TME Pharma N.V.
Amsterdam, The Netherlands

Half-Year Financial Report 2024
30 June 2024

Contents

Disclaimer I Forward-looking statements

This Half-Year Financial Report includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward looking statements reflect only TME Pharma's current views and assumptions regarding future events, many of which are by nature inherently uncertain and beyond TME Pharma N.V.'s control. Actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section "Risk Factors" in this Half-Year Financial Report.

Many of these forward-looking statements contained in this Half-Year Financial Report can, be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could", "might" or "should" or "potential" or similar terminology. Forward-looking statements speak only as of the date they are made and TME Pharma does not intend to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events, nor does TME Pharma assume any obligation to do so.

Condensed consolidated interim financial statements as of 30 June 2024

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TME Pharma N.V., Amsterdam, Netherlands

Condensed Consolidated Interim Statements of Financial Position as of 30 June 2024

(in thousands of €)

Assets	Note	30 June 2024	31 Dec. 2023
Non-current assets			
Intangible assets		4	4
Equipment		29	35
Right-of-use assets		5	61
Financial assets		5	5
		43	**105**
Current assets			
Other assets		192	141
Financial assets	(4)	4	0
Cash and cash equivalents		2,703	2,245
		2,899	**2,386**
		2,942	**2,491**

Equity and liabilities	Note	30 June 2024	31 Dec. 2023
Equity			
Subscribed capital	(5)	422	173
Additional paid-in capital	(5)	198,982	194,122
Accumulated deficit	(5)	-197,619	-194,371
Cumulative translation adjustment	(5)	9	6
Treasury shares		-227	-224
Equity attributable to owners of the Company		**1,567**	**- 294**
Total equity		**1,567**	**- 294**
Current liabilities			
Financial liabilities	(7)	113	1,213
Lease liabilities		5	66
Trade accounts payable		1,039	1,167
Other liabilities		218	339
		1,375	**2,785**
		2,942	**2,491**

TME Pharma N.V., Amsterdam, Netherlands
Condensed Consolidated Interim Statements of Comprehensive Loss for the Six-Month Period Ended 30 June 2024

(in thousands of €)	Note	For the six months ended 30 June 2024	30 June 2023
Other operating income		6	33
Research and development expenses	(9)	-1,100	-1,315
General and administrative expenses	(10)	-1,643	-1,469
Foreign exchange result (net)		5	-13
Loss from operations		**-2,732**	**-2,764**
Finance income	(7)	4	245
Finance cost	(7)	-520	-1,140
Loss before income tax		**-3,248**	**-3,659**
Net loss		**-3,248**	**-3,659**
Items that may be reclassified subsequently to profit or loss:			
Foreign operations - foreign currency translation differences		3	1
Total comprehensive loss		**-3,245**	**-3,658**
Net loss attributable to:			
Owners of the Company		-3,248	-3,659
		-3,248	**-3,659**
Total comprehensive loss attributable to:			
Owners of the Company		-3,245	-3,659
		-3,245	**-3,659**
Loss per share in EUR per share (basic and diluted)	(8)	-0.12	-1.09

TME Pharma N.V., Amsterdam, Netherlands
Condensed Consolidated Interim Cash-Flow Statements for the Six-Month Period Ended 30 June 2024

(in thousands of €)

	Note	For the six months ended 30 June 2024	30 June 2023
Operating activities			
Net loss before/after income tax		-3,248	-3,659
Income taxes paid		-2	0
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amorization expense		66	78
Finance income		-4	-245
Finance cost		520	1,140
Share-based compensation	(6)	213	201
Other non-cash transactions		1	3
Changes in operating assets and liabilities:			
Other current assets		-51	94
Trade accounts payable and other liabilities		-230	-1,006
Net cash used in operating activities		**-2,735**	**-3,394**
Investing activities			
Purchase of equipment		-4	-19
Acquisition of current financial assets		-4	0
Net cash used in investing activities		**-8**	**-19**
Financing activities			
Proceeds from issuance of shares	(5)	3,517	908
Transaction costs for issuance of shares		-279	-58
Sale and purchase of treasury shares		-3	4
Proceeds from issuance of convertible bonds	(7)	0	1,004
Transaction costs for issuance of convertible bonds		0	-4
Redemption of convertible bonds	(7)	-1,155	0
Proceeds from exercise of warrants	(5), (7)	1,200	0
Transaction costs for exercise of ABSA warrants		-15	0
Payment of lease liabilities		-61	-56
Interest paid		-2	-8
Net cash provided by financing activities		**3,202**	**1,790**
Net change in cash and cash equivalents		459	-1,623
Cash at the beginning of period		2,245	4,634
Effect of movements in exchange rates on cash held		-1	-3
Cash at the end of the period		2,703	3,008

TME Pharma N.V., Amsterdam, Netherlands

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity for the Six-Month Period ended 30 June 2024

(in thousands of €)		Attributable to owners of the Company						
		Ordinary shares						
	Note	Number of shares	Subscribed capital	Cumulative translation adjustment	Treasury Shares	Additional Paid-In Capital	Accumulated Deficit	Total equity
1 January 2023		1,739,335	1,739	8	-223	184,839	-187,635	**-1,272**
Net loss							-3,659	-3,659
Foreign operations - foreign currency translation differences				1				1
Total comprehensive loss				1			-3,659	-3,658
Share-based compensation	(6)					201		201
Capital increases as a result of bond conversions	(5)	2,617,833	2,618			1,094		3,712
Issuance costs of capital increases resulting from bond conversions						-23		-23
Capital increases resulting from a private placement	(5)	960,025	960			40		1,000
Issuance costs of capital increases resulting from a private placement						-127		-127
Capital reduction	(5)		-5,264			5,264		0
Sale and purchase of treasury shares	(5)				4			4
30 June 2023		5,317,193	53	9	-219	191,288	**-191,294**	**-163**
1 January 2024		17,320,845	173	6	-224	194,122	-194,371	**-294**
Net loss							-3,248	-3,248
Foreign operations - foreign currency translation differences				3				3
Total comprehensive loss				3			-3,248	-3,245
Share-based compensation	(6)					213		213
Capital increases resulting from private placement	(5)	6,727,270	67			1,413		1,480
Capital increases resulting from private placements and public offering	(5)	13,088,158	131			2,222		2,353
Issuance costs of capital increases resulting from private placements and public offering						-471		-471
Capital increases resulting from ABSA warrant exercises	(5)	5,047,098	51			1,609		1,660
Issuance costs resulting from ABSA warrant exercises						-126		-126
Sale and purchase of treasury shares	(5)				-3			-3
30 June 2024		42,183,371	422	9	-227	198,982	**-197,619**	**1,567**

1. Corporate Information

TME Pharma N.V. (in the following also the "Company") is a Dutch public company with limited liability (naamloze vennootschap) and has its corporate seat in Amsterdam, the Netherlands and its headquarters in Berlin, Germany. The Company's ordinary shares are listed under the symbol "ALTME" with ISIN NL0015000YE1 on the public offering compartment of the Euronext Growth stock exchange Paris, France. In addition, and as of the balance sheet date Warrants Z issued concurrently with the issuance of ordinary shares in the course the exercise of Warrants Y of a preferential rights issue in December 2023 are listed under ISIN NL0015001SR3 on Euronext Growth stock exchange Paris, France until their exercise or expiration at maturity on 30 June 2025. TME Pharma N.V. is a management holding providing corporate and administrative services, financial and business advice and asset management to its German subsidiary TME Pharma AG.

