Publication of the activity report and financial information for the first half-year (*April - Sept. 2019*)

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Progression of the portfolio with FDA IND clearance to initiate clinical activities for mdc-TJK and mdc-ANG entering preclinical

Launch of Animal Health activities

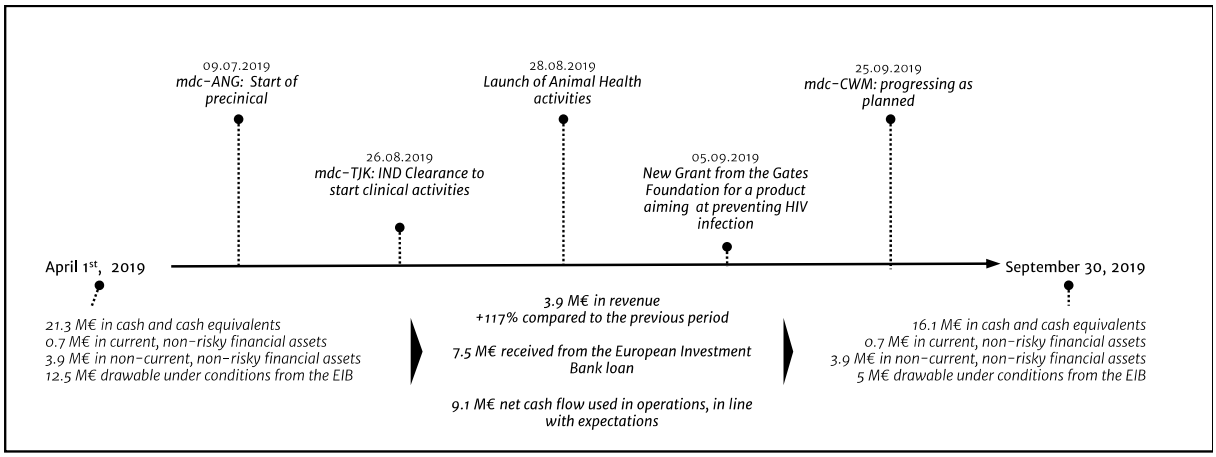
Revenue increase and strong cash position in line with expectations

Post-closing events

- Up to 19 M$ grant from the Bill & Melinda Gates Foundation for mdc-WWM
- Antipsychotic programs: confirmation of clinical activities start for the second long-acting injectable antipsychotic mdc-TJK and interim analysis for mdc-IRM Phase 3 in the second half of 2020

The information contained in this press release will be commented by the MedinCell management team during an online conference on December 3, 2019. The comments and answers to participants' questions will be available on invest.medincell.com

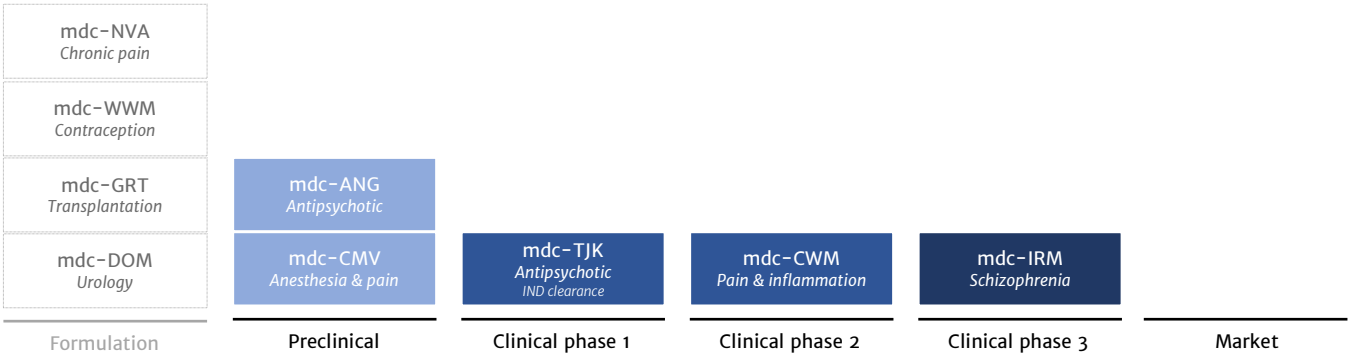
Half-year period events related to the product portfolio and summary of available financial resources



Press releases related to half-year events are available on invest.medincell.com

Portfolio as of September 30, 2019

Human Health Portfolio | *September 2019*



Main highlights of the half-year 2019-2020

FDA IND clearance to initiate clinical activities for mdc-TJK
A second long-acting injectable antipsychotic using MedinCell's technology has received FDA IND* clearance to initiate clinical activities in August 2019.

