concern

The going concern assumption has been adopted by the Company's management in view of the following key factors and assumptions:

- The Company's loss-making position as at September 30, 2024 is explained by the innovative nature

of the products developed in-house, implying a research and development phase requiring substantial funding, which is only partially offset by the growing revenues from collaborations signed by the Company;

- Cash and cash equivalents at September 30, 2024 amounted to 31.6 M€ (note 5.7). The Group also has 7.2 M€ in term deposits recorded under financial investments (note 5.6). As these term deposits are highly liquid and carry no risk of capital loss, they can be readily drawn down.
- The sales forecast linked to royalties calculated on sales of UZEDY™ is determined on the basis of sales recorded by Teva over the first months of commercialization and an expected progression of these sales established by taking into account the progression of sales of comparable products ;
- Forecast revenues linked to milestones and services rendered, and in particular for the mdc-TJK product, for which the milestone relating to the completion of Phase 3 of $5 million is expected within the next twelve months according to Teva's latest communications, are determined on the basis of product progress and probability of success;
- Research and innovation tax credits are taken into account on the basis of expected estimates of eligible expenditure, taking into account the Company's projects and in accordance with the current rules for determining these credits;
- The financial covenants currently in force under the EIB loan agreement have been met at September 30, 2024 and over the next 12 months following the balance sheet date (Note 5.11). Two additional covenants will come into force on April 1st,'2025. Given the definition of the additional covenants, the Company may not comply with them after March 31, 2025, and has already entered into advanced discussions with the EIB. On the basis of these discussions, the Company is confident in its ability to obtain a waiver from the EIB in order to avoid a potential partial or total early repayment of the loan, which the EIB could request.Together, these resources will enable us to finance our expected cash consumption over the next 12 months.

In addition to the resources indicated above, Medincell could potentially receive new milestones payments linked to the launch of one of the 5 other co-development programs under the strategic co-development and licensing agreement signed with AbbVie in April 2024 for the development of six innovative long-acting injectable products.

NOTE 4 - SCOPE OF CONSOLIDATION

The financial statements are prepared for the same reference period as those of the parent company, on the basis of consistent accounting policies.

The Medincell Group's scope of consolidation comprises the following companies and has not changed over the six months to September 30, 2024:

Entity	Country	Percentage interest March 31, 2024	Percentage interest September 30, 2024	Consolidation method
Medincell SA	France	100%	100%	Parent company
CM Biomaterials	Netherlands	50%	50%	Equity method

Medincell Inc.	United States	100%	100%	Full consolidation

The Group's business is almost exclusively driven by its French parent company, Medincell SA.

CM Biomaterials

Medincell S.A. holds a 50% stake in CM Biomaterials. The company was established in August 2015 in the Netherlands as a joint venture in collaboration with Corbion. The shareholders are equally Medincell and Corbion. As the Company does not have exclusive control over CM Biomaterials, the latter is accounted for using the equity method.

Net income at September 30, 2024 breaks down as follows (in thousands of euros):

(In thousands of €)	
CONDENSED INCOME STATEMENT	**30/09/2024**
Revenues	1 826
Cost of products and services rendered	(1 129)
Other operating income and expenses	(697)
Net financial income	(0)
Net income	**0**

Other operating income and expenses correspond to royalties invoiced by Medincell and Corbion under the licensing agreement for the rights to use their technologies, which are granted to CM Biomaterials BV for the manufacture and distribution of the polymers needed to formulate, develop and market the various products using BEPO technology. Contractually, these royalties amount to 50% of CM Biomaterials BV's profits for each of the two partners (Medincell and Corbion).

Medincell Inc.

Medincell Inc. is the US subsidiary. It is located at 4920 Pennel Road, Suite 372, Aston, Pennsylvania 19014, and has been registered in the State of Delaware since April 7, 2022. Since its creation, the company has generated no sales and has two employees.

NOTE 5 - NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 Intangible assets

Movements in the net book value of intangible assets for the periods covered are shown below:

(In thousands of €)	**31/03/2024**	**Movements during the period**			**30/09/2024**
		Acquisitions/ Increases	**Disposals and scrapping**	**Reclassifications**	
Software, patents, licenses	4 290	241	(10)	15	4 536
Assets under construction and advance payments	56	50	-	(15)	91

Gross intangible assets	**4 346**	**291**	**(10)**	**-**	**4 627**
Software, patents, licenses	(1 895)	(115)	-	-	(2 010)
Assets under construction and advance payments	-	-	-	-	-
Amortization of intangible assets	**(1 895)**	**(115)**	**-**	**-**	**(2 010)**
Net intangible assets	**2 450**	**176**	**(10)**	**-**	**2 618**

The Company continued to consolidate its intellectual property during the six months to September 30, 2024. Given the development of the Company's business and the nature of these intangible assets (mainly patents), no impairment of intangible assets was recognized in the six months to September 30, 2024.

By way of comparison, changes over the same six-month period last year were as follows:

		Movements during the period			
(In thousands of €)	**31/03/2023**	**Acquisitions/ Increases**	**Disposals and scrapping**	**Reclassifications**	**30/09/2023**
Software, patents, licenses	3 765	235	(14)	-	3 986
Assets under construction and advance payments	11	-	-	-	11
Gross intangible assets	**3 776**	**235**	**(14)**	**-**	**3 997**
Capitalized development costs	-	-	-	-	-
Software, patents, licenses	(1 850)	(93)	1	-	(1 942)
Assets under construction and advance payments	-	-	-	-	-
Amortization of intangible assets	**(1 850)**	**(93)**	**1**	**-**	**(1 942)**
Impairment losses	-	-	-	-	-
Net intangible assets	**1 925**	**142**	**(13)**	**-**	**2 054**

5.2 Property, plant and equipment

Movements in the net book value of property, plant and equipment for the periods covered are shown below:

		Movements during the period			
(In thousands of €)	**31/03/2024**	**Acquisitions**	**Disposals and scrapping**	**Reclassifications**	**30/09/2024**
Laboratory equipment, technical installations	3 700	21	-	-	3 721
Miscellaneous fixtures and fittings	2 709	5	-	6	2 721
Office and computer equipment and other	1 234	88	(4)	-	1 318
Assets under construction and advance payments	37	81	-	(6)	112
Gross property, plant and equipment	**7 680**	**195**	**(4)**	**-**	**7 871**

Laboratory equipment, technical installations	(3 158)	(119)	-	-	(3 277)
Miscellaneous fixtures and fittings	(1 267)	(135)	-	-	(1 401)
Office and computer equipment and other	(972)	(83)	4	-	(1 051)
Assets under construction and advance payments	-	-	-	-	-
Depreciation of property, plant and equipment	**(5 397)**	**(337)**	**4**	**-**	**(5 729)**
Net property, plant and equipment	**2 283**	**(142)**	**-**	**-**	**2 141**

Investments made by the Company in the six months to September 30, 2024 relate to :

- Laboratory equipment,
- Replacement of computer hardware,
- Fitting out for the expansion of the premises into office space.

Given the development of the Company's business and the nature of its property, plant and equipment, no impairment of property, plant and equipment was recognized in the six months to September 30, 2024.