The Company's business address is in Berlin, Germany, with the address of Max-Dohrn-Str. 8-10, 10589 Berlin.

The unaudited condensed consolidated interim financial statements of TME Pharma N.V. as of and for the six months ended 30 June 2024 and 2023 ("interim financial statements") comprise the Company and its wholly owned subsidiaries, TME Pharma AG, Berlin, Germany and TME Pharma Inc., Delaware, United States (all entities in the following also the Group or TME Pharma).

TME Pharma is a clinical-stage biopharmaceutical company focused on developing novel therapies for treatment of the most aggressive cancers and specializing in approaches targeting the tumor microenvironment (TME). TME Pharma's goal is to significantly enhance the effectiveness of cancer treatments including current standards of care (such as anti-vascular agents, chemotherapy and radiotherapy) and immune-oncology approaches (such as immune checkpoint inhibitors). TME Pharma's Spiegelmer® platform has generated a proprietary pipeline of clinical-stage product candidates including its lead cancer drug candidate NOX-A12 and its second clinical-stage asset NOX-E36 which it plans to externalize and monetize.

The interim financial statements as of and for the six months ended 30 June 2024 of TME Pharma were authorized by the Management Board for issuance on 17 October 2024.

2. Basis of Preparation and Significant Group Accounting Policies

Going Concern

The accompanying interim financial statements have been prepared on the basis that the Group will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Group's ability to continue as a going concern is dependent on its ability to raise additional funds to continue its research and development programs and meet its obligations. As a result, this situation indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

As a clinical stage biopharmaceutical company, the Group has incurred operating losses since inception and has not yet reached operating profitability. For the six months ended 30 June 2024, the Group incurred a net loss of € 3.2 million (of which the loss from operations amounted to € 2.7 million, resulting in an operating cash outflow of € 2.7 million). As of 30 June 2024, the Group had generated an accumulated deficit of € 198 million. The equity position of the Group amounts to € 1.6 million.

To finance its research and development activities from inception through 30 June 2024, the Group raised funds from several financing instruments including equity, venture loans, convertible notes/bonds and government grants. Considering cash and cash equivalents as of 30 June 2024 of € 2.7 million and in addition cash resources from the exercise of Warrants Z amounting to K€ 0.4 (gross) in September 2024 (see note 12), management expects financial resources to be sufficient to finance operations into January 2025.

The Group does not expect to generate meaningful revenues in the short to medium term and expects it will therefore incur operating losses for the foreseeable future due to, among other things, costs related to research funding, development of its product candidates and its preclinical programs, and its administrative organization.

According to its most recent business planning, current financial resources are projected to fund the Group into January 2025. The Group will be required to raise additional funds, alternative means of financial support or execute a partnering deal for one of its product candidates in the fourth quarter 2024 in order to continue to execute on its plans. Management is pursuing various financing alternatives to meet the Group's future cash requirements, including seeking additional investors, pursuing industrial partnerships, or obtaining further funding from existing investors through additional funding rounds, pursuing a merger or an acquisition. The management of TME Pharma is pursuing all of these avenues in parallel with the assistance of experienced external support and with the aim of minimizing shareholders dilution whenever possible.

Management has considered the ability of the Group to continue as a going concern and acknowledges the need for additional funds. Based on management's going concern assessment, the consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties. While management is confident in its ability to raise additional funds, if the Group is not successful in obtaining the additional funds required to continue its operational activities, there is substantial doubt that the Group will be able to continue as a going concern.

Statement of compliance

The interim financial statements of TME Pharma N.V. and its subsidiaries as of and for the six months ended 30 June 2024 and 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The Group has adopted in its accounting policies all of the International Financial Reporting Standards that became effective for accounting periods beginning on or after 1 January 2024, and that are relevant to its operations. Additionally, the Group takes into consideration all Interpretations of the IFRS Interpretations Committee.

New standards and interpretations applied for the first time

The following new and amended standards were effective for annual periods beginning on or after 1 January 2024 and have been applied in preparing these interim consolidated financial statements.

Standard/interpretation	Effective Date
IAS 1 Amendments Classification of Liabilities as Current or Non-current	1 January 2024
IFRS 16 Amendments to requirements for sale and leaseback transactions	1 January 2024
IAS 7 and IFRS 7 Amendment Supplier Finance Arrangements	1 January 2024

*

The standards, amendments to standards and new or amended interpretations had no significant effect on the interim financial statements of the Group.

New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are effective and will be applied in annual periods beginning after 1 January 2025.

Standard/interpretation	Effective Date
IAS 21 Amendments – Lack of Exchangeability*	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments*	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 Subsidiaries without Public Accountability Disclosures*	1 January 2027

*not yet endorsed by European Union

Significant accounting policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023 with the exception of new amendments to standards and new or amended interpretations applied for the first time as described above.

Significant accounting judgments and estimates

The preparation of the Group's interim financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making management judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an on-going basis. Actual results may differ from those estimates.

In preparing these consolidated interim financial statements, the critical judgments made by management in applying the Group's accounting policies and the key accounting

estimates were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

3. Financial Risk Management Objectives and Policies

No significant changes were made to the Group's financial risk management objectives and policies compared to the year ended 31 December 2023. Except for Warrants Y and Warrants Z (refer to note 7), no new types of financial instruments were recognized or significant changes to the financial risks occurred during the six months ended 30 June 2024.

Infectious disease outbreaks and geopolitical developments had no impact on the interim financial reporting and is expected to have no adverse impact on the financial statements in the second half year of 2024. For details concerning the potential impact of infectious disease outbreaks and geopolitical developments on the operations of the Group we refer to the section Clinical and Business Overview presented in the Management and Activity Report of this Half–Year Financial Report.

4. Financial assets

Current financial assets as of 30 June 2024 consist of rental deposits. The lease agreement to which the rental deposits relate commenced in July 2024 and the rental deposits had to be paid prior to the commencement date.

The carrying amount of current financial assets is a reasonable approximation of their fair value.

5. Equity

As of 30 June 2024, the subscribed capital of the Company amounts to K€ 422 and is divided into 42,183,371 ordinary shares each with a nominal value of € 0.01.

As of 30 June 2024, and according to the amended articles of association of the Company as resolved by the annual general meeting on 27 June 2024, the authorized share capital of the Company amounts to € 1,350,000 and is divided into 121,000,000 ordinary shares each with a nominal value of € 0.01 and 14,000,000 preference shares each with a nominal value of € 0.01.