Start of Animal Health activities
In August 2019, MedinCell announced a partnership with Cornerstone Animal Health to develop a range of best-in-class long-acting injectable veterinary products using MedinCell's BEPO® proprietary technology.

Arrival of Gaël L'Hévéder as head of the Partnering team
In May 2019, Gaël L'Hévéder joined MedinCell after more than 20 years of experience in the pharmaceutical industry at Aventis, Baxter, and Roche, and PCI Biotech (Oslo).

The MedinCell General Meeting votes to include the "Raison d'être" of the Company in its articles of association
Held on September 5, 2019, in Montpellier, shareholders voted to include the MedinCell "Raison d'être" in the company's articles of association: *« Our mission is to contribute to the protection and improvement of healthcare across the entire world. A foundation of MedinCell's enterprise model is to share the value created by the employees with all the employees. Long-term sustainability is necessary to enable us to achieve our mission ».*

Allocation of performance-based Free Shares and Stock Options
Two new instruments were used to allow all employees to become shareholders: attribution of stock-options, and secondly, the equal attribution of performance-based Free Shares. The definitive acquisition of these performance-based Free Shares will depend directly on the performance of the stock market price so as to align the interests of the employees with those of the external shareholders to the Company.

Selected financial information for the first half-year 2019-2020

Financial visibility maintained

At September 30, 2019, MedinCell had a cash position of 16.1 M€ and 4.7 M€ of non-risky financial assets (compared to 11.4 M€ and 4.6 M€ a year ago). At the beginning of the financial year, six months earlier, MedinCell had 21.3 M€ in cash and 4.6 M€ in financial assets. The first half of 2019-2020 was particularly marked by the payment of the second tranche of the loan from the European Investment Bank (EIB) for 7.5 M€. In addition to the cash available, there is also the last tranche of 5 M€ of the EIB loan that could be drawn under conditions. This half-year was also marked by the strong increase in revenues, which reached 3.9 M€ (+ 117% compared to the same period last year).

Without including any future revenues related to the products developed in partnership (service revenues and milestone payments) and in line with forecasts, MedinCell continues to benefit from a strong financial visibility for the current development period. The operating cash flow for the six-month period illustrates this favorable situation and reflects the growth in investment required to progress and expand the Company's product portfolio.

Consolidated cash flow statement

(€ thousands)	30/09/2019 6 months	30/09/2018 6 months
A Net cash flow from operations *Editor's note: at September 30, 2019, MedinCell pending the reimbursement of the Research Tax Credit (CIR) for the calendar year 2018, which is therefore not visible in the consolidated statement of cash flows (unlike last year, when an amount of 1.8 M€ from the CIR had been cashed as early as August).*	(9 081)	(6 371)
B Net cash flow from investing activities	(441)	(404)
C Net cash flow from financing activities	4 361	9 352
Net Change in cash	(5 161)	2 577
Cash and cash equivalents at start of period	21 284	8 791
Cash and cash equivalents at end of period	16 123	11 368

A- Net cash flow from operations

The activity of these last 6 months has resulted in a cash consumption of 9.1 M€, in line with expectations, compared to 6.4 M€ the previous year. It should be noted that the CIR for the year 2018 was not cashed, whereas in the previous year, 1.8 M€ had already been cashed at the half-year closing. The net loss recorded during the period amounted to 9 M€, compared with 9.8 M€ in the first half of the previous year. This improvement results from the increase in revenues generated over the period of 3.9 M€ compared to 1.8 M€ the previous year.

Over the same period, current operating expenses rose from 8.4 M€ to 11.9 M€, mainly due to increased R&D costs in line with the company's strategy.

B- Net cash flow from investing activities

During the first half of the year, the Company continued to invest, in particular to protect its intellectual property (140 K€), equip its laboratory (124 K€), secure and improve its IT infrastructure (79 K€).

C- Net cash flow from financing activities

In the first half of the current financial year, MedinCell received the second tranche of 7.5 M€ from the European Investment Bank (EIB) loan. With a total amount of 20 M€, this loan is intended to finance MedinCell's product formulation and development research phases. As for the two previous tranches, the payment of the remaining 5 M€ is subject to the achievement of objectives.

Taking into account the available cash, to be compared with current and foreseeable levels of cash consumption MedinCell benefits from a strong financial visibility. It should also continue to benefit from existing partnership revenues such as service revenues and milestone payments and the Research Tax Credit.

