

PRESS RELEASE

Lyon, December 1, 2022



Adocia strengthens its cash position with EUR 6 million through the issuance of convertible bonds subscribed by European investors in order to accelerate the development of key products

- The immediate receipt of the EUR 6 million brings Adocia's cash position to EUR 20.7 million as of today
- A strengthened financial situation while waiting for the reception of revenue from the collaboration with Tonghua Dongbao (potential to receive USD 80 million) and for the signature of new partnerships
- These additional funds will contribute to the development of two products that have shown promising results: M1Pram and AdoShell® Islets

7:30am CET – Adocia (Euronext Paris: FR0011184241 – ADOC), a clinical-stage biopharmaceutical company specializing in the development of innovative formulations of proteins and peptides for the treatment of diabetes and other metabolic diseases announced today the completion of a EUR 6 million financing operation.

Gérard Soula, Adocia Chairman and Chief Executive Officer, said: "We proceeded today with the financing operation announced in the publication of the third quarter results¹. This operation, carried out with the same partners as last year, allows us to continue our development activities at a sustained pace, particularly on two of our promising projects for the treatment of diabetes: M1Pram and AdoShell Islets.

Our priority is to continue to consolidate our financial position by signing at least one license agreement on one of these projects. We also expect to receive a milestone payment from our partner Tonghua Dongbao related to the completion of the BioChaperone® Lispro Phase 3, currently underway, and another one related to the entry of BioChaperone® Combo into Phase 3. These milestones represent a significant portion of the USD 80 million contracted.

Regarding M1Pram, we reported in previous publications the exceptional weight loss of -5.5 kg generated by M1Pram in obese people with Type 1 diabetes. Weight gain is a real problem for patients on insulin, and 65% of Type 1 diabetics are overweight or obese in the United States. We consider this product to be a major asset for Adocia and have initiated discussions with potential partners to license it.

Concerning AdoShell Islets, we have published the first efficacy results on diabetic rat treated for 4 months: they became insulin-independent and no immunosuppressive treatment was necessary, which is a world first. A new study is underway over a longer period, with results expected in the first quarter of 2023. Interim results on this new cohort confirm the performance obtained previously. This project is also attracting interest from prominent actors in this sector and is opening discussions for potential partnerships.

All of these elements make us confident in Adocia's success.", concludes Gérard Soula.

Details of the financing operation

Today's financing, announced in October 2022, is carried out through 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 a group of European investors.

The issuance of the Convertible Bonds did not 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 Company's portfolio, and more specifically the development of AdoShell Islets and of M1Pram.

They will also enable the Company to strengthen its cash position by EUR 20.7 million and to ensure the financing of its activities over the next 12 months.

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 September 12, 2022, from the delegation granted by the general meeting of shareholders of the Company on June 28, 2022 (the "**General Meeting**") under its 18th 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 Meeting².

These Convertible Bonds were issued at a price equal to 95% of their nominal value. The Convertible Bonds will not bear interest and will mature on November 30, 2024³. They may be converted into ordinary shares at the request of the holders, at any time and at a subscription price which will depend on the Adocia share price at the time of conversion⁴ per share⁵. The 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.

2 i.e., as per the 18th resolution of the Shareholders Meeting, "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"

3 Extendable under certain conditions

4 At least equal to the lower of (i) EUR 4.40 and (ii) 93% of the lowest of the daily VWAPs (volume-weighted average price) over a period of 15 days preceding each conversion request

5 i.e. "80% of the volume-weighted average price of the last three trading sessions preceding the conversion request"

In the event that the Convertible Bonds have not been fully converted and/or redeemed at maturity, 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.

Theoretical impact of the issuance of the Convertible Bonds

For illustrative purposes, on the basis of the existing share capital of the Company amounting to EUR 855,218, i.e. 8,552,180 ordinary shares with a par value of € 0.10 each, a shareholder holding 1% of the Company's share capital would hold 0,799%, assuming that all of the new Convertible Bonds (OC1124) are converted, resulting in the issuance of a total of 2,174,974 shares (based on a conversion price calculated as of the date of this press release, i.e. EUR 3.02).

Table of the shareholding structure:

	Before the conversion of the convertible bonds		After the conversion of the convertible bonds	
	Nber of shares	% of capital	Nber of shares	% of capital
Soula Family	1 617 675	18,92%	1 617 675	14,91%
Gérard Soula	1 006 455	11,77%	1 006 455	9,28%
Olivier Soula	310 040	3,63%	310 040	2,86%
Rémi Soula	283 690	3,32%	283 690	2,62%
Laure Soula	17 490	0,20%	17 490	0,16%
Financial investors	1 172 106	13,71%	1 172 106	10,81%
Innobio (a)	671 641	7,85%	671 641	6,19%
Fund BioAM (b)	112 716	1,32%	112 716	1,04%
<i>Subtotal (a)+(b)</i>	<i>784 357</i>	<i>9,17%</i>	<i>784 357</i>	<i>7,23%</i>
Fund Amundi	1 570	0,02%	1 570	0,01%
Fund Viveris	25 618	0,30%	25 618	0,24%
Oréo Finance	40 561	0,47%	40 561	0,37%
SHAM	320 000	3,74%	320 000	2,95%
Employees	135 960	1,59%	135 960	1,25%
Scientific committee (BSA)	700	0,01%	700	0,01%
Auto-control	36 563	0,43%	36 563	0,34%
Others (inc. OC1124 & OC1023)	5 589 176	65,35%	7 884 445	72,68%
TOTAL	8 552 180	100,00%	10 847 450	100,00%

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, 2021, filed with the Autorité des marchés financiers on April 21, 2022. 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 need to reinforce its equity or to resort to additional financing in order to respect the commitments made to its lenders, and in particular the level of cash expected at the beginning of the second quarter of 2023, (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 biotechnology company specializing in the discovery and development of therapeutic solutions in the field of metabolic diseases, primarily diabetes and obesity. The company has a broad portfolio of drug candidates based on three proprietary technology platforms:

1) The BioChaperone[®] technology for the development of new generation insulins and products combining insulins with other classes of hormones; 2) AdOral[®], an oral peptide delivery technology; 3) AdoShell[®], an immunoprotective biomaterial for cell transplantation, with a first application in pancreatic cells transplantation; 4) AdoGel[®], a long-acting drug delivery platform.

Adocia holds more than 25 patent families.

Based in Lyon, the company has about 100 employees. Adocia is listed on the regulated market of Euronext[™] Paris (Euronext: ADOC; ISIN: FR0011184241).

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ADOCIA

innovative medicine
for everyone, everywhere



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 Autorité des marchés financiers on April 21, 2022 (a copy of which is available at 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.