In addition and also as of the balance sheet date, the articles of association provide for a transitional provision (which shall terminate and disappear once in effect) regarding the increase in authorized share capital, according to which as per the moment the Company's issued and paid-up share capital amounts to € 1,000,000, the authorized capital of the Company increases to € 5,000,000, divided into 450,000,000 ordinary shares and 50,000,000 preference shares, each share with a nominal value of € 0.01.

In the first half-year 2024, the Company issued an aggregate of 24,862,526 ordinary shares for proceeds of € 5.03 million (gross), € 4.72 million cash inflow in connection with the following financing transactions concluded in the first half of 2024:

- Issuance of 6,727,270 ordinary shares in a private placement in February 2024 subscribed at € 0.22, gross amount of € 1.48 million, cash inflow of € 1.35 million,

- Issuance of 13,088,158 ordinary shares in a public offering and a related private placement in June 2024 subscribed at € 0.1798, gross amount of € 2.35 million, cash inflow of € 2.17 million
- Issuance of 5,047,098 ordinary shares upon exercise of 9,514,320 Warrants Y and 993,096 Warrants Z, gross amount of € 1.20 million, cash inflow of € 1.20 million (refer to note 7).

As a result, additional subscribed capital of K€ 249 and additional paid-in capital of K€ 5,244 were recognized less issuance costs of K€ 597.

Furthermore, share-based compensation of K€ 213 in the first six months of 2024 was recognized in additional paid-in capital.

As of 30 June 2024, the Company held 63,752 (31 December 2023: 36,007) ordinary shares as treasury shares.

6. Share-based compensation

Under the 2016 Stock option and incentive plan ("SOIP"), the Company granted 3,430,800 time-based stock options on 27 June 2024 to members of the Management Board, the Supervisory Board, employees, and consultants of the Group.

The movements in the number of time-based stock options outstanding and their related weighted average exercise prices (in €) are as follows:

	Six months June 2024		**31 December 2023**	
	Weighted average exercise price	Number of stock options	Weighted average exercise price	Number of stock options
Outstanding at 1 January	€ 2.19	477,264	€ 7.32	132,907
Outstanding at 1 January (restated)	€ 2.82	-	-	-
Cancelled during the period	-	-	-	-
Granted during the period	€ 0.1586	3,430,800	€ 1.294	363,348
Forfeited and expired during the period	€ 9.01	4,452	€ 5.19	18,991
Outstanding at period end	**€ 0.47**	**3,903,612**	**€ 2.19**	**477,264**

In the table above, time-based stock options are presented as granted in the period that the service commencement and expense recognition have started. As of 30 June 2024, 248,203 of the outstanding stock options are vested and exercisable (31 December 2023: 58,429 stock options), with exercise prices between € 0.15869 and € 65.00 (31 December 2023: exercise prices between € 1.294 and € 65.00). No stock options have been exercised during the period.

In determining the fair values of its listed ordinary shares as of each grant date, the published share price at closing for TME Pharma's ordinary shares at the Euronext Growth stock exchange was used. The fair value of the stock options issued was calculated using a Black Scholes option valuation model.

Measurement parameters for the stock options granted in the first six months of 2024 (grant date on 27 June 2024) are summarized below:

	27 June 2024
Share price (in €)	0.1586
Option exercise price (in €)	0.1586
Volatility	127 %
Expected life	10.0 years
Dividend yield	0.00 %
Risk-free rate	2.51 %
Fair value per option (in €)	0.15

The fair value of the time-based stock options granted is expensed based on a graded vesting schedule. During the six months ended 30 June 2024 and 2023, the total share-based payment expense recognized for the stock options issued under the SOIP amounted to K€ 213 and K€ 201, respectively.

7. Financial liabilities

In the first six months of 2024, all of the 1,100 convertible bonds issued and held by Atlas Special Opportunities, LLC (ASO) on 31 December 2023 were redeemed by the Company against a cash payment of K€ 1,155 (as compared to 1,100 convertible bonds issued and 2,800 bonds converted in the first six months of 2023). On 30 June 2024 and 31 December 2023, nil and 1,100 convertible bonds were issued and outstanding, respectively. As of 30 June 2024 and 31 December 2023, the fair value of the convertible bonds issued and outstanding to ASO (current financial liabilities) amounted to nil and K€ 1,100, respectively, reflecting the amount payable on demand. The fair value of the bifurcated compound embedded derivative (current derivative financial liability) as of 30 June 2024 and 31 December 2023 amounted to nil and K€ 59, respectively, measured at level 3 with a Black-Scholes model.

In connection with the convertible bonds financing, total finance income (all non-cash) of K€ 4 and nil finance costs were recognized in the six-months ended 30 June 2024. In the six-months ended 30 June 2023, total finance income (all non-cash) of K€ 245 as well as total finance cost (all non-cash, except for transaction costs of K€ 4 borne by the Company in conjunction with the issuance of convertible bonds) of K€ 1,132 was recognized. This amount includes interest accrued of K€ 43 in exchange for the lock-up of convertible bonds issued and outstanding.

In November 2023, the Company launched a fully guaranteed € 2.7 million preferential rights issue in the form of ordinary shares with warrants attached (ABSA). In the first half of 2024, a total of 9,514,320 Warrants Y with an exercise price of € 0.25 per Warrant Y was exercised against issuance of 3,805,728 ordinary shares (refer to note 5) and issuance of 3,805,728 Warrants Z with an exercise price of € 0.20 per Warrant Z. 1,311,208 of the issued Warrants Y were not exercised before their expiry date and thus forfeited. As of 30 June 2024, no Warrants Y and a total of 2,812,632 Warrants Z are issued and outstanding. The Warrants Z expire or mature on 30 June 2025, with one period of exercise at the end of each quarter. Although the exchange ratios and exercise prices of the Warrants Y and Z are fixed whereby the exchange ratio is subject to certain adjustments in line with the agreed terms and conditions to protect the warrant holders against dilution, the Warrants Y are instruments that are contracts for the future delivery of the Company's own equity instruments through the Warrants Z. The Warrants Z are traded as one single warrant, however, only for the exercise of four Warrants Z five new ordinary shares are issued with any fractional share required to be settled in cash by the

Company. As a result, both the Warrants Y and Z are derivative financial liabilities and are measured at their fair value through profit or loss (FVTPL). Warrants Y and Z are presented as current financial liabilities as of 30 June 2024 and 31 December 2023 with an amount of K€ 113 and K€ 54, respectively.

In connection with the exercise of Warrants Y and Z, total finance cost (all non-cash) of K€ 489 were recognized for the six months ended 30 June 2024. Further, an amount of K€ 29 of finance cost (non-cash) was recognized for a fair value remeasurement of the Warrants Z as of 30 June 2024.