Income Statement

A- Income from ordinary activities: 3.9 M€

Revenue

A strong increase compared to the previous period (+ 117%), revenues for the first half of the 2019-2020 financial year came in particular from milestones of programs developed with partners. Among other things, MedinCell received from his partner who is developing and financing the mdc-TJK program, a payment related to the authorization to start Phase 1 clinical trials. Semester revenues also come from services for product formulation activities, also developed with partners, in particular the Bill & Melinda Gates Foundation.

The Company points out that the first revenue associated with product sales are expected to be the royalties generated by the commercialization of the first products developed with its partners. Until then, due to the product development cycle and depending on the financial terms of partnerships (which may or may not include certain elements such as services fees, milestone payments, royalties, cost sharing, profit sharing, etc.), its revenue may vary significantly from a year to the next.

Other income from ordinary activities

The Company benefits from Research Tax Credit with respect to its Research and Development (R&D) activities. Reflecting the increase in investments, this Research Tax Credit rose by 92% compared with the same period last year and totaled 1.9 M€. The Company expects to receive this sum by the end of 2019.

B- Recurring operating expenses under control and in line with Company's expectations: 11.9 M€

Recurring operating expenses increased by 42% compared with the same period last year. Over 2/3 of the spending concerned R&D, which includes the costs for products development, of which the budget increased by 65% this half-year. In line with the Company's strategy of expanding its product portfolio, these R&D investments thus enabled the Company to:

- Finance MedinCell's partner CRO (Contract Research Organization) services in order to move forward with internal programs currently in the formulation research phase or in preclinical studies to prepare the next steps;
- Strengthen scientific teams to support the growth of the Company. Thus new employees with skills in quality, clinical development and manufacturing process joined MedinCell. The centers of expertise for polymers and the development of analytical methods have also been strengthened to support the expansion of the portfolio.

Sales & Marketing expenses increased by 6% over the same period last year with the arrival of a new head of Partnership Development and the activities of the strategic marketing and market access team.

To support the Company's operations, General & Administrative expenses increased by 17%. It should be noted that a portion of this increase was dedicated to training the teams, necessary to support the Company's development strategy. A substantial portion is attributable to personnel costs, with the necessary reinforcement of the support teams to help the growth of the company. The plans of Allocation of performance-based Free Shares and Stock options granted in April 2019 also impacted the IFRS expenses. Fees also increased over the period. In addition, as MedinCell is now a listed company, new expenses have been recorded, notably related to investor relations and communication.

C- Financial expenses: (0.8) M€

The financial result shows a loss of 0.8 M€, mainly due to interest on the bond and the loan from the European Investment Bank. At September 30, 2018, the 3.2 M€ loss was due to the IPO and exceptional financing charges of 2.3 M€.

D- Financial debt: 32.3 M€

The increase in non-current financial debt is due to the receipt in July 2019 of the second tranche of the loan with the European Investment Bank for 7.5 M€

Consolidated income statement

	(€ thousands)	30/09/2019 6 months	30/09/2018 6 months	Evolution	
	Products sales, Royalties	-	-	-	-
	Income from development services	625	716	(91)	-13%
	Licenses, Milestones	1 332	-	1 332	-
	Income from polymer sales	-	66	(66)	-100%
	Revenue	**1 957**	**783**	**1 174**	**150%**
	Other income from continuing activities	1 952	1 018	934	92%
A	**Income from ordinary activities**	**3 909**	**1 801**	**2 108**	**117%**
	Cost of products & services sold	-	(78)	78	-100%
	Research & Development expenses	(7 926)	(4 797)	(3 129)	65%
	Sales & Marketing expenses	(1 241)	(1 171)	(70)	6%
	General & Administrative expenses	(2 778)	(2 372)	(406)	17%
B	**Total operating expenses**	**(11 945)**	**(8 418)**	**(3 527)**	**42%**

	Recurring operating income / (expense)	**(8 036)**	**(6 617)**	**(1 419)**	**21%**
	Other expenses / operating income	(56)	(20)	(36)	180%
	Operating income / (expense)	**(8 092)**	**(6 637)**	**(1 455)**	**22%**
	Gross financial debt income / (expense)	(917)	(981)	64	-7%
	Other financial income / (expense)	(69)	(2 246)	2 315	-103%
C	**Financial income / (expense)**	**(848)**	**(3 227)**	**2 379**	**-74%**
	Income / (Loss) before tax	**(8 941)**	**(9 864)**	**923**	**-9%**
	Tax income / (expense)	(57)	34	(91)	NA
	Net income / (loss)	**(8 999)**	**(9 830)**	**831**	**-8%**
	Attributable to owners of MedinCell	(8 999)	(9 830)		
	Attributable to non-controlling interests	-	-		
	Earnings / (loss) per share, €	*(0.45)*	*(0.68)*		
	Diluted earnings / (loss) per share, €	*(0.45)*	*(0.68)*		