By way of comparison, changes over the previous year's comparative half-year were as follows:

		Movements during the period			
(In thousands of €)	**31/03/2023**	**Acquisitions**	**Disposals and scrapping**	**Reclassifications**	**30/09/2023**
Laboratory equipment, technical installations	3 565	35	(21)	31	3 610
Miscellaneous fixtures and fittings	2 597	56	-	-	2 653
Office and computer equipment and other	1 197	55	(30)	-	1 222
Assets under construction and advance payments	259	6	-	(31)	234
Gross tangible fixed assets	**7 618**	**152**	**(51)**	**-**	**7 719**
Laboratory equipment, technical installations	(2 810)	(227)	21	-	(3 016)
Miscellaneous fixtures and fittings	(1 002)	(131)	-	-	(1 133)
Office and computer equipment and other	(820)	(104)	30	-	(894)
Assets under construction and advance payments	-	-	-	-	-
Depreciation of property, plant and equipment	**(4 632)**	**(462)**	**51**	**-**	**(5 043)**
Net property, plant and equipment	**2 986**	**(310)**	**-**	**-**	**2 675**

5.3 Leases

Movements in rights of use and rental liabilities for the six months ended September 30, 2024 break down as follows:

(In thousands of €)	**31/03/2024**	**New contracts signed over the period**	**Contract terminations**	**Depreciation charge for the period**	**30/09/2024**
Building	2 215	137	(13)	(220)	2 119

Equipment	744	145	-	(121)	768
Vehicles	11	-	-	(2)	9
Materials Info.	181	-	-	(43)	137
Total leasehold rights of use - net	**3 150**	**282**	**(13)**	**(386)**	**3 033**

(In thousands of €)	31/03/2024	New contracts signed over the period	Capital payments over the period	30/09/2024	Of which current rental liabilities	Of which non-current rental liabilities
Building	2 311	137	177	2 271	361	1 910
Equipment	397	145	121	421	212	209
Vehicles	9	-	4	5	4	1
Materials Info.	185	-	41	144	81	63
Total rental liabilities	**2 902**	**282**	**343**	**2 841**	**658**	**2 183**

Rights of use at September 30, 2024 amounted to 3,033 K€ net, and mainly concerned the following property leases:

- The ACDE lease for 1,177 K€ ;
- Tisserand lease for 834 K€ ;
- The Tisserand Rose lease for 102 K€.

At September 30, 2024, new contracts signed during the period amounted to 282 K€ and concerned :

- New laboratory equipment rental contracts for 146 K€;
- The revaluation of real estate contracts in the amount of 137 K€ due to the increase in payments linked to rent indexation.

For the purposes of calculating lease liabilities, the Company has assumed that it will not terminate any of its leases prior to their expiry date, and that it will not seek to renew them upon expiry.

By way of comparison, changes over the comparative half-year were as follows:

(In thousands of €)	31/03/2023	New contracts signed over the period	Contract terminations	Depreciation charge for the period	30/09/2023
Building	2 394	-	-	(160)	2 234
Equipment	877	113	(118)	(124)	748
Vehicles	-	13	-	(2)	11
Materials Info.	116	-	-	(23)	93
Total leasehold rights of use - net	**3 386**	**126**	**(118)**	**(309)**	**3 086**

(In thousands of €)	31/03/2023	New contracts signed over the period	Capital payments over the period	30/09/2023	Of which current rental liabilities	Of which non-current rental liabilities
Building	2 483	-	(161)	2 322	318	2 004
Equipment	586	113	(146)	553	273	280
Vehicles	-	13	(3)	10	4	6
Materials Info.	118		(21)	97	43	54
Total rental liabilities	**3 187**	**126**	**(331)**	**2 980**	**637**	**2 343**

5.4 Financial and other non-current assets

Financial assets and other non-current assets break down as follows:

(In thousands of €)	30/09/2024	31/03/2024
Deposits and guarantees paid	106	105
Liquidity contract - cash	446	416
Non-consolidated investments	6	6
Non-current financial assets	**558**	**527**
Current portion of tax receivables	2 739	1 250
Prepaid expenses	8	15
Total financial assets and other non-current assets	**3 305**	**1 792**

Tax receivables correspond mainly to the Research Tax Credit 2024 for the period from January 1 to September 30, 2024.

5.5 Trade accounts receivable

The following table provides a breakdown of the net carrying amount of trade receivables for the periods presented:

(In thousands of €)	30/09/2024	31/03/2024
Accounts receivable	1 186	1 474
Invoices to be issued	1 638	780
Gross value	**2 824**	**2 254**
Depreciation	-	-
Net value	**2 824**	**2 254**

At September 30, 2024, trade receivables included royalties receivable from the CM Biomaterials joint venture amounting to €1,164,000. Invoices to be issued mainly comprise an invoice to be issued of €1,620,000 to sales partner Teva.

5.6 Financial investments and other current assets

The following table provides a breakdown of the net book value of other current assets:

(In thousands of €)	30/09/2024	31/03/2024
Current term deposits (1)	7 217	-
Financial investments	**7 217**	**-**
Tax receivables	4 263	4 441
Prepaid expenses	881	966
Advances and deposits on orders	877	118
Social security receivables	53	19
Other	-	-
Other current assets	**6 074**	**5 444**
Total financial investments and other current assets	**13 291**	**5 544**

(1) At September 30, 2024, these term deposits do not meet the definition of cash equivalents under IAS 7. Consequently, they have been classified as financial investments.

Financial investments

Financial investments correspond to the equivalent of 7,217 K€ in USD-denominated term accounts (CAT) with maturities of 5 or 6 months, offering the possibility of early redemption at any time.

These investments are part of the company's strategy to optimize its cash position in foreign currencies at an attractive rate of return, while benefiting from immediate liquidity. Although they are considered highly liquid, the existence of an implicit penalty in the event of early release (reduction in the rate of return) means that they cannot be considered as cash equivalents.

Tax receivables

At September 30, 2024, tax receivables consisted mainly of research tax credits for calendar years 2023 (€3,641,000) and 2024 (€2,421,000), VAT (€464,000), and family tax credits for 2023 and 2024 (€127,000 and €38,000 respectively).

Prepaid expenses

Prepaid expenses relate to current operating expenses of 881 K€ for the following period (notably CRO fees, software subscriptions and maintenance, database access fees, crèche fees for staff children, academic collaborations and insurance costs).

5.7 Cash and cash equivalents

The following table shows the breakdown of (i) "Cash and cash equivalents" on the assets side of the consolidated statement of financial position and (ii) "Net cash and cash equivalents", as shown in the consolidated statement of cash flows, for each period presented:

(In thousands of €)	30/09/2024	31/03/2024
Availability	15 442	14 301
Term accounts and deposits	16 194	5 159
Cash and cash equivalents	**31 636**	**19 460**
Bank overdrafts	-	-
Net cash and cash equivalents	**31 636**	**19 460**

At September 30, 2024, the Company had :

- 15,442 K€ of available cash in bank accounts;
- 8,081 K€ in EUR-denominated term accounts (CAT) with maturities of 5 and 6 months, offering early redemption at any time with 32 days' notice, no penalty and no reduction in the contractual interest rate.
- The equivalent of 8,113 K€ in USD-denominated term accounts (CAT) with a 3-month maturity, offering the possibility of early redemption at any time.

5.8 Capital

At March 31, 2024, the share capital comprised 29,085,821 fully paid-up ordinary shares with a par value of 0.01 euro.

During the six months to September 30, 2024, 34,439 new ordinary shares were issued, bringing the total number of shares comprising the share capital to 29,120,260 fully paid-up ordinary shares with a par value of 0.01 euro.

The table below details movements in Medincell S.A.'s share capital during the six months to September 30, 2024:

Date	Nature of capital transactions	Number of shares issued	Nominal value	Capital	Additional paid-in capital
At March 31, 2024		**29 085 821**	**0,01€**	**290 857€**	**31 014 467€**
	Exercise of BSA/BSPCE	14 000	0,01€	140€	14 301€
	SO exercise	20 439	0,01€	204€	122 430€
	BSA				8 568€
At September 30, 2024		**29 120 260**	**0,01€**	**291 201€**	**31 159 766€**

5.9 Treasury stock

Since 2018, the Company has entrusted a banking partner with the implementation of a liquidity contract on its own shares. This was managed from October 22, 2018 to September 10, 2024 by KEPLER CHEUVREUX, and since September 11, 2024 by Banque Rothschild Martin Maurel. The liquidity contract currently in force was signed for a one-year period, renewable automatically at contract end. Its purpose is to provide liquidity for Medincell shares on the Euronext Paris market.