For the six months ended 30 June 2024 and 2023, total finance income (all non-cash) of K€ 4 and K€ 245, respectively, were recognized. For the same periods, total finance cost of K€ 520 and K€ 1,140, respectively, were recognized for the financial instruments. Finance costs were all non-cash, except for transaction costs and interest paid for lease liabilities of K€ 2 and K€ 12, respectively.

The following tables summarize quantitative disclosures of the Group's financial liabilities measured at their fair value.

	Mandatorily at FVTPL – others	Level 1	Level 2	Level 3
30 June 2024 in thousands of €				
Warrants Z	113	113	-	-
Total	**113**	**113**	**-**	**-**

	Mandatorily at FVTPL – others	Level 1	Level 2	Level 3
31 December 2023 in thousands of €				
ASO convertible bonds	1,100	-	1,100	-
Compound derivative (ASO)	59	-	-	59
Warrants Y	54	54	-	-
Total	**1,213**	**54**	**1,100**	**234**

Fair value hierarchy

The Group held financial liabilities for which fair values are disclosed above. These fair value measurements would be classified as level 1 and 2 in the fair value hierarchy. No changes to the measurement method for calculating the fair value have occurred since initial recognition.

The carrying amount for the compound derivative (ASO), reflecting the fair value of the derivative financial liabilities was calculated using a level 3 valuation and a Black Sholes model using the following main input parameters: time equivalent risk-free rate of interest published by the European Central Bank, historic share volatility of nil (31 December 2023: 127%).

For transactions subsequent to the balance sheet date impacting financial liabilities, we refer to Note 12.

8. Loss per share

The loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of outstanding ordinary shares (excluding treasury shares).

In thousands of €	Six months ended 30 June 2024	Six months ended 30 June 2023
Net loss	(3,248)	(3,659)
Weighted number of ordinary shares outstanding	27,348,734	3,365,644
Loss per share, basic and diluted in € per share	**(0.12)**	**(1.09)**

For the purposes of the loss per share calculation no dilutive instruments are taken into account. Share options under the share-based payment plans as well as warrants issued and outstanding were excluded because the effect would be anti-dilutive.

9. Research and development expenses

in thousands of €	Six months ended 30 June 2024	30 June 2023
Costs for drug manufacturing, service fees and other costs related to clinical trials and preclinical testing	334	542
Personnel expenses	415	468
Patent costs and consulting services	249	255
Other	102	50
Total	**1,100**	**1,315**

Research and development expenses decreased 16% from K€ 1,315 in the first six months of 2023 to K€ 1,100 in the first six months of 2024. This reduction is primarily due to the clinical trial of NOX-A12 in brain cancer nearing completion, which required lower costs while at the same time generating more mature data. As a result, TME Pharma was able to decrease drug manufacturing costs, service fees and other costs related to the clinical trials and preclinical testing, in addition to lower personnel expenses, patent costs and consulting services, partly offset by higher other research and administrative expenses. These expenses mainly comprise depreciation of right-of-use assets and equipment as well as ancillary leasing costs. When share-based payment expenses for the six months ended 30 June 2024 and 2023 (amounting to K€ 69 and K€ 73, respectively) are excluded, the remaining personnel expenses are K€ 346 and K€ 395, respectively.

10. General and administrative expenses

in thousands of €	Six months ended 30 June 2024	30 June 2023
Personnel expenses	751	731
Legal, consulting and audit fees	572	320
Public and investor relations and related expenses	133	173
Other	187	245
Total	**1,643**	**1,469**

General and administrative expenses increased 12% from K€ 1,469 in the first six months of 2023 to K€ 1,643 in first six months of 2024. This increase in general and administrative expenses is mainly driven by higher legal, consulting and audit fees in connection with the financing transactions in the first six months of 2024. Other general and administrative expenses mainly comprise depreciation of rights of use assets and equipment, supervisory board remuneration, insurance premium, and ancillary leasing costs. When non-cash share-based payment expenses for the six months ended 30 June 2024 and 2023 (amounting to K€ 144 and K€ 128, respectively) are excluded, the remaining personnel expenses are K€ 607 and K€ 603, respectively.

11. Related party transactions

Shareholder with significant influence

As of 30 June 2024 and as of 31 December 2023, the Company is not aware of a direct shareholder with significant influence. As of 31 December 2023, ASO held nil of the ordinary shares of the Company. Taking into account 1,100 unconverted convertible bonds outstanding as of 31 December 2023 from ASO financing that have been redeemed in full by the Company in the first half of 2024, ASO could have held 21.4 % of the ordinary shares of the Company as of 31 December 2023, if all such convertible bonds were converted at once assuming a conversion price of € 0.2326 representing the VWAP on the last trading day of the fiscal year 2023.

Management Board

The sole member of the Management Board (Board of Directors of the Company) of TME Pharma N.V. is:

Dr. Aram Mangasarian
Chief Executive Officer

Supervisory Board

The members of the Supervisory Board are:

Dr. Maurizio PetitBon
Chairman of the Supervisory Board,
Senior Advisor to BlackRock, Cortona (Arezzo), Italy

Susan Coles (since 29 June 2023 as Deputy chair)
General Counsel and Head of Finance at Vivet Therapeutics, Paris, France

Dr. C.A. (Oscar) Izeboud
CEO of Scenic Biotech BV, Amsterdam, the Netherlands

Dr. Lee Schalop (since 27 June 2024)
Board Observer at Chimerix Inc., Durham, North Carolina, United States of America

Dr. Alexandra Glucksmann (since 30 September 2024)
President and CEO of Sensorium Therapeutics Inc., Boston, Massachusetts, United States of America

Dr. Martine J. van Vugt (until 29 June 2023)
Deputy chair (until 29 June 2023)
EVP & Chief Strategy Officer of Genmab, Utrecht, the Netherlands

Other transactions

The Group did not conclude any new significant transactions with related parties during the reporting period.

Remuneration

The principles and policies of the remuneration are described in the Company's consolidated financial statements for the year ended 31 December 2023.

For the six months ended 30 June 2024 and 2023, the short-term employee benefits for the key management personnel (Management Board and senior medical advisor on consultancy basis) comprise fixed and variable compensation of K€ 289 (thereof accrued expenses K€ 110) and K€ 228, respectively.

On 27 June 2024, the Company granted 1,345,616 stock options under the SOIP to key management personnel with an exercise price of € 0.1586. As of 30 June 2024, the number of issued and outstanding options for key management personnel under the SOIP was 1,539,692 with a weighted average exercise price of € 0.43. Under the SOIP, the share-based payment transactions recognized as an expense during the reporting period amounted to K€ 86.

Under the share participation models, the share-based payment transactions recognized as an expense amounted to nil in both periods.

Thus, the total compensation for the key management personnel for the six months ended 30 June 2024 and 2023 was K€ 375 and K€ 307, respectively.

In the six months ended 30 June 2024 and 2023, the remuneration for the Supervisory Board amounted to K€ 30 (thereof accrued expenses K€ 16), and K€ 45, respectively.