Balance sheet summary

(€ thousands)	30/09/2019	31/03/2019
Total non-current assets	14 476	11 962
Total current assets	20 789	26 020
Total assets	**35 265**	**37 982**
Consolidated shareholder's equity	(2 002)	6 243
Total non-current liabilities	31 040	23 968
Total current liabilities	6 227	7 771
Total liabilities	**35 265**	**37 982**

Post-closing information related to the product portfolio

Partner update on the three antipsychotic products

- Clinical activities begin for Second Long-acting Injectable Antipsychotic mdc-TJK.
  The first-in-human study for the investigational long-acting injectable antipsychotic mdc-TJK has now commenced. The results of this study, expected during 2021, will inform future development. mdc-TJK is one of three antipsychotic products in development by the partner Teva Pharmaceuticals based on MedinCell's technology.

- The phase 3 clinical trials for the lead asset, mdc-IRM, are ongoing with an interim analysis in the second half of 2020 contingent upon the projected recruitment rate and patient relapse events.

- Non-clinical work on the third investigational product, mdc-ANG, continues to progress and will inform a decision on further development expected in the second half of 2020.

19 M$ grant from the Bill & Melinda Gates Foundation for its program mdc-WWM

MedinCell and the Bill & Melinda Gates Foundation have signed an agreement in November 2019 for up to an additional 19 M$ to be granted over four years. It aims to fund preclinical activities and a Phase 1 clinical trial once the candidate formulation is selected in the first half of 2020. The agreement with the Bill & Melinda Gates Foundation, provides that MedinCell owns the marketing rights of the product worldwide, particularly in the United States.

Other programs

In November 2019, the Company decided to stop the program in formulation research mdc-DOM, as the latest market studies did not validate the initial assumptions. A new program is being evaluated in order to initiate the formulation research phase.

About MedinCell

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

Glossary

Formulation or Formulation research
Formulation research is the first stage for all programs. It enables a prototype of the product to be obtained that complies with the targeted specifications, notably the duration of action and the dose of active ingredient to be regularly released. For each product, a new combination of polymers is created, thus making each formulation unique and exclusive.

Preclinical development
Launched after the development of the prototype, preclinical development includes a series of studies and operations aimed at confirming the product's viability, testing its safety and establishing the scientific bases and regulatory strategy necessary for all applications for clinical trial approval.

Application for clinical trial approval
Launching trials on humans is subject to prior approval from the bodies responsible for health, such as the FDA (Food & Drug Administration) in the United States and EMA (European Medicines Agency) in Europe. Applications for clinical trial approval are based on a dossier comprising the work undertaken during preclinical development.

Clinical Development
Clinical development includes all the trials conducted on human panels. It is divided into stages (Phases 1, 2 and 3) to test and validate the treatment tolerance and its effectiveness.
Note: the products developed by MedinCell using active already approved and known pharmaceutical ingredient, they can in some cases benefit from a lightened clinical development.

Opioids
Psychotropic substance that can be synthetic or natural. In pharmacy, opioids are prescription pain relievers to relieve chronic or acute pain.

CMC (Chemistry Manufacturing Control) regulatory strategy
It is used to put together the dossier for applying for clinical trial approval that includes all the necessary elements proving that the product can be safely administered to patients and that the company is capable of manufacturing this product on a pilot scale

CRO (Contract Research Organization)
A CRO is a company that provides services in the field of biomedical research for the pharmaceutical or biotechnology industries. CROs may intervene during any stage of the Research & Development process, from pre-clinical studies to marketing and pharmacovigilance, including conducting clinical trials and assistance in research work.

CMO (Contract manufacturing organization)
A CMO is a subcontracting or outsourcing company in the manufacture of pharmaceutical products.

Contacts

MedinCell
David Heuzé
Communication leader
david.heuze@medincell.com
+33 (0)6 83 25 21 86

NewCap
Louis-Victor Delouvrier / Alexia Faure
Investor relations
medincell@newcap.eu
+33 (0)1 44 71 94 94

NewCap
Nicolas Merigeau
Media relations
medincell@newcap.eu
+33 (0)1 44 71 94 94

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