At September 30, 2024, under the liquidity contract, the number of treasury shares stood at 10,250, compared with 14,754 at March 31, 2024, along with €446,000 in cash and cash equivalents, compared with €416,000 at March 31, 2024.

5.10 Share-based payments

The Company has granted stock subscription warrants ("BSA"), stock options ("Stock-options"), bonus shares ("AGA") and Restricted Stock Units ("RSU") to management, Group employees and certain service providers.

The expense recognized in the six months to September 30, 2024 in accordance with IFRS 2 in respect of

plans outstanding at September 30, 2024 amounted to €1,187,000 (€1,280,000 in the six months to September 30, 2023).

No new plans were granted during the six months to September 30, 2024.

Summary of expense recognized for the periods ended September 30, 2024 and 2023 :

(In thousands of €)	09/30/2024 - 6 months			09/30/2023 - 6 months		
	Cumulative opening expenses	Expenses for the period	Cumulative expenses to date	Cumulative opening expenses	Expenses for the period	Cumulative expenses to date
AGA 2020 A bis	123	3	126	120	7	127
AGA 2021 B bis	40	2	42	44	4	48
RSU 1	4	-	4	3	2	5
RSU 2	81	13	94	52	24	76
AGM 2022 A	9	-	9	9	3	12
AGM 2022 B	2 726	266	2 992	617	1 224	1 841
AGM 2023 A	8	3	11	-	3	3
AGA 2023 A bis	52	35	87	-	14	14
AGM 2023 B1	347	556	903	-	-	-
AGM 2023 B2	191	308	499	-	-	-
Total	**3 581**	**1 187**	**4 768**	**845**	**1 280**	**2 126**

For plans granted in previous years, all required financial information should be read in conjunction with the consolidated financial statements for the year ended March 31, 2024.

5.11 Financial liabilities

At September 30, 2024, financial liabilities consist mainly of :

- Repayable advances :
  - Repayable advance from the Occitanie Region as part of a Growth Contract.
  - BPI repayable advance to help the Company expand and fit out its buildings.
- EIB loan: the loan was granted to finance the formulation and development of in-house products, as well as related costs. Details of this loan are given below.
- BPI Innovation loan: the loan granted by BPI to develop a long-acting ivermectin-based drug to protect the entire population against Covid-19 and its mutations.
- State-guaranteed loans: loans were granted in the context of the Covid health situation.

The zero interest rate PTZI loan (IDEFIX) granted by the BPI was repaid in full during the half-year ended September 30, 2024.

EIB loan

To finance product formulation and development, on March 22, 2018 the Company contracted a loan from the EIB for €20 million, payable in 3 tranches of €7.5 million, €7.5 million and €5 million; all of which were drawn down in previous years.

The terms of the loan were renegotiated for the first time on June 1er 2022, including a six-month deferral of the repayment of Tranche 1 from June 2023 to December 2023, a one-year deferral of the application of the covenants to 2023, the inclusion of all revenues, notably those expected with the Teva customer, in the calculation of variable remuneration, and the absence of penalties for early repayment.

In November 2022, Medincell contracted a new loan from the EIB for €40 million, payable in 3 tranches of €20 million, €10 million and €10 million. The first tranche of this loan, conditional on repayment in full of the previous loan, was drawn down on December 21, 2022. The second tranche was drawn down on January 26, 2023, following the fulfillment of certain business-related conditions. On July 31, 2023, the Company received the third and final tranche of €10 million and issued 313,607 warrants to the EIB.

Repayment of principal is due at the end of 5 years from the drawdown of each tranche. Interest on this loan is of two types: interest paid annually by Medincell, and capitalized interest which will only be paid when the capital is repaid. In addition to this remuneration, Medincell will pay the EIB an annual variable remuneration linked to its current and future revenues. The conditions of the variable remuneration were modified in the amendment signed on June 1er 2022 and are still in force. These conditions are described in the table below (see section on Tranche A).

Tranche A	Nominal: €20 million Repayment of principal and capitalized interest 5 years after tranche drawdown Remuneration: ▪2% interest paid annually ▪ 4% capitalized interest paid at tranche maturity ▪ BSA (see below) Variable remuneration: This represents a proportion of the revenues that the Company achieves with its external partners. With regard to milestones, the variable remuneration due is capped at 300 K€ per partnership and per accounting year for sums received in connection with obtaining upfront or product development milestones, and at 300 K€ per product and per accounting year for sums received on reaching commercial development milestones. In the case of royalties, remuneration is capped at 100% of the nominal amount borrowed for royalties received, i.e. €20 million, and is limited in time to a marketing period of 10 years for each product.
Tranche B	Nominal: €10 million Repayment of principal and capitalized interest 5 years after tranche drawdown Remuneration: ▪ 2% interest paid annually ▪ 3% capitalized interest paid at tranche maturity. ▪ BSA (see below)
Tranche C	Nominal: €10 million Repayment of principal and capitalized interest 5 years after tranche drawdown Remuneration:

	▪ 2% interest paid annually ▪ 3% capitalized interest paid at tranche maturity ▪ BSA (see below)

In September 2023, Medincell and the EIB signed an amendment to the loan agreement, replacing the old financial covenant with a new one, better suited to the Company's business model, in which the latter undertakes (i) to have at all times at least 8 million euros of cash, defined as the sum of available cash, cash equivalents and any other financial investments that can be unwound in the short term, and (ii) to have at least one year of financial visibility in its base cash forecast scenario. In the event of default, the Company has 30 days in which to remedy the situation. After this period, the EIB has the right to demand early repayment of all or part of the existing loan.

The Company indicates that, according to its current cash flow forecasts, the commitment should be respected over the next 12 months. These forecasts do not include potential revenues from new service contracts or licensing agreements not known at the balance sheet date.

Two new additional covenants covering two ratios will apply from April 1, 2025 :

- The ratio of net debt to shareholders' equity must be greater than 1:1.5 (or, in other words, the Company must have 50% more shareholders' equity than net financial debt);
- The debt service ratio, defined as the ratio between adjusted operating income (operating income plus development costs for pre-clinical programs) and debt service (repayment of financial debt and lease liabilities), must be greater than 1.1 (the limit will be raised to 1.3 and 1.5 respectively on April 1st ,2026 and April 1st , 2027).

Given the definition of the additional covenants, the Company may not comply with them after March 31, 2025, and has already entered into advanced discussions with the EIB. On the basis of these discussions, the Company is confident in its ability to obtain a waiver from the EIB in order to avoid a potential partial or total early repayment of the loan, which the EIB could request.

At each balance sheet date, Medincell estimates the variable remuneration it may be required to pay under this contract, taking into account product by product the most probable assumptions both in terms of the occurrence of potential additional cash outflows and their timing. These additional cash outflows are estimated by the Company on the basis of expected receipts, both in terms of development services and milestone payments or royalties on final sales. A probability of success in terms of the product's chances of commercialization is determined on the basis of the last clinical phase achieved and the therapeutic area targeted, on the basis of external benchmarks aggregating these probabilities of success for recently developed products worldwide.

The Company reassesses the amount of this component of the debt at each balance sheet date. At the balance sheet date, the Company estimates that this variable remuneration will amount to a total of €23.7 million. The change in this estimate over the half-year results in a financial expense of 0.4 M€. Payment of this variable compensation will be staggered until 2036, depending on the revenues generated by the Company (see commentary on the calculation of variable compensation in the table above). The value of this variable portion, discounted at a rate of 13%, is included in the amount of EIB debt at September 30, 2024.

A sensitivity analysis of variable compensation indicates that a 10% reduction in variable compensation would result in a €1.1 million reduction in the discounted variable portion. As the amount of variable compensation is capped, the sensitivity analysis was carried out only in the event of a decrease.

