

## The EIB Reaffirms Confidence in Medincell by Permanently Waiving Two Financial Covenants in its Loan Agreement

- The European Investment Bank (EIB) granted Medincell a €40 million credit facility in November 2022, fully drawn since July 2023
- The EIB has decided to remove two financial covenants<sup>(1)</sup> from the loan agreement, originally set to take effect on April 1<sup>st</sup>, 2025, as they are no longer deemed necessary
- As a result, the EIB waives its right to potentially request an early partial or full repayment of the loan if the company does not comply with the two removed covenants

The €40 million credit facility, granted in 2022, replaced a previous €20 million loan granted by the EIB in 2018. It was structured into 3 tranches: an initial €20 million tranche (Tranche A) and two additional €10 million tranches (Tranches B and C)<sup>(2)</sup>.

Tranches A, B and C were drawn in December 2022, January 2023 and July 2023 respectively. Each tranche has a five-year maturity from its drawn date, meaning the first repayment is expected in December 2027. The remuneration structure varies for each tranche and includes: (i) Annual cash interest payments, (ii) Capitalized interest paid at maturity, (iii) Potential capital gains through warrants, based on the future increase in the company's share price, and (iv) Variable remuneration calculated on the Company annual revenues.

The company informed on December 10, 2024, that it might not meet two financial covenants<sup>(3,4)</sup> of the loan agreement set to take effect on April 1, 2025, and that it was in advanced discussions with the EIB on this matter. The company can now confirm that the two financial covenants will be permanently waived within a few weeks, following the finalization of the legal documentation. Two other financial covenants, in effect since September 2023, requiring the Company to maintain at all times a minimum of €8 million in cash and at least twelve months of cash visibility, remain in force.<sup>(5)</sup>

<sup>(1)</sup> A financial covenant is a clause in a loan agreement that sets specific financial requirements or restrictions that a borrower must comply with to maintain the loan. If a borrower breaches a financial covenant, the lender may have the right to demand immediate repayment, renegotiate loan terms, or impose penalties.

<sup>(2)</sup> Medincell's press release, Nov. 23, 2022: [www.medincell.com/wp-content/uploads/2024/03/20221123\\_PR-MdC-EIB-signature\\_EN.pdf](http://www.medincell.com/wp-content/uploads/2024/03/20221123_PR-MdC-EIB-signature_EN.pdf)

<sup>(3)</sup> Gearing ratio = Net Indebtedness / Net Equity

<sup>(4)</sup> Debt service charge ratio = Operating income adjusted for the preclinical expenses / Total debt service charge

<sup>(5)</sup> Medincell's press release, Oct. 3, 2023: [http://www.medincell.com/wp-content/uploads/2025/02/PR\\_MedinCell\\_Covenant-BEI\\_EN\\_VF.pdf](http://www.medincell.com/wp-content/uploads/2025/02/PR_MedinCell_Covenant-BEI_EN_VF.pdf)

### About Medincell

Medincell is a clinical- and commercial-stage biopharmaceutical licensing company developing long-acting injectable drugs in many therapeutic areas. Our innovative treatments aim to guarantee compliance with medical prescriptions, to improve the effectiveness and accessibility of medicines, and to reduce their environmental footprint. They combine active pharmaceutical ingredients with our proprietary BEPO<sup>®</sup> technology which controls the delivery of a drug at a therapeutic level for several days, weeks or months from the subcutaneous or local injection of a simple deposit of a few millimeters, entirely bioresorbable. The first treatment based on BEPO<sup>®</sup> 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<sup>®</sup> (BEPO<sup>®</sup> technology is licensed to Teva under the name SteadyTeq<sup>™</sup>). We collaborate with leading pharmaceutical companies and foundations to improve global health through new treatment options. Based in Montpellier, Medincell currently employs more than 140 people representing more than 25 different nationalities.

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**medincell.com**

## Contacts

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### **David Heuzé**

Head of Corporate and Financial Communications, and ESG  
david.heuze@Medincell.com / +33 (0)6 83 25 21 86

### **Grace Kim**

Chief Strategy Officer, U.S. Finance  
grace.kim@Medincell.com / +1 (646) 991-4023

### **Nicolas Mérigeau/ Arthur Rouillé**

Media Relations  
Medincell@newcap.eu / +33 (0)1 44 71 94 94

### **Louis-Victor Delouvrier/Alban Dufumier**

Investor Relations France  
Medincell@newcap.eu / +33 (0)1 44 71 94 94

This press release contains forward-looking statements, including statements regarding Company's expectations for (i) the timing, progress and outcome of its clinical trials; (ii) the clinical benefits and competitive positioning of its product candidates; (iii) its ability to obtain regulatory approvals, commence commercial production and achieve market penetration and sales; (iv) its future product portfolio; (v) its future partnering arrangements; (vi) its future capital needs, capital expenditure plans and ability to obtain funding; and (vii) prospective financial matters regarding our business. Although the Company believes that its expectations are based on reasonable assumptions, any statements other than statements of historical facts that may be contained in this press release relating to future events are forward-looking statements and subject to change without notice, factors beyond the Company's control and the Company's financial capabilities.

These statements may include, but are not limited to, any statement beginning with, followed by or including words or phrases such as "objective", "believe", "anticipate", "expect", "foresee", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "may", "probably", "potential", "should", "could" and other words and phrases of the same meaning or used in negative form. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that may, if any, cause actual results, performance, or achievements to differ materially from those anticipated or expressed explicitly or implicitly by such forward-looking statements. A list and description of these risks, contingencies and uncertainties can be found in the documents filed by the Company with the Autorité des Marchés Financiers (the "AMF") pursuant to its regulatory obligations, including the Company's registration document, registered with the AMF on September 4, 2018, under number I. 18-062 (the "Registration Document"), as well as in the documents and reports to be published subsequently by the Company. In particular, readers' attention is drawn to the section entitled "Facteurs de Risques" on page 26 of the Registration Document.

Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. Except as required by law, the Company does not undertake any obligation to publicly update these forward-looking statements or to update the reasons why actual results could differ materially from those anticipated by the forward-looking statements, including in the event that new information becomes available. The Company's update of one or more forward-looking statements does not imply that the Company will make any further updates to such forward-looking statements or other forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

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