On 27 June 2024, the Company granted 332,565 stock options under the SOIP to members of the Supervisory Board with an exercise price of € 0.1586. As of 30 June 2024, the number of issued and outstanding options for the Supervisory Board under the SOIP was 358,177 with a weighted average exercise price of € 0.41. Under the SOIP, the share-based payment transactions recognized as an expense during the reporting period amounted to K€ 20.

Under the share participation models, the share-based payment transactions recognized as an expense amounted to nil in both periods.

Thus, the total compensation for the supervisory board members for the six months ended 30 June 2024 and 2023, was K€ 50 (thereof accrued expenses K€ 16) and K€ 64, respectively.

12. Events after the balance sheet date

In September 2024, 1,552 Warrants Z were exercised resulting in the issuance of 1,940 new ordinary shares and a cash inflow of K€ 0.4 (gross).

As a result of the exercises of Warrants Z, the number of ordinary shares increased subsequent to 30 June 2024 from 42,183,371 by 1,940 to 42,185,311 ordinary shares to date and the number of Warrants Z outstanding is 2,811,080 to date.

Under the SOIP, the Company granted 84,370 time-based stock options on 30 September 2024 to the newly appointed member of the Supervisory Board.

Amsterdam, 17 October 2024

TME Pharma N.V.

Originally signed by:

Board of Directors

Dr. Aram Mangasarian, CEO

Management and Activity Report

Management of TME Pharma N.V. (the “Company” or “TME Pharma”) and its controlled subsidiaries (the “Group”) hereby presents its condensed consolidated interim financial statements as of 30 June 2024 and its Management and Activity Report. The interim financial statements of the Group as of 30 June 2024 have been prepared by the management as a going concern regarding assumptions and hypothesis mentioned in the Note 2 “Going concern” of the interim financial statements.

Clinical and Business Overview

The Group has been focused on the clinical development of NOX-A12, its anti-CXCL12 agent, in the GLORIA Phase 1/2 brain cancer clinical trial. This clinical trial evaluates NOX-A12 combined with radiotherapy (dose-escalation part), as well as NOX-A12 combined with radiotherapy and anti-angiogenic therapy (the anti-VEGF antibody, bevacizumab). Following highly encouraging interim clinical data from the GLORIA Phase 1/2 brain cancer trial, the Company decided in June 2022 to prioritize the development of this indication and the NOX-A12 combination with radiotherapy and anti-VEGF in particular, since management believes that it presents the most rapid path to regulatory approval.

These combination approaches of NOX-A12 are being tested in newly diagnosed patients with aggressive brain cancer (glioblastoma) who would not clinically benefit from standard of care chemotherapy (since they carry the biomarker of an unmethylated MGMT promoter, a sign of very poor prognosis where standard of care provides limited or no clinical benefit) and where neurosurgeons are unable to remove all tumor tissue visible in an MRI scan.

Potential for Unprecedented Clinical Benefit in Glioblastoma

TME Pharma’s most significant clinical accomplishment to date are survival data from the GLORIA study obtained in newly diagnosed glioblastoma patients with extremely poor prognosis that have tumors resistant to standard chemotherapy plus incomplete surgical resection. The study achieved a remarkable 19.9-month median overall survival (mOS) rate for patients receiving NOX-A12 in combination with the VEGF inhibitor bevacizumab and radiotherapy (*TME Pharma* Press Release on February 2, 2024). This doubles the 9.5-month mOS rate demonstrated in the standard of care matched reference cohort presented at the ESMO conference in September 2024. If this result is confirmed in a larger, randomized clinical trial, it would offer NOX-A12 a clear clinically and commercially relevant advantage over the current standard of care.

Moreover, the NOX-A12 survival results surpass those from what TME Pharma believes are all relevant competitor therapy trials in newly diagnosed glioblastoma patients resistant to standard chemotherapy. NOX A12’s effectiveness is even more impressive considering the NOX-A12 GLORIA trial enrolled patients with a worse prognosis than those in the competitor trials. The NOX-A12 trial only enrolled patients with residual detectable tumor after surgery whereas competitor trials also included patients with no detectable tumor after surgery, thereby giving the patients in these competitor trials a better expected average survival outcome.

This progress highlights the immense potential of NOX-A12 to transform the treatment of glioblastoma patients, who face a devastating prognosis from this highly aggressive form

of brain cancer. With a median overall survival of 8 months, a staggering 93% of patients do not survive beyond five years and the current standard of care offers no cure and only limited survival benefit (Central Brain Tumor Registry of the United States (CBTRUS) Statistical Report: Primary Brain and Other Central Nervous System Tumors Diagnosed in the United States in 2016-2020). This huge unmet medical need demonstrates the importance of TME Pharma's goal to develop NOX-A12 to become part of the best glioblastoma therapy for newly diagnosed patients and make it available to them as fast as possible.

Constructive Interactions with US Regulator

TME Pharma engaged in discussions with the US Food and Drug Administration (FDA) in late 2023 to establish a clear regulatory roadmap for the next stage of NOX-A12's clinical development and submitted an Investigational New Drug (IND) application for NOX-A12 in glioblastoma. This IND was approved by the FDA, paving the way for a new randomized, controlled Phase 2 clinical study (*TME Pharma* Press Release on March 5, 2024). Randomized clinical trial data are a key benchmark for big pharmaceutical companies and later-stage cancer assets command higher valuations for milestone payments and in transactions, on average, so it is crucial to advance NOX-A12 into this Phase 2 evaluation.

Following the IND approval, NOX-A12 was also granted Fast Track designation by the US FDA (*TME Pharma* Press Release on April 2, 2024). This designation, a second key regulatory milestone, aims to facilitate the development and expedite the review of drugs addressing serious conditions like glioblastoma. Fast Track designation allows for more frequent interactions with the FDA throughout the clinical development phase, enabling TME Pharma to optimize the design of the Phase 2 study and potentially accelerated timelines.

TME Pharma perceives the achievement of these two key regulatory milestones as the FDA's recognition not only of the urgent unmet medical need which glioblastoma represents, but also the potential of NOX-A12 to address it. This paves the way to accelerate NOX-A12's route to market and to de-risk its development, while providing investors and potential partners with a clear development pathway for NOX-A12. The open IND will allow to expand clinical development in the US, the most financially important market for new pharmaceuticals, where TME Pharma anticipates significant interest from the medical community.