Derivative liabilities

The 3 tranches of EIB financing are accompanied by the issue of share subscription warrants (BSA) in favor of the EIB entitling the holder, in the event of exercise, to subscribe for 175,000 shares in the Company for Tranche A, 286,041 shares for Tranche B and 313,607 shares for Tranche C. No application has been made for the warrants to be admitted to trading on any market. The subscription price is 1 euro per warrant.

These warrants carry a put option on the warrants held by the EIB and a call option on the warrants held by the Company.

The characteristics of the BSA put options, as well as their fair values, are set out below:

Plan features	**Tranche A**	**Tranche B**	**Tranche C**
Issue date	21/12/2022	26/01/2023	31/07/2023
Exercise period end date	21/12/2032	26/01/2033	31/07/2033
Number of instruments	175 000	286 041	313 607
Exercise price	5,98 €	7,31 €	5,93 €
Underlying price at issue	6,15 €	7,67 €	6,34 €
Underlying price at March 31, 2024	9,59 €	9,59 €	9,59 €
Underlying price at September 30, 2024	15,68 €	15,68 €	15,68 €
Estimated maturity at issue	10 years	10 years	10 years
Estimated maturity: September 30, 2024	8.2 years	8.3 years	8.8 years
Volatility at issue	63,9%	64,3%	64,1%
Estimated volatility at March 31, 2024	63,6%	66,7%	66,6%
Estimated volatility at September 30, 2024	56,0%	56,1%	56,8%
Dividend rate	0,00%	0,00%	0,00%
Risk-free rate on issue	2,84%	2,67%	3,03%
Risk-free rate September 30, 2024	2,76%	2,77%	2,82%
Subscription price	1,00 €	1,00 €	1,00 €
Valuation model used	Black & Scholes	Black & Scholes	Black & Scholes
Average unit fair value (in €)	At issue: 3.51 At 03/31/2024: 7.34 At 09/30/2024: 12.50	At issue: 4.66 At 03/31/2024: 7.25 At 09/30/2024: 12.00	At issue: 3.72 At 03/31/2024: 7.61 At 09/30/2024: 12.70
	On issue: 615	At issue: 1,332	

			At issue: 1,166
Total value of instruments (in K€)	At 03/31/2024: 1,284 At 09/30/2024: 2,179	At 03/31/2024: 2,073 At 09/30/2024: 3,436	At 03/31/2024: 2,388 At 09/30/2024: 3,974

Given the characteristics of the loan agreement with the EIB, this financial debt is considered to be a hybrid instrument comprising a host instrument (debt) and embedded derivatives (put options on warrants).

The BSA put options are derivative financial instruments measured at fair value through profit or loss at each balance sheet date. The value of these BSA put options was €9.6 million at September 30, 2024, compared with €5.7 million at March 31, 2024. Changes in the fair value of these derivative financial instruments are recorded in the financial result under "Change in fair value of financial liabilities". The change in fair value between March 31, 2024 and September 30, 2024 is mainly due to the rise in the Company's share price during the six months ended September 30, 2024, which contributed to the increase in the fair value of the warrants issued to the BEI.

In view of the maturity of these instruments, they are classified as "Derivative liabilities - non-current" at September 30, 2024 (see paragraph on the EIB loan).

Change in financial liabilities

(In thousands of €)	31/03/2024	Movements during the period						30/09/2024
		Subscription (net of fees)	Nominal repayments	Interest at the effective interest rate	Interest paid	Change in fair value	Reclassifications Non-current	
Refundable advances and 0% interest loans	552	-	-	-	-	-	(403)	149
EIB loan	42 901	-	-	2 434	-	415 (1)	(1 065)	44 685
BPI Innovation loan	2 700	-	-	-	-	-	(300)	2 400
State-guaranteed loan	4 388	-	-	-	-	-	(1 744)	2 644
Bank loans	-	-	-	-	-	-	-	
Financial liabilities - non-current	**50 541**	**-**	**-**	**2 434**	**-**	**415**	**(3 512)**	**49 878**
Refundable advances and 0% interest loans	339	-	(211)	-	-	-	403	531
BPI innovation loan	300	-	-	10	(10)	-	300	600
EIB loan	1 419	-	-	-	(200)	-	1 065	2 284
State-guaranteed loan	3 443	-	(1 720)	59	(67)	-	1 744	3 459
Accrued interest on borrowings	17	-	-	12	(17)	-	-	12
Financial liabilities - current	**5 518**	**-**	**(1 931)**	**81**	**(294)**	**-**	**3 512**	**6 886**
EIB loan - BSA component - Non-current	5 745	-	-	-	-	3 844	-	9 589
Derivative liabilities - non-current	**5 745**	**-**	**-**	**-**	**-**	**3 844**	**-**	**9 589**
EIB loan - BSA component - Current								
Derivative liabilities - current								
Total borrowings	**61 804**	**-**	**(1 931)**	**2 515**	**(294)**	**4 260**	**-**	**66 353**
Cash and cash equivalents	(19 460)							(31 636)
Financial investments	0							(7 217)
Net debt	**42 344**							**27 500**

(1) Changes in the company's estimate of variable compensation over the half-year

(In thousands of €)	31/03/2023	Movements during the period						30/09/2023
		Subscription (net of fees)	Nominal repay-ments	Interest at the effec-tive interest rate	Interest paid	Change in fair va-lue	Reclassifica-tions Non-cur-rent	
Bond issue	-	-	-	-	-	-	-	-
Refundable advances and 0% interest loans	633	-	-	9	-	-	(199)	443
EIB loan	-	8 515	-	-	-	-	32 520	41 035
EIB loan - BSA component	-	-	-	-	-	-	-	-
BPI Innovation loan	3 000	-	-	-	-	-	-	3 000
State-guaranteed loan	8 074	-	-	-	-	-	(1 7 20)	6 354
Bank loans	-	-	-	-	-	-	-	-
Financial liabilities - non-cur-rent	**11 708**	**8 515**	**-**	**9**	**-**	**-**	**30 601**	**50 831**
Bond issue	1 255	-	(1 020)	55	(290)	-	-	-
Refundable advances and 0% interest loans	689	-	(231)	9	-	-	199	666
EIB loan	34 334	-	-	2 036	(828)	(1 577)[2]	(32 520)	1 445
State-guaranteed loan	3 423	-	(1 702)	72	(75)	-	1 720	3 438
Bank loans	33	-	(33)	-	-	-	-	-
CIR financing	-	3 849	-	197	(197)	-	-	3 849
Accrued interest on borrowings	24	-	-	21	(25)	-	-	20
Financial liabilities - current	**39 757**	**3 849**	**(2 985)**	**2 390**	**(1 415)**	**(1 577)**	**(30 601)**	**9 418**
EIB loan - BSA component - Non-current	-	-	-	-	-	-	2 828	2 828
Derivative liabilities - non-current	**-**	**-**	**-**	**-**	**-**	**-**	**2 828**	**2 828**
EIB loan - BSA component - Current	3 055	1 166 [1]	-	-	-	(1 393)	(2 828)	-
Derivative liabilities - current	**3 055**	**1 166**	**-**	**-**	**-**	**(1 393)**	**(2 828)**	-
Total borrowings	**54 520**	**13 530**	**(2 985)**	**2 399**	**(1 415)**	**(2 970)**	**-**	**63 077**
Cash and cash equivalents	(6 467)							(26 779)
Net debt	**48 053**							**36 298**

[1] This amount includes €313,000 in issue costs, which did not give rise to a cash outflow.

[2] The change in fair value of the BEI loan includes income of €1,224,000 (reduction in financial liabilities), corresponding to an adjustment to debt over the year. At March 31, 2023, the value at inception of the BSA linked to Tranche B had been recognized as a financial expense, whereas it should have reduced the debt component of the loan.

