

## PRESS RELEASE

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**ADOCIA**

innovative medicine  
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# Adocia announces 2021 third quarter financial results and a financing of €7 million through the issuance of convertible bonds subscribed by European investors and ordinary shares subscribed by Gérard Soula, Adocia co-founder

- A cash position of €14.3 million as of September 30<sup>th</sup>, 2021
- In addition, a financing of €7 million completed today and composed of:
  - €6 million through the issuance of convertible bonds subscribed by European investors
  - €1 million through the issuance of 107 992 new ordinary shares to be subscribed by Gerard Soula at a price per share of € 9.26 calculated on the basis of the last three trading days, with no discount

8:30pm CEST – Adocia (Euronext Paris: FR0011184241 – ADOC), a clinical-stage biopharmaceutical company specialized in the development of innovative formulations of proteins and peptides for the treatment of diabetes and other metabolic diseases announced today its third quarter financial results as well as the completion, today, of a financing of EUR 7 million.

“Results for the quarter are in line with our operating plan, with a cash burn for the first nine months of 2021 of EUR 13.8 million”, commented Valérie Danaguezian, Chief Financial Officer of Adocia. “Combined with our current cash position, this EUR 7 million financing strengthens our financial means without taking into account possible new partnerships.”

“I am very pleased with Vester Finance's participation in this financing operation which will allow us to accelerate the development of our most recent innovations while pushing ahead with partnerships discussions for our flagship products. It is with confidence that I have personally participated in this financing”, said Gerard Soula, Chairman and Chief Executive Office of Adocia.

# Third quarter 2021 financial results

The main financial figures for the quarter are as follows:

## Detail of the revenue for the third quarter of 2021

<i>In thousands of euros, IFRS standards (unaudited)</i>	<b>09/30/2021 (3 months)</b>	09/30/2020 (3 months)	<b>09/30/2021 (9 months)</b>	09/30/2020 (9 months)
Licensing revenues	106	59	332	682
Research and collaboration agreements	423		599	
<b>Revenue</b>	<b>529</b>	<b>59</b>	<b>931</b>	<b>682</b>

- The Company's revenue primarily stems from the licensing and collaboration agreements entered into with Tonghua Dongbao (THDB) for the development, manufacturing and commercialization of BioChaperone® Lispro and BioChaperone® Combo in China and other territories in Asia.
- The revenue recorded in the first nine months of 2021 (EUR 0.9 million) reflects the progress of research and development services provided by Adocia in connection with the transfer and development of products, as well as additional services requested by the partner.

## Net Cash Position

The Company had a cash position of EUR 14.3 million as of September 30, 2021, compared to EUR 28.1 million as of December 31, 2020. Cash consumption for the first nine months of 2021 amounts to EUR 13.8 million, below last year's level (EUR 15.2 million).

Financial liabilities as of the end of September 2021 amounted to EUR 28.4 million, compared with EUR 28.2 million as of December 31, 2020. These financial liabilities mainly consist of a EUR 15 million bond issue with IP Fund II in 2019, the State-guaranteed loan (*prêt garanti par l'Etat* or *PGE*) entered into with BPI, HSBC, BNP and LCL for a total of EUR 7 million, and the bank loan secured in 2016 to finance the acquisition and renovation of the building housing the Company's research center and headquarters.

# Details of the financing operation

Today's financing is carried out through (i) the issuance of 6.568.422 bonds convertible into shares with a par value of EUR 1 each (the "**Convertible Bonds**") for a total amount of EUR 6 million net subscribed by Vester Finance and two other European investors and (ii) a share capital increase of EUR 1 million (the "**Capital Increase**"), the subscription of which has been reserved for the benefit of Gérard Soula, Chairman, Chief Executive Officer and shareholder of the Company, through the issuance of new ordinary shares.

Neither the Capital Increase nor the issuance of the Convertible Bonds require or will require the publication of a prospectus subject to the approval of the Autorité des marchés financiers.

## Use of Proceeds

The funds raised will be used to finance the development of new projects launched by the Company in early 2021, and more specifically short-acting hormones administered by pumps for the treatment of obesity.

## Terms of the Convertible Bonds

The issuance of the Convertible Bonds has been decided today by the Chief Executive Officer of the Company, using the sub-delegation granted by the Board of Directors on October 7, 2021, itself using the delegation granted by the general meeting of shareholders of the Company on May 20, 2021 (the "**General Meeting**") pursuant to its 20<sup>th</sup> resolution. This issuance was carried out in accordance with article L. 225-138 of the French Commercial Code, with cancellation of the preferential subscription rights of shareholders in favor of a category of investors meeting the characteristics determined by the General Meeting<sup>1</sup>.