Publication of data from the GLORIA study in *Nature Communications*

Biomarker data from the GLORIA Phase 1/2 clinical trial of NOX-A12 in glioblastoma were published in May 2024 in the peer-reviewed scientific journal *Nature Communications* (Giordano 2024, Nat Commun 15: 4210). The article by Dr. Frank A. Giordano and colleagues, entitled "L-RNA aptamer-based CXCL12 inhibition combined with radiotherapy in newly-diagnosed glioblastoma: dose escalation of the phase I/II GLORIA trial", details a potential predictive biomarker known as the "EG12 score" for glioblastoma patients treated with NOX-A12 and radiotherapy. Indeed, when dividing the GLORIA trial population into two groups in the middle by its EG12 score, GLORIA patients with higher EG12 scores had a significantly longer median PFS (Progression Free Survival) than those with lower scores (6.0 vs. 3.0 months; $p = 0.031$) and also a strong trend towards improved median overall survival (15.8 vs. 11.1 months; $p = 0.075$). The publication of the GLORIA Phase 1/2 data is a validation of the groundbreaking biomarker data from the NOX-A12 clinical trial in aggressive adult brain cancer, provides robust evidence of NOX-A12's mechanism of action and builds on the earlier presentation of these findings at one

of the world's top cancer conferences. A predictive biomarker has many potential advantages, not the least the ability to select patients who might most benefit from our NOX-A12-based therapies. This could help to identify target populations for future clinical trials, enhancing their statistical power and de-risking the further overall clinical development of NOX-A12.

Clinical development plans for NOX-E36

While TME Pharma has largely focused its available resources on the clinical and business development of NOX-A12 during the recent years, TME Pharma also has another clinical stage asset, NOX-E36.

While limited resources have been employed behind NOX-E36 over the last two years, it presents a very promising opportunity for development in eye diseases with a high need for well-tolerated therapies with anti-fibrotic effect. The anti-fibrotic mode of action of NOX-E36 has already been confirmed in a relevant animal model (Source: Kiew 2021), and TME Pharma believes that development in ophthalmological indications could be a promising opportunity to diversify its project portfolio. For these reasons, TME Pharma has engaged discussions with multiple players and institutions specialized in ophthalmology to develop NOX-E36 in the clinic with minimal or no financial contribution from TME Pharma, yet leaving a potential commercial success as potential upside to TME Pharma’s investors.

Management discussion on selected risk factors

All planned clinical trials are subject to regulatory authority review and approval, and changes in the standard of care may significantly affect the strategic interest and/or feasibility of initiating or completing the contemplated clinical trials, obtaining regulatory approval and commercial success. More generally, the development of new medicines by small companies involves significant risks for investors. Please consult our most recent annual report and our prospectus for a full description of the risks.

TME Pharma continues to monitor the potential impact of infectious disease pandemics on the operations of the Group. We believe that the impact has been, for the most part, mitigated by the introduction of effective vaccines. Thus, unless we experience an outbreak of new, more aggressive strains of SARS-CoV2 that evade vaccines, we believe that future impact on the operations of the Group (in particular on clinical trials, manufacturing and other key services that the Group relies upon) will be minimal.

The Group is also monitoring the impact of geopolitical developments could have on its operations. While the Group has no direct activity in regions with geopolitical crises, potential indirect consequences on financing and operations of the Group are being monitored and evaluated in order to assess and appropriately manage these risks. Based on the currently available information, the Group does not expect the current geopolitical crises to have a material, direct impact on its operations, though we expect it to continue to make financing more challenging through its impact on macroeconomic factors that reduce the attractiveness to investors of investing in European small-cap biotechnology companies versus other types of investments.

Financing activities

In the reporting period, the Company raised €5 million (gross) through multiple financial transactions. The successful €1.48 million (gross) private placement with a group of new investors closed in February 2024 was intended for buyback of outstanding convertible debt and allowed the Company to redeem all of the 1,100 outstanding convertible bonds

held by ASO at that time against a cash payment of €1.155 million. The event effected the Company's commitment and marked the end of TME Pharma N.V.'s convertible bond financing program with ASO.

In June 2024, the Company successfully completed a capital raise for a total consideration of €2.35 million (gross) through a private placement with professional investors and a public offering to retail investors in France via the PrimaryBid platform.

In addition, the Company raised €1.2 million (gross) through Warrants Y and Z exercises during the first half-year 2024, resulting from the preferential rights issue launched in November 2023. Subsequent to the reporting period, in the third Warrant Z exercise period settled in September 2024, the exercise of 1,940 warrants has resulted in the issuance of 1,940 new shares for gross proceeds of K€0.4. Outstanding 2,811,080 Warrants Z have potential to raise additional K€ 703 if exercised in full before the end of the final exercise period in June 2025.

As a company in a research and development stage, TME Pharma will need to raise additional funds in order to continue to execute on its business planning. Management is engaged in active discussions with stakeholders and is pursuing funding options through a combination of non-dilutive grant funding, a strategic alliance and/or investment from expert institutional investors, with the objective to materialize these interactions in Q4-2024.

Outlook

Data from preclinical and clinical studies on NOX-A12 in glioblastoma have been selected for presentations at high-profile international cancer conferences taking place in the second half of 2024. At the European Society for Medical Oncology (ESMO) conference in September 2024, Dr. Frank Giordano, the lead investigator of the clinical trial, provided updates on the progress of the expansion arm testing NOX-A12 + radiotherapy + the anti-VEGF bevacizumab, revealing statistically significant improvement in survival for this triple combination over standard of care reference cohort as well as NOX-A12 + radiotherapy alone (without anti-VEGF). Furthermore, the Society for Neuro-Oncology (SNO) Annual Meeting in November 2024 will feature a poster presentation highlighting data from preclinical studies conducted by the U.S. National Cancer Institute (NCI) exploring the effects of inhibition of CXCL12 by NOX-A12 in glioblastoma models.

Following approval of the planned Phase 2 clinical trial by the FDA in the US, an approved protocol is now in place for performing the study in Germany. In the trial design and planning, strategies have been implemented to optimize timelines and reduce costs of the glioblastoma program overall. Sufficient supply of NOX-A12 is available to initiate the trial quickly upon closing the funding gap. TME Pharma's next milestones in the clinical development of the NOX-A12 program are financing and initiation of the randomized, controlled Phase 2 clinical trial. The Company is engaged in active discussions with relevant stakeholders to secure the funding needed. Management believes that positive data from this trial will drive significant interest in the program from the pharmaceutical industry.

In parallel, TME Pharma is evaluating ways to externalize and monetize the Company's second clinical stage asset NOX-E36, the anti-CCL2 agent. The asset presents a promising opportunity for development in eye diseases with a high need for well-tolerated therapies with anti-fibrotic effect. This decision leverages the compound's potential, as shown by clinical and preclinical data, to safely address significant unmet medical needs in ophthalmic diseases impacted by fibrosis. Additionally, available drug supply and

possibilities to perform clinical studies in the form of investigator-initiated trials (IIT) lay framework for rapid and low-cost path to Phase 2 clinical proof-of-concept.

While the global Biotech stock market has regained strength over the previous year, the positive momentum was primarily driven by strong performance from the US biotech market, with a Nasdaq Biotech Index (NBI) up over 20% over the last 12 months and a S&P Biotech Index (XBI) up almost 40% over the same period. However, the sentiment for biotech in Europe has remained challenging with the Euronext Biotech Index (NEXT) down approximately 6% over the last 12 months. This cautiousness from the European biotech sector has translated into a much more challenging financing environment for publicly listed companies, with only $7.15 billion raised over the first 8 months of 2024 for Public European biotech companies, up 24% compared to the same period in 2023, comparing unfavourably to the $33 billion raised in the US over the first 8 months of 2024, up 91.5% over the same period in 2023. While the European financing conditions remain challenging for biotech companies, TME Pharma has remained focused on delivering on its operations and to seek partners to take NOX-A12 to its next stage of clinical development with minimal dilution to its existing shareholders.