Breakdown and maturity of borrowings :

The following table summarizes the remaining contractual maturities of the Group's financial liabilities at September 30, 2024 (total contractual amounts to be disbursed, including principal, capitalized interest, accrued interest and known variable remuneration of €0.7 M):

Name	Grant date	Amount obtained	Contract interest rate	Effective interest rate	30/09/2024 (balance sheet)	Amount to be disbursed	<30 sept 2025	<30 sept 2026	<30 sept 2027	<30 sept 2028	<30 sept 2029
Repayable advances	2020 2021	1 153	0%	1,40%	680	703	553	150	-	-	-
EIB loan	12/2022 01/2023 07/2023	40 000	-	Tranche A: 13 Tranche B: 8,97% Tranche C 8.56	46 969	51 696	1 514	857	888	48 437	-
BPI Innovation loan	11/2021	3 000	0.71%	0,71%	3 000	3 056	620	615	611	607	603
State-guaranteed loan	2020	13 700	3 at 0.25% and one at 1.75%.	1,01%	6 103	6 198	3 547	2 532	119	-	-
Accrued interest on borrowings	-	-	-	-	12	12	12	-	-	-	-
Financial liabilities	**-**	**-**	**-**	**-**	**56 764**	**61 498**	**6 230**	**4 121**	**1 568**	**48 976**	**603**

5.12 Employee benefits

In accordance with French law, Medincell S.A. employees are entitled to an indemnity payable on retirement. As the Group has no hedging assets, the entire commitment is recorded as a liability in the consolidated financial statements.

The provision booked amounted to 414 K€ at September 30, 2024, compared with 365 K€ at March 31, 2024, an increase of 49 K€.

Given their low materiality, the actuarial assumptions of the provision have not been revalued at September 30, 2024, but will be revalued at March 31, 2025.

5.13 Suppliers

The following table shows the breakdown of trade payables for the periods presented:

(In thousands of €)	30/09/2024	31/03/2024
Trade payables	586	709
Unpaid invoices	1 779	1 140
Total trade payables	**2 365**	**1 849**

5.14 Other non-current liabilities

(In thousands of €)	30/09/2024	31/03/2024
Deferred income - portion due in more than one year	15 594	492
Other non-current liabilities	**15 594**	**492**

Other non-current liabilities amounted to €15.6 million at September 30, 2024, and relate exclusively to the recognition of percentage-of-completion revenues in respect of the Group's various programs with its partners.

At September 30, 2024, non-current and current deferred income (note 5.15) amounted to €34.4 million and

mainly concerned:

- Recognition of revenues on a percentage-of-completion basis relating to the co-development and licensing program with AbbVie to develop a new generation of long-acting injectable treatments, for a total amount of €29.1 million, including €14.1 million for the portion due in more than one year,
- Recognition of revenues from contraception programs with the Bill & Melinda Gates Foundation (mdc-WWM) for €4.2 million, of which €1.5 million is due in more than one year,
- Recognition of progress revenue relating to the development of a long-acting injectable version of ivermectin to combat the transmission of malaria with the Unitaid organization for €1.1 million (all in PCA at less than one year).

For revenue recognition conditions, see note 6.1 Operating and other income.

5.15 Other current liabilities

The following table provides a breakdown of other current liabilities for the periods presented:

(In thousands of €)	30/09/2024	31/03/2024
Deferred income - current portion	18 812	5 179
Social debts	3 597	2 915
Tax liabilities	131	233
Sundry liabilities	128	130
Other current liabilities	**22 668**	**8 457**

Deferred income

At September 30, 2024, current deferred income totaled €18.8m, compared with €5.2m at March 31, 2024, and mainly concerned:

- Recognition of revenues on a percentage-of-completion basis relating to the co-development and licensing program with AbbVie to develop a new generation of long-acting injectable treatments, for an amount of €15 million,
- Recognition of revenue from contraception programs with the Bill & Melinda Gates Foundation (mdc-WWM) for a current portion of €2.7 million (versus €4.8 million at March 31, 2024).
- Recognition of progress income relating to the development of a long-acting injectable version of ivermectin to combat malaria transmission with the Unitaid organization for €1.1m (versus €0.1m at March 31, 2024).

Social debts

Employee-related liabilities mainly comprise provisions for wages and salaries of €0.8m, provisions for vacation pay of €0.5m, provisions for last-quarter social security charges of €0.9m, and provisions for social security charges on bonus shares and directors' fees of €1.3m.

5.16 Other non-current liabilities and provisions

The Company is subject to an accounting verification procedure by the tax authorities covering the period from April 1, 2018 to March 31, 2021. This procedure was still in progress at September 30, 2024.

Non-current provisions amounted to €2.6 million at September 30, 2024, compared with €1.9 million at March 31, 2024.

During the previous year, the Company received a proposed tax adjustment of €1.3 million in respect of the 2019 and 2020 research/innovation tax credits, the maximum impact of which, in the Company's opinion, should not exceed €0.9 million. A provision for tax risk was set aside for this amount. The Company has contested the entire amount reassessed in the taxpayer's observations sent to the tax authorities in October 2023. The entire provision was set aside in previous years.

The Company has also set aside a provision for risks relating to CIR 2021, 2022 and 2023 amounting to €1.7 million, of which €0.7 million has been provisioned in the six months to September 30, 2024 (a provision of €0.8 million had been recognized in the six months to September 30, 2023). The corresponding charges to provisions are deducted from "Other income".

5.17 Categories of financial assets and liabilities

The following tables show the Group's financial assets and liabilities at the balance sheet date.

In accordance with IFRS 13 on financial instruments measured at fair value in the balance sheet, fair value measurements are broken down by level according to the following fair value hierarchy:

- The instrument is listed on an active market: level 1 ;
- The valuation uses valuation techniques based on observable data, other than quoted prices in level 1, either directly (in the form of a price) or indirectly (derived from the price): level 2 ;
- At least a significant component of fair value is based on unobservable inputs: level 3.

The fair value of financial instruments traded on active markets is based on quotations at the balance sheet date. A market is considered active if quotations are readily and regularly available from an exchange, dealer, broker, **appraiser or regulatory agency, and these quotations** are based on regular transactions. These instruments are classified as level 1.

The fair value of financial instruments that are not quoted on an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. These methods maximize the use of observable market data, where available, and rely little on our Group's own estimates. If all the inputs required to calculate the fair value of an instrument are observable, the instrument is classified in level 2.

If one or more of the main calculation elements are not based on observable market data, the instrument is classified in level 3.

5.17.1 - Financial assets

The tables below show the classification of financial assets in accordance with IFRS 9 and IFRS 13 :

30/09/2024

(In thousands of €)	Level	Balance sheet value	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Fair value
Non-current financial assets	2	558	112	446	-	558
Accounts receivable	2	2 824	2 824	-	-	2 824
Current financial assets	2	877	877	-	-	877
Financial investments	1	7 217	-	7 217	-	7 217
Cash and cash equivalents	1	31 636	-	31 636	-	31 636
Total		**43 112**	**3 813**	**39 299**	**-**	**43 112**

31/03/2024

(In thousands of €)	Level	Balance sheet value	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Fair value
Non-current financial assets	2	527	111	416	-	527
Accounts receivable	2	2 254	2 254	-	-	2 254
Current financial assets	2	118	118	-	-	118
Cash and cash equivalents	1	19 460	-	19 460	-	19 460
Total		**22 359**	**2 483**	**19 876**	**-**	**22 359**

5.17.2 - Financial liabilities

The tables below show the classification of financial liabilities according to the categories in IFRS 9 and in accordance with IFRS 13 :

30/09/2024

(In thousands of €)	Level	Balance sheet value	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Fair value
Financial liabilities	2	56 764	56 764	-	-	56 764
Derivative liabilities	3	9 589	-	9 589	-	9 589
Lease liabilities	2	2 841	2 841	-	-	2 841
Trade accounts payable	2	2 365	2 365	-	-	2 365
Other current financial liabilities	2	128	128	-	-	128
Total		**71 687**	**62 098**	**9 589**	**-**	**71 687**