These Convertible Bonds were issued at a price equal to 95% of their nominal value. The Convertible Bonds will not bear interest and may be converted into ordinary shares at the request of the holder, at any time and at a subscription price per share (the "**Conversion Price**") equal to the lower of (i) EUR 11.87 and (ii) 93% of the lowest of the daily VWAPs over a period of 15 days preceding each conversion request, in compliance with the limit set by the General Meeting<sup>2</sup>. The

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<sup>1</sup> i.e. "one or more natural persons or legal entities (including companies), trusts, and investment funds, or other investment vehicles, of any form (including, without limitation, any investment fund or venture capital company, in particular any FPCI, FCPI or FIP), under French or foreign law, whether or not they are shareholders in the Company, that habitually invest in the health or biotechnology sector"

<sup>2</sup> i.e. "80% of the volume-weighted average price of the last three trading sessions preceding the conversion request"

Convertible Bonds may also be converted or redeemed (in cash or in convertible bonds) at the request of the holder should an event of default occur.

The new shares resulting from the conversion of the Convertible Bonds will be fully fungible with the existing ordinary shares and have the same rights.

In the event that the Convertible Bonds have not been fully converted and/or redeemed at maturity<sup>3</sup>, they will be fully redeemed by the Company at 100% of their nominal value.

No application for admission of the Convertible Bonds to listing on the regulated market of Euronext in Paris will be made.

This transaction has been advised and structured by Vester Finance, who is also an underwriter of the Convertible Bonds.

### Main characteristics of the Capital Increase

The Chief Executive Officer of the Company, using the sub-delegation granted by the Board of Directors on October 7, 2021, itself using the delegation granted by the General Meeting pursuant to its 20<sup>th</sup> resolution, has also decided today the issuance of 107 992 New Shares, in accordance with article L. 225-138 of the French Commercial Code, with cancellation of the preferential subscription rights of the shareholders in favor of Mr. Gérard Soula.

In accordance with the 20<sup>th</sup> resolution of the General Meeting, the Chief Executive Officer has set the subscription price of the New Shares at €9,26, corresponding to the volume weighted average price of the last three trading sessions preceding the determination of the issue price of the New Shares, with no discount.

The admission of the New Shares to trading on the regulated market of Euronext in Paris is scheduled for October 29, 2021. They will be listed on the same quotation line as the existing shares of the Company (ISIN FR0011184241), will carry dividend rights and will be immediately assimilated to the existing shares of the Company.

### Shareholding structure of the Company following the Capital Increase and theoretical impact of the issuance of the Convertible Bonds

Following the issuance of the Capital Increase, the Company's share capital will amount to EUR 713 752.10, i.e. 7 137 521 ordinary shares with a nominal value of EUR 0.10 each, representing approximately 101.54% of the Company's existing share capital.

Prior to the transaction, Mr. Gérard Soula held 12.78% of the Company's capital, while the Soula family group held 21.55%. Following the completion of the Capital Increase, Mr. Gérard Soula will hold 14.10%, and the family group will hold 22.73%.

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<sup>3</sup> The initial maturity is 24 months, extendable under certain conditions.

For illustrative purposes, a shareholder holding 1% of the Company's share capital before the Capital Increase (on a non-diluted basis) that has not participated in the transaction will hold:

- 0.985% of the Company's share capital after the Capital Increase

- 0.888% after the Capital Increase and assuming that all the Convertible Bonds are converted on the basis of the Conversion Price, i.e. EUR 8.39 resulting, for illustrative purposes, in an issuance of 782 887shares.

Table of the shareholding structure:

	Before the Capital Increase		After the Capital Increase		After the Capital Increase and the conversion of the convertible bonds	
	Nber of shares	% of capital	Nber of shares	% of capital	Nber of shares	% of capital
Soula Family	1 514 683	21,55%	1 622 675	22,73%	1 622 675	20,49%
Gérard Soula	898 463	12,78%	1 006 455	14,10%	1 006 455	12,71%
Olivier Soula	310 040	4,41%	310 040	4,34%	310 040	3,91%
Rémi Soula	288 690	4,11%	288 690	4,04%	288 690	3,64%
Laure Soula	17 490	0,25%	17 490	0,25%	17 490	0,22%
<b>Financial investors</b>	<b>1 155 922</b>	<b>16,44%</b>	<b>1 155 922</b>	<b>16,20%</b>	<b>1 938 809</b>	<b>24,48%</b>
Innobio (a)	671 641	9,55%	671 641	9,41%	671 641	8,48%
Fund BioAM (b)	112 716	1,60%	112 716	1,58%	112 716	1,42%
<i>Subtotal (a)+(b)</i>	784 357	11,16%	784 357	10,99%	784 357	9,90%
<b>Vester Finance</b>	<b>0</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>	<b>782 887</b>	<b>9,88%</b>
Fonds Amundi	1 570	0,02%	1 570	0,02%	1 570	0,02%
Fund Viveris	9 434	0,13%	9 434	0,13%	9 434	0,12%
Oreo Finance	40 561	0,58%	40 561	0,57%	40 561	0,51%
SHAM	320 000	4,55%	320 000	4,48%	320 000	4,04%
<b>Employees</b>	<b>143 140</b>	<b>2,04%</b>	<b>143 140</b>	<b>2,01%</b>	<b>143 140</b>	<b>1,81%</b>
Scientific committee (BSA)	700	0,01%	700	0,01%	700	0,01%
Auto-control	37 199	0,53%	37 199	0,52%	37 199	0,47%
<b>Other shareholders</b>	<b>4 177 885</b>	<b>59,43%</b>	<b>4 177 885</b>	<b>58,53%</b>	<b>4 177 885</b>	<b>52,75%</b>
<b>TOTAL</b>	<b>7 029 529</b>	<b>100,00%</b>	<b>7 137 521</b>	<b>100,00%</b>	<b>7 920 408</b>	<b>100,00%</b>

# Risk Factors

The risk factors affecting the Company are presented in section 1.4 of the universal registration document relating to the financial statements for the year ended December 31, 2020, filed with the Autorité des marchés financiers on April 20, 2021. The main risks and uncertainties that the Company may face in the remaining six months of the financial year are identical to those presented in the universal registration document available on the Company's website. Investors are also invited to consider the following risks: (i) the price of the Company's shares may fluctuate and fall below the subscription price of the shares issued within the framework of the Capital Increase, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) the Company's shares may be sold on the market, which may have a negative impact on the share price, and (iv) the Company's shareholders may suffer a potentially significant dilution resulting from any future capital increase that may be necessary for the Company's financing.

## About Adocia

[Adocia](#) is a clinical-stage biotechnology company that specializes in the development of innovative formulations of therapeutic proteins and peptides for the treatment of diabetes and metabolic diseases. In the diabetes field, Adocia's portfolio of injectable treatments is among the largest and most differentiated of the industry, featuring six clinical-stage products and several pre-clinical products. The proprietary BioChaperone® technological platform is designed to enhance the effectiveness and/or safety of therapeutic proteins while making them easier for patients to use.

Adocia's clinical pipeline includes five novel insulin formulations for the treatment of diabetes: two ultra-rapid formulations of insulin analog lispro (BioChaperone® Lispro U100 and U200), a combination of basal insulin glargine and rapid acting insulin lispro (BioChaperone® Combo) and two combinations of a prandial insulin with amylin analog pramlintide (M1Pram and BioChaperone® LisPram). The clinical pipeline also includes an aqueous formulation of human glucagon (BioChaperone® Glucagon) for the treatment of hypoglycemia.

Adocia preclinical pipeline includes bi-hormonal combinations for diabetes treatment: a combination of aspart rapid acting insulin analog and pramlintide (BioChaperone® AsPram), a combination of insulin glargine with GLP-1 receptor agonist (BioChaperone® Glargine Liraglutide). In addition, there are three multi-hormonal products for the treatment of obesity: a combination of glucagon and exenatide (BioChaperone® GluExe), a combination of pramlintide and exenatide (PramExe) and a triple combination of pramlintide glucagon exenatide (BioChaperone® PramGluExe).

Adocia recently added a preclinical program to its pipeline with a cell therapy initiative focused on the development of a hydrogel scaffold for use in people with type 1 diabetes. The first patent application supporting this program has been filed.

# Contact Adocia

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## Disclaimer

This press release contains certain forward-looking statements concerning Adocia and its business. Such forward-looking statements are based on assumptions that Adocia considers as being reasonable. However, there can be no guarantee that the estimates contained in such forward-looking statements will be achieved, as such estimates are subject to numerous risks including those which are set forth in the "Risk Factors" section of the universal registration document that was filed with the French Autorit  des march s financiers on April 20, 2021 (a copy of which is available at [www.adocia.com](http://www.adocia.com)), in particular uncertainties that are linked to research and development, future clinical data, analyses, and the evolution of the economic

context, the financial markets and the markets in which Adocia operates.

The forward-looking statements contained in this press release are also subject to risks not yet known to Adocia or not considered as material by Adocia as of this day. The occurrence of all or part of such risks could cause that actual results, financial conditions, performances, or achievements of Adocia be materially different from those mentioned in the forward-looking statements.

This press release and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy Adocia's shares in any jurisdiction.