The Group will carefully monitor its available cash and calibrate additional financings through available sources in order to ensure its ability to complete its ongoing trial and pursue financing of its future clinical development plans in brain cancer and, to the extent deemed appropriate, maintain a sufficient cash runway, yet minimize shareholder dilution whenever possible.

Equity status of TME Pharma N.V.

As a clinical stage biopharmaceutical company, TME Pharma has incurred operating losses since inception and has not yet reached operating profitability. The Group expects it will incur operating losses for the foreseeable future due to, among other things, costs related to research funding, development of its product candidates and its preclinical programs and its administrative organization.

For the period from April 2020 to April 2023, a convertible bonds financing – the ASO financing – had been a main route to finance the operations of the Group. As explained during the Annual General Meeting in June 2023, convertible bonds issued were initially recognized as financial liability and were reflected in the balance sheet as a current financial liability. This claim on the Company materialized over time only upon conversion by ASO of its convertible bond in whole or in part at which point in time it was recognized as equity. The conversion was at the discretion of ASO and became mandatory at the latest 24 months after the date of the issue of the convertible bonds. As a result, the equity position of the Company was negative as of 31 December 2023.

As of 31 December 2023, there was no remaining available capital from this financing facility. The proceeds from the private placement in February 2024 of K€ 1,480 (gross) were used to redeem all of the 1,100 outstanding convertible bonds held by ASO against a cash payment of K€ 1,155, thereby ending TME Pharma N.V.'s convertible bond financing program with ASO.

In addition, the Company raised K€ 3,553 (gross) in the form of equity through a private placement and a public offering as well as through the exercise of Warrants Y and Warrants Z in the first six months of 2024.

As presented during the Annual General Meeting in June 2024, as result of these transactions, the equity position has become positive during the first six months of 2024 and has remained since then above 50% of the paid-up capital. Mainly due to the ongoing R&D activities of the subsidiary TME Pharma AG, it is possible that equity could fall again below the 50% threshold and would become negative again.

Financial Highlights

Key Factors Affecting Results of Operations and Financial Condition

The Group believes that the following factors have had and will continue to have a material effect on its results of operations and financial condition.

Comparison of the First Half-Year 2024 and the First Half-Year 2023

Revenues

For the reporting period, the Group has not generated any revenues. The Group does not expect any revenues to be generated from any product candidates that it develops until the Group either signs a licensing or collaboration agreement with third parties or obtains regulatory approval and commercializes its compounds.

Other operating income

Other operating income decreased from K€ 33 in the first six months of 2023 to K€ 6 in the first six months of 2024 mainly due to lower other income.

Research and development expenses

Research and development expenses consist of costs incurred that are directly attributable to the development of the Group's product candidates. For more detailed information we refer to Note 9 of the condensed consolidated interim financial statements of TME Pharma N.V..

Research and development expenses decreased 16% from K€ 1,315 in the first six months of 2023 to K€ 1,100 in the first six months of 2024. This reduction is primarily due to the clinical trial of NOX-A12 in brain cancer nearing completion, which required lower costs while at the same time generating more mature data. As a result, TME Pharma was able to decrease drug manufacturing costs, service fees and other costs related to the clinical trials and preclinical testing, in addition to lower personnel expenses, patent costs and consulting services, partly offset by higher other research and administrative expenses. These expenses mainly comprise depreciation of right-of-use assets and equipment as well as ancillary leasing costs. When share-based payment expenses for the six months ended 30 June 2024 and 2023 (amounting to K€ 69 and K€ 73, respectively) are excluded, the remaining personnel expenses are K€ 346 and K€ 395, respectively.

Research and development costs are expensed as incurred. Management considers that due to regulatory and other uncertainties inherent in the development of pharmaceutical products, the development expenses incurred for its product candidates do not meet all of the criteria for capitalization as required in IAS 38 (Intangible Assets). Accordingly, the Group has not capitalized any development costs.

In general, the Group expects that its research and development expenses will increase in absolute terms in future periods as the Group continues to invest in research and development activities related to developing its pipeline product candidates, and as programs advance into later stages of development and the Group enters into larger clinical trials.

General and administrative expenses

General and administrative expenses consist principally of salaries and related costs for personnel in executive and finance and other general and administrative functions. For more detailed information we refer to Note 10 of the condensed consolidated interim financial statements of TME Pharma N.V..

General and administrative expenses increased 12% from K€ 1,469 in the first six months of 2023 to K€ 1,643 in first six months of 2024.

This increase in general and administrative expenses is mainly driven by higher legal, consulting and audit fees in connection with the financing transactions in the first six months of 2024. Other general and administrative expenses mainly comprise depreciation of rights of use assets and equipment, supervisory board remuneration, insurance premium, and ancillary leasing costs. When non-cash share-based payment expenses for the six months ended 30 June 2024 and 2023 (amounting to K€ 144 and K€ 128, respectively) are excluded, the remaining personnel expenses are K€ 607 and K€ 603, respectively.

Foreign exchange losses

Foreign exchange result (net) increased from K€ 13 (loss) in the first six months of 2023 to K€ 5 (gain) in the first six months of 2024 due to higher realized and unrealized foreign exchange gains on balances denominated in currencies other than euro.

Finance income

Finance income decreased 98% from K€ 245 in the first six months of 2023 to K€ 4 in the first six months of 2024. The decrease is mainly due to a lower derecognition gain of compound derivative financial instruments in connection with the ASO convertible bonds financing (K€ 4; in the first six months of 2023: K€ 167) and the fair value adjustment gains of compound derivative financial instruments (K€ nil; in the first six months of 2023: K€ 78).

The finance income in the first six months of 2024 and in the first six months of 2023 is non-cash finance income.

Finance cost

Finance cost decreased 54% from K€ 1,140 in the first six months of 2023 to K€ 520 in the first six months of 2024.

Finance cost in the first six months of 2024 relates to the exercise of Warrants Y and Z (K€ 489) and to the fair value remeasurement of Warrants Z as of 30 June 2024 (K€ 29) as well as interest paid relating to leases (K€ 2).

Finance cost in the first six months of 2023 relates to the ASO convertible bonds financing with respect to the issuance and conversion of convertible bonds into equity and the recognition of compound derivative financial instruments (K€1,089), accrued interest in exchange for the lock-up of convertible bonds issued and outstanding (K€ 43) and interest paid relating to leases (K€ 8).

Finance cost in the first six months 2024 and 2023 is non-cash finance cost, except for transaction costs of K€ 15 and K€ 4, respectively, borne by the Company in conjunction with the exercise of ABSA warrants (in the first six months of 2024) and the issuance of convertible bonds (in the first six months of 2023) as well as K€ 2 and K€ 8 interest paid

in connection with lease payments borne by the Company in both the first six months 2024 and 2023.