31/03/2024

(In thousands of €)	Level	Balance sheet value	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Fair value
Financial liabilities	2	56 059	56 059	-	-	56 059
Derivative liabilities	3	5 745	-	5 745	-	5 745
Lease liabilities	2	2 902	2 902	-	-	2 902
Trade accounts payable	2	1 849	1 849	-	-	1 849

Other current financial liabilities	2	130	130	-	-	130
Total		**66 685**	**60 940**	**5 745**	**-**	**66 685**

Sensitivity analyses for derivative liabilities (category 3 financial liabilities) are presented as follows:

Central scenario

Valuation at September 30, 2024		**Tranche A**	**Tranche B**	**Tranche C**
Central scenario	Average unit value (€)	12,5	12	12,7
	Total value of instruments (k€)	2 179	3 436	3 974

Volatility sensitivity

		Tranche A	**Tranche B**	**Tranche C**
Volatility - central scenario		56%	56,1%	56,8

		Tranche A	**Tranche B**	**Tranche C**
Volatility +5	Average unit value (€)	12,7	12,3	12,9
	Total value of instruments (k€)	2 227	3 528	4 058

		Tranche A	**Tranche B**	**Tranche C**
Volatility -5	Average unit value (€)	12,2	11,7	12,4
	Total value of instruments (k€)	2 132	3 341	3 888

Sensitivity to underlying value

		Tranche A	**Tranche B**	**Tranche C**
Underlying value - central scenario		15,68 €	15,68 €	15,68 €

		Tranche A	**Tranche B**	**Tranche C**
Underlying value +5	Average unit value (€)	13,2	12,7	13,4
	Total value of instruments (k€)	2 309	3 643	4 206

NOTE 6 - NOTES TO THE INCOME STATEMENT

6.1 Income and other income

6.1.1 Operating income

The following table details the Group's operating revenues for the half-years presented:

(In thousands of €)	**09/30/2024 6 months**	**09/30/2023 6 months**
Revenues	**8 620**	**6 985**
- Revenue from development services	5 516	2 064
- Milestones	-	3 643
- Commercial royalties	2 752	643
- Royalties with CM Biomaterials	353	635

Revenues to September 30, 2024 correspond to royalties on sales of the UZEDY product for €2.8 million, development services for €5.5 million, and royalties on intellectual property invoiced to the CMB joint venture for €0.4 million.

As in the previous year, all revenues at September 30, 2024 were to customers outside France.

For the six months ended September 30, 2024, the 3 main customers (AbbVie, Teva and the Bill & Melinda Gates Foundation) accounted for 88% of revenues (78% of revenues for the year ended March 31, 2024).

Opening and closing balances of trade receivables and contract assets (invoices to be issued) are presented in Note 5.5.

The opening and closing balances of liabilities arising from contracts with customers are presented in Note 5.16 (deferred income - non-current portion) and Note 5.15 (deferred income - current portion, and trade accounts payable).

Development services revenue

Revenues for the year from development services relate to product formulation research activities supported by partners.

AbbVie

A collaboration agreement was signed in April 2024 with pharmaceutical group AbbVie to develop a new generation of long-acting injectable treatments. Medincell and AbbVie will co-develop up to six innovative long-acting injectable products. Under the terms of the agreement, Medincell grants AbbVie an exclusive license to the Medincell technology for the development, manufacture and commercialization of the products resulting from the collaboration. Medincell will perform formulation development and conduct pre-clinical studies. AbbVie will be responsible for clinical trials, regulatory activities and product commercialization.

The first program in this collaboration, mdc-TJK, had already been identified prior to the signing of the agreement, and had been financed by the Group's own funds. AbbVie has taken over all rights to this program. Five additional programs are likely to be launched by AbbVie, each with a substitution option that can be exercised by AbbVie.

In May 2024, Medincell received an initial payment of $35 million, equivalent to €33 million. Milestone payments may also be received by the Group depending on the development milestones attached to each program and the achievement of commercial milestones attached to each program. Finally, the Group will be entitled to receive royalties based on a percentage of sales generated by AbbVie for each program. Additional payments corresponding to additional work requested by AbbVie may also be received.

This partnership agreement with AbbVie falls within the scope of IFRS 15. The Company has considered, for the purposes of identifying performance obligations, that (i) each program is distinct (within the meaning of IFRS 15) from other programs, each relating to a different product, and that (ii) the technology license is not distinct (within the meaning of IFRS 15) from preclinical development, given that the development service is essential to the usefulness of the license and requires unique expertise.

Given the relative level of the initial payment of $35 million, compared with the initial payments triggered by the additional programs, it was considered that these additional programs corresponded to material rights

under IFRS 15. Consequently, the $35 million upfront payment was not allocated exclusively to the initial mdc-TJK program, but was partly allocated to AbbVie's rights relating to the additional programs.

The relative value of each of the additional programs was determined by management on the basis of the Company's internal development success rate statistics. As the mdc-TJK program had a higher potential success rate because it was already partially advanced, it was assigned a higher relative value than the additional programs not yet identified at this stage.

At September 30, 2024, the total transaction price (within the meaning of IFRS 15) is limited to the initial payment of $35 million received on signing the contract. Other payments are excluded from revenue recognition at September 30, 2024, as they correspond either to options not yet exercised (additional programs), or to conditional payments which do not pass the probability threshold required by IFRS 15 (payments linked to the achievement of development success milestones) or which are subject to the IFRS 15 exception for royalties.

At September 30, 2024, only the initial program (mdc-TMK) had been identified and was still under development. Revenues of €3,702,000 were recognized, corresponding to the percentage of completion of program expenditure, multiplied by the portion of the transaction price allocated to the mdc-TMK program.

Consequently, the balance of the initial payment has been recognized as deferred income, i.e. an amount of 29,143 K€ at September 30, 2024, which will be recognized as work progresses on the mdc-TMK program and on the other programs. The portion of the initial payment allocated to the other programs (additional programs) will be recognized as income as and when these programs are completed, or, failing that, when it becomes highly unlikely that the customer will exercise its right.

As regards payments conditional on the achievement of development milestones and revenue thresholds, as well as royalties on worldwide sales, these amounts will be recognized when the milestones are achieved or when the underlying sales are realized. No such amounts were recognized in the six months to September 30, 2024.

Bill & Melinda Gates Foundation

As part of the collaboration with the Bill & Melinda Gates Foundation on the development of long-lasting contraceptive products for developing countries, and the development of an HIV prevention product, revenue from these collaboration contracts is recognized as revenues in accordance with IFRS 15, and recognized in line with the stage of completion of related expenses, capped at the maximum contractually receivable amount. An amount of 1,092 K€ has been recognized in accordance with IFRS 15. An amount of 4,151 K€ has also been recognized as deferred income in respect of performance obligations remaining to be performed by September 30, 2024, relating to the collaboration contract with the Bill & Melinda Gates Foundation for the development of long-lasting contraceptive products for developing countries.

Unitaid

As part of the collaboration with the Unitaid organization to develop a long-acting injectable product to combat malaria in countries with low or average purchasing power, revenue from this collaboration contract is recognized as revenues in accordance with IFRS 15, and recognized on a percentage-of-completion basis for related expenses, capped at the maximum contractually receivable amount. An amount of €253,000 has

been recognized in accordance with IFRS 15. An amount of 892 K€ has also been recognized as deferred income in respect of performance obligations still to be performed at September 30, 2024.

Revenues from services also include feasibility studies in the amount of €469,000.

Milestones

In the six months to September 30, 2024, the Company did not receive any milestone payments due to the timing of its programs. During the 1er half-year of the previous year, the Company received and fully recognized a milestone payment of €3.6 million for the mdc-IRM program, which became UZEDY™ when commercialized by partner Teva.

The Group expects milestones on current contracts. These milestones are excluded from the backlog amount due to the uncertain nature of future maturities.

6.1.2 Other products

(In thousands of €)	09/30/2024 6 months	09/30/2023 6 months
Other products	**815**	**1 195**
- Research tax credit	723	1 195
- Other products	92	-

Research tax credit income comprises a receivable of €1,475,000 in respect of 2024, less a charge of €753,000 to provisions for contingencies and charges, linked to the accounting verification procedure underway for the years 2021, 2022 and 2023.

The valuation of the Research Tax Credit at the end of the half-year period has been made taking into account expenses incurred and annual receipts and repayments of grants and repayable advances. The estimate of variable personnel costs for the six months to September 30, 2024 corresponds to management's best estimate.

6.2 Nature of allocated expenditure by function

6.2.1 Nature of expenses included in "Research and development costs"

The following table shows the nature of the expenses included in "Research and development costs" :

(In thousands of €)	09/30/2024 6 months	09/30/2023 6 months
Personnel expenses	**(5 707)**	**(5 365)**
- Personnel expenses excluding share-based payments	(5 035)	(4 550)
- Share-based payments	(672)	(815)
Other operating expenses paid	**(3 954)**	**(5 132)**
- Subcontracting of studies and services	(1 682)	(1 880)
- Raw materials and consumption	(434)	(1 803)
- Fees and consulting	(866)	(994)
- Rent and related costs, insurance, postage	(321)	(279)

- Other taxes	(5)	(4)
- Subsidies	3	12
- Travel & Transportation	(193)	(197)
- Miscellaneous	(456)	13
Other non-cash operating expenses	**(613)**	**(649)**
- Net depreciation, amortization and provisions	(613)	(649)
Total	**(10 274)**	**(11 144)**

The increase in personnel costs is mainly due to the strengthening of non-clinical teams and the calculation of the URSSAF charge on AGA. Subcontracting expenses, notably for CDMO and CRO, fell in line with the development of the product portfolio. The sharp drop in raw materials expenses is mainly due to the purchase of polymers for the mdc-CWM project in the first half of the previous year.

6.2.2 Nature of expenses included in "Marketing and sales expenses ".

The following table shows the nature of the expenses included in "Marketing and sales expenses":

(In thousands of €)	**09/30/2024 6 months**	**09/30/2023 6 months**
Personnel expenses	**(1 410)**	**(920)**
- Personnel expenses excluding share-based payments	(1 276)	(781)
- Share-based payments	(134)	(139)
Other operating expenses paid	**(243)**	**(463)**
- Subcontracting of studies and services	(113)	(90)
- Travel, trade shows, documentation	(66)	(234)
- Fees and consulting	(16)	(43)
- Rent and related costs, insurance, postage	(100)	(110)
- Others	52	14
Other non-cash operating expenses	**(34)**	**(25)**
- Net depreciation, amortization and provisions	(34)	(25)
Total Marketing and sales expenses	**(1 686)**	**(1 409)**

The increase in personnel costs is mainly due to bonuses and the inclusion of provisions for social security charges on AGMs. Last year, an advertising campaign was carried out following the commercial launch of UZEDY, but this was not renewed this year, resulting in a significant drop in travel expenses, trade shows and documentation.

6.2.3 Nature of expenses included in "General and administrative expenses"

The following table shows the nature of the expenses included in "General and administrative expenses":

(In thousands of €)	**09/30/2024 6 months**	**09/30/2023 6 months**
Personnel expenses	**(2 700)**	**(2 330)**
- Personnel expenses excluding share-based payments	(2 319)	(2 004)
- Share-based payments	(381)	(326)
Other operating expenses paid	**(2 176)**	**(2 063)**
- Fees and consulting	(1 433)	(1 399)
- Rent and related costs, insurance, postage	(356)	(359)

- Subcontracting of studies and services	(101)	(106)
- Travelling	(101)	(77)
- Other taxes	(57)	(62)
- Family tax credit	14	64
- Others	(142)	(124)
Other non-cash operating expenses	**(195)**	**(192)**
- Net depreciation, amortization and provisions	(195)	(192)
Total general and administrative expenses	**(5 073)**	**(4 584)**

Personnel costs included in general and administrative expenses increased due to provisions for social security charges on AGMs. The increase in consulting and professional fees is mainly due to legal fees, accounting fees and the deployment of the investor strategy in the United States.

6.3 Workforce

At September 30, 2024, the Group had 131 employees, compared with 134 at March 31, 2024 and 138 at September 30, 2023.

Changes in Group headcount by function over the six months to September 30, 2024 were as follows:

Function	30/09/2024	31/03/2024	30/09/2023
Research & Development	89	94	98
Marketing and sales	12	12	12
General and administration	30	28	28
Total workforce	**131**	**134**	**138**

6.4 Other operating income and expenses

(In thousands of €)	09/30/2024 6 months	09/30/2023 6 months
Other non-current operating expenses	**69**	**109**
- Proceeds from sale of fixed assets	-	0
- Other products	69	109
Other non-recurring operating income	**-**	**(134)**
- Net book value of fixed assets sold	-	(131)
- Other expenses	-	(3)
Total Other non-recurring operating result	**69**	**(25)**

Other operating income and expenses for the six months ended September 30, 2023 and 2024 relate to unusual or infrequent items.

Other operating income for the year ended September 30, 2024 amounted to €69,000, mainly comprising foreign exchange gains on operating payables and receivables.

Other operating expenses for the year ended September 30, 2024 were nil.

6.5 Financial results

Net financial expense" on the consolidated statement of net income breaks down as follows :

(In thousands of €)	09/30/2024 6 months	09/30/2023 6 months
Income from cash investments	741	156
Gross cost of debt	(2 515)	(2 399)
Change in fair value of financial liabilities	(4 260)	2 970
Net cost of debt	**(6 034)**	**727**
Foreign exchange losses	(1 009)	(34)
Other financial expenses	(6)	-
Other financial expenses	**(1 015)**	**(34)**
Foreign exchange gains	139	130
Other financial income	0	-
Other financial income	**139**	**130**
Total financial result	**(6 910)**	**823**

The change in net financial expense was mainly due to:

- The change in the fair value of financial liabilities, from an income of +3.0 M€ at September 30, 2023 to an expense of -4.3 M€ (see note 5.11 on fair value measurement characteristics of financial liabilities). The income recognized at September 30, 2023 included income of €1.2 million (decrease in financial liabilities) corresponding to a debt adjustment for the six months ended September 30, 2023, as the fair value at the issue date of the warrants associated with Tranche B of the EIB loan had been recognized in the consolidated financial statements at March 31, 2023 as a financial expense, whereas it should have reduced the debt component of the loan**.** The charge for the period is mainly due to the rise in the Company's share price during the six months to September 30, 2024, which contributed to an increase in the fair value of the warrants issued to the EIB (note 5.11).
- An increase in financial exchange losses of €1.0 million, due to the unfavorable EUR/USD exchange rate over the period, which impacted cash held in USD.
- The increase in financial expenses was partially offset by higher income from cash investments (€0.7 million), mainly from interest on money-market investments (term deposits in EUR and USD).

6.6 Tax expense

At September 30, 2024, the tax charge amounted to -129 K€, corresponding to the tax payable on the Medincell Inc. subsidiary in the U.S. (nil at September 30, 2023).

The following table shows the reconciliation between the effective income tax charge and the theoretical tax charge (tax charge calculated at the nominal rate of 25%, excluding additional contributions):

(In thousands of €)	30/09/4 6 months	09/30/2023 6 months
Profit before tax	(14 439)	(8 158)
Theoretical tax rate	25%	25%
Theoretical tax (expense) income	**3 610**	**2 040**

Reconciling elements		
- Tax credits (including Research Tax Credit)	372	737
- Share-based payments	(297)	(320)
- Permanent differences (2)	(1 209)	685
- Non-activation of period deficits	(2 475)	(3 170)
- Other differences (1)	(129)	28
Tax recognized in the income statement	**(129)**	**-**
Effective tax rate	**-1%**	**0,00%**

(1) At September 30, 2024, other differences correspond mainly to tax paid by the Medincell Inc. subsidiary in the United States.