Loss before income tax / Net loss

As a result of the above factors, the Group's loss before income tax and net loss decreased by 11% from K€ 3,659 in the first six months of 2023 to K€ 3,248 in the first six months of 2024.The loss from operations decreased by 1% from K€ 2,764 to K€ 2,732 resulting in an decrease of net cash used in operating activities from K€ 3,394 to K€ 2,735 for the first six months of 2024, partly offset by a decrease of trade accounts payables and other liabilities of K€ 230 and an increase of other current assets of K€ 51 in the consolidated statement of cash flows.

Consolidated Statements of Financial Position

Assets

The Group's total non-current assets include intangible assets, equipment, right-of-use assets and financial assets. Total non-current assets decreased from K€ 105 as of 31 December 2023 to K€ 43 as of 30 June 2024. This decrease is mainly due to the amortization of a right-of-use asset resulting from a lease contract of office space resulting in a carrying amount of K€ 61 as of 31 December 2023 and K€ 5 as of 30 June 2024, respectively.

The Group's total current assets consist of its cash and cash equivalents in cash balances, financial assets and other assets. Other assets correspond to prepaid expenses for insurance and service contracts, contractually agreed claims against service providers, the Company's liquidity account and claims against local tax authorities for value added tax (VAT) on supplies and services received.

The movements in total current assets from 31 December 2023 to 30 June 2024 mainly relate to an increase in cash and cash equivalents by K€ 458 from K€ 2,245 to K€ 2,703, resulting from cash provided by financing activities with a cash inflow of K€ 3,202 exceeding the cash outflow for continued research and development activities as well as general and administrative expenses.

Equity

The Group's total equity includes its subscribed capital, additional paid-in capital, accumulated deficit and treasury shares. The change in equity from 31 December 2023 to 30 June 2024 was mainly due to the effects of capital increases resulting from financing events and the net loss incurred for the first six months of 2024. As a result of the capital increase in subscribed capital of € K€ 249, subscribed capital increased from K€ 173 as of 31 December 2023 to K€ 422 as of 30 June 2024. Additional paid-in capital increased from K€ 194,122 to K€ 198,982, respectively. The increase in additional paid-in capital includes share-based payments of K€ 213.

The total equity as of 30 June 2024 amounts to K€ 1,567 compared to a negative amount of K€ 294 as of 31 December 2023.

Liabilities

The Group's total current liabilities include financial liabilities, trade accounts payable, other liabilities and lease liabilities. Current liabilities decreased from K€ 2,785 as of 31

December 2023 to K€ 1,375 as of 30 June 2024, mainly resulting from the decrease in financial liabilities, trade accounts payable and other liabilities.

Current financial liabilities decreased by K€ 1,100 mainly as a result of the cash redemption in the first six months of 2024 of the 1,100 convertible bonds issued and held by ASO on 31 December 2023 and the derecognition of the related derivative conversion right, partly offset by the derivative financial liability representing the fair value of the issued and outstanding Warrants Z.

Trade accounts payable of K€ 1,167 as of 31 December 2023 decreased to K€ 1,039 as of 30 June 2024 in the course of the ordinary course of business. Other liabilities decreased from K€ 339 as of 31 December 2023 to K€ 218 as of 30 June 2024 mainly as a result of decreased accrued personnel expenses.

Events After the Condensed Consolidated Interim Statements of Financial Position Date as of 30 June 2024

For Events After the Condensed Consolidated Interim Statements of Financial Position Date as of 30 June 2024 we refer to Note 12 of the condensed consolidated interim financial statements of TME Pharma N.V.

Analysis of Cash Flows

The Group's liquidity requirements primarily relate to the funding of research and development expenses, general and administrative expenses, capital expenditures and working capital requirement. To finance its research and development activities the Group raised funds in the first six months of 2024 from several sources including the issuance of shares resulting from private placements and a public offering.

Net cash used in operating activities

Net cash used in operating activities reflects the Group's net loss before income tax for the period adjusted for, among other things, depreciation and amortization expense, finance income and finance cost, share-based compensation, other non-cash transactions and changes in operating assets and liabilities.

Net cash used in operating activities mainly derived from the net losses generated in the respective periods, which in turn is mainly driven by the research and development as well as the general and administrative expenses incurred. Research and development expenses vary over time dependent on the development stage of each clinical program and the activities related to those clinical programs.

The decrease in net cash used in operating activities from K€ 3,394 in the first six months of 2023 to K€ 2,735 in the first six months of 2024 was mainly a result of lower net losses that decreased from K€ 3,659 in the first six months of 2023 to K€ 3,248 in the first six months of 2024, decreased non-cash finance costs included in net loss as well as increased other current assets and by the decrease of trade accounts payable and other liabilities.

Net cash used in investing activities

The decrease in net cash used in investing activities from K€ 19 in the first six months of 2023 compared to K€ 8 in the first six months of 2024 results from decreased investment activities, partly offset by the acquisition of current financial assets.

Net cash provided by financing activities

The increase in net cash provided by financing activities of K€ 1,790 in the first six months of 2023 to K€ 3,202 in the first six months of 2024 was mainly due to financing transactions in the first six months of 2024 and 2023 resulting in cash-inflows of K€ 3,268 and K€ 1,850, respectively. Net cash provided by financing activities in the first six months 2024 includes a cash outflow for the redemption of 1,100 outstanding convertible bonds held by ASO against a cash payment of K €1,155 (first six months of 2023: nil).

Transactions between Related Parties

The Group did not conclude any new significant transactions with related parties during the reporting period.

For related party transactions we also refer to Note 18 of the consolidated statements of financial position as of 31 December 2023 of TME Pharma N.V. and Note 11 of the condensed consolidated interim financial statements as of 30 June 2024 of TME Pharma N.V.

Risk Factors

Risk factors evolved as described in the section Clinical and Business Overview of the Management and Activity Report of this Half-Year Financial Report (page 22 and 23), but otherwise are similar to those presented in Section Significant Risks and Uncertainties of the Management Report of the Annual Report 2023 (pages 20 to 33). This document is available on the Company's website: www.tmepharma.com.

For the financial risk management objectives and policies, we also refer to Note 17 of the consolidated statements of financial position as of 31 December 2023 of TME Pharma N.V.

Declaration by the Person Responsible for 2024 Half-Year Financial Report

“I declare that, to the best of my knowledge, the condensed consolidated interim financial statements as of 30 June 2024 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of the Company and all the other companies included in the scope of consolidation, and that this Half-Year Management and Activity Report includes a fair view of the important events which occurred during the first six months of the year, their impact on the half-year financial statements and the main transactions between related parties, together with a description of the principal risks and uncertainties that they face in the remaining six months of the year.”

Amsterdam, 17 October 2024

TME Pharma N.V.

Dr. Aram Mangasarian, CEO