(2) At September 30, 2024, permanent differences mainly relate to the fair value charge on financial liabilities for the period.

Deferred tax assets and liabilities

The French company Medincell S.A. has losses carried forward from previous years, plus the loss for the six months ended September 30, 2024. At September 30, 2024, the company's accumulated loss carryforwards totaled €177.3 million. The losses are due to the intensification of research & development expenditure for the development of the Company's own products.

6.7 Earnings per share

- **Basic earnings per share**

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period.

	09/30/2024 6 months	09/30/2023 6 months
Profit (Loss) for the period - Attributable to Medincell shareholders (in K€)	(14 568)	(8 158)
Weighted average number of shares outstanding	29 101 025	27 865 155
Weighted average number of treasury shares held	6 269	28 694
Basic and diluted earnings per share, in euros	**(0,50)**	**(0,29)**

- **Diluted earnings per share**

For the half-years ended September 30, 2023 and 2024, as net income is a loss, diluted earnings per share are equal to basic earnings per share, as any dilutive instruments have an anti-dilutive effect on loss per share.

NOTE 7 - OFF-BALANCE SHEET COMMITMENTS

7.1 - CM Biomaterials B.V. commitments

CM Biomaterials B.V., a joint venture between Medincell and Corbion, manufactures and distributes the polymers needed to formulate, develop and market the various products using BEPO technology. Production of

the various polymers is subcontracted exclusively to Purac Biochem B.V., a Dutch company in the Corbion group.

As part of the collaboration, the Group has committed itself, through CM Biomaterials B.V., to minimum polymer manufacturing volumes. Should these volumes not be achieved, CM Biomaterials B.V. may be required under certain circumstances to pay certain financial compensation to Corbion. The Group considers that it will be able to meet the volume commitment for the year ending March 31, 2025.

7.2 - Commitments given on borrowing contracts

The EIB granted Medincell a €40 million line of credit in November 2022, which has been fully drawn down since July 2023 following fulfillment of all the conditions specified in the agreement.

Under the terms of this loan agreement, Medincell undertakes to maintain (i) at least 8 million euros of available cash and cash equivalents, and (ii) at least 12 months of financial visibility in its cash flow forecast base scenario. In the event of default, the Company has 30 days to remedy the situation. After this period, the EIB would have the right to demand early repayment of all or part of the existing loan.

The loan agreement signed in November 2022 with the European Investment Bank frames Medincell's capacity to :

- Take on additional debt ;
- Pay dividends or make any other distributions ;
- Make investments in other companies (acquisitions) ;
- Create additional liens or security interests ;
- Contract restrictions on the ability of its subsidiaries to pay dividends or make other payments to it
- Disposal of assets or interests in other companies ;
- Transactions with affiliated companies ;
- Substantially change activity; and
- Merge with other entities.

The covenants attached to the EIB loan are designed in particular to restrict the use of the cash resulting from this loan to the research and development programs concerned, to the exclusion of any other purpose, notably the reduction of existing indebtedness and the payment of dividends. No other guarantees are attached to this loan.

In addition to the interest remuneration paid annually or at maturity, Medincell S.A. is required to pay the EIB a variable annual remuneration linked to milestone payments and revenues.

This variable remuneration is capped in terms of amount and limited to the duration of product sales.

- Based on current cash flow forecasts, and excluding potential revenues from new service contracts or licensing agreements that may be signed in the meantime, the financial covenants currently in force

under the EIB loan agreement are met at the balance sheet date and over the next 12 months following the balance sheet date. Two additional covenants will come into force on April 1st, 2025. Given the definition of the additional covenants, the Company may not comply with them after March 31, 2025, and has already entered into advanced discussions with the EIB. On the basis of these discussions, the Company is confident in its ability to obtain a waiver from the EIB in order to avoid a potential partial or total early repayment of the loan, which the EIB could request.

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7.3 - Commitments to certain subcontractors

Over the past three years, the Company has signed several CRO/CDMO subcontracting contracts for ongoing projects, for a total value of €4.8 million. This amount represents the maximum value of the commitment, assuming that the projects are carried through to their next stage. The contracts provide for legal and/or contractual clauses offering the possibility of early termination, subject to notice periods ranging from one day to three months. Since the signing of the various agreements, the Company has recognized the corresponding expenses billed by the subcontractors. The off-balance sheet commitment at September 30, 2024 therefore corresponds to the total amount of purchase orders signed, less expenses recognized over the year and previous years, i.e. a maximum off-balance sheet commitment of €3.8 million assuming the projects are completed.

NOTE 8 - INFORMATION ON RELATED PARTIES

During the six months ended September 30, 2024, relations between the Group and related parties did not change significantly compared with the previous year.

NOTE 9 - CONSIDERATION OF CLIMATE, WATER AND BIODIVERSITY RISKS

The Group takes climate risks into account to the best of its knowledge in its closing assumptions, so as to integrate their potential impact in the financial statements where appropriate. Given its current R&D activity and the fact that only one of its products is currently on the market, the Group's direct or indirect industrial activity is low, and it can therefore claim to have a low environmental impact.

Consequently, the impact of climate change on the financial statements is not significant at this stage of the Company's development.

Together with its partners, the Company is committed to optimizing its manufacturing processes in order to reduce waste and emissions associated with the future production of its products. In its day-to-day operations, the Company strives to minimize its environmental footprint by reducing and sorting waste, rationalizing energy use and reducing emissions.

The long-term effects of these changes cannot be quantified at this stage.

NOTE 10 - EVENTS AFTER THE BALANCE SHEET DATE

November 2024: Teva Pharmaceuticals, Medincell's partner, announced during its third 2024 results, the following information:

About UZEDY® :

- New revenue forecast for 2024: revised upwards from $80 to $100 million
  - Revenues in the United States since the start of 2024: $75 million
  - Third-quarter 2024 U.S. revenues: $35 million
- Medincell is eligible for mid- to high-single digit royalties on net sales, as well as $105 million in commercial milestones.

About Olanzapine LAI (TV-'749/mdc-TJK):

No PDSS was observed after 100% of the injections planned for approval.

#3

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the six months ended June 30, 2009 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the companies included in the consolidation, and that the interim management report gives a true and fair view of the significant events that occurred during the first six months of the year, their impact on the financial statements and the main transactions between related parties, and that it describes the main risks and uncertainties for the remaining six months of the year.

December 9, 2024
Christophe DOUAT
Managing Director

#4

STATUTORY AUDITORS' LIMITED REVIEW REPORT

MEDINCELL

Statutory auditors' report on the half-year financial information

(Period from April 1er, 2024 to September 30, 2024)

PricewaterhouseCoopers Audit
541 rue Georges Méliès
Complexe 7 Center/Bâtiment M'Otion
34000 Montpellier

Becouze
34 rue de Liège
75008 Paris

Statutory auditors' report on the half-year financial information

(Period from April 1er, 2024 to September 30, 2024)

To the Shareholders
MEDINCELL
3, rue des Frères Lumière
34830 JACOU

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on :

- the review of the accompanying condensed half-year consolidated financial statements of MEDINCELL, for the period from April 1er, 2024 to September 30, 2024;

- verification of the information given in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A limited review of interim financial information consists principally of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained in the context of a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to note 3.5.
The "Going concern" section details the factors underlying the Group's decision to continue as a going concern in preparing its condensed interim consolidated financial statements for the six months to September 30, 2024.

II - Specific verification

We have also verified the information given in the half-year management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Montpellier and Paris, December 9, 2024 The

Statutory Auditors

PricewaterhouseCoopers Audit — Becouze

Cédric MinarroRémi Source