

PRESS RELEASE

Lyon, March 21, 2024



ADOCIA Announces a €2 Million Fundraising from its two Main Shareholders and a Member of its Management, and the Signature of an Equity Financing Line with Vester Finance

- A €2 million fundraising for the benefit of:
 - Gérard Soula, President, Olivier Soula, Chief Executive Officer, co-founders, and a member of the Management, for a total amount of €1 million
 - Vester Finance, currently a shareholder of Adocia holding around 10% of its capital, for a total of €1 million
- Establishment of an equity financing line with Vester Finance¹ in the form of a PACEO, which could represent a maximum of 12% of its capital², with an initial payment in the form of a current account advance of €1 million received on signature
- A commitment to retain until June 30, 2024³, the existing shares held prior to the transaction by Gérard Soula, Olivier Soula and Vester Finance, *i.e.* a total of 2.9 million shares (20.8% of existing capital)
- The purpose of these financing operations is to strengthen the short-term cash position by €3 million, pending the signature of partnership agreements⁴ and receipt of Tonghua Dongbao milestones payments

9:00 p.m. CET - Adocia (Euronext Paris: FR0011184241 – ADOC), a clinical-stage biopharmaceutical Company focused on the research and development of innovative therapeutic solutions for the treatment of diabetes and obesity, today announced that it has obtained two financing operations, with the issuance of ordinary shares to the benefit of members of its management team, including the founding Soula family, and Vester Finance under the form of a capital increase without shareholders' pre-emptive subscription rights (the "**Capital Increase**"), and the implementation of an equity line financing with Vester Finance in the form of a PACEO (the "**PACEO**") limited to a maximum of 12% of its capital².

¹ Vester Finance and its manager have carried out more than 100 equity financing operations (PACEO) in 20 years of experience.

² On a non-diluted basis (*i.e.* excluding dilutive instruments granted to the Company's officers and employees).

³ Subject to certain exceptions.

⁴ See Company press release dated July 5, 2023.

Use of Proceeds

The Company currently has a cash position of €8.1 million, enabling it to finance its activities until August 2024, without taking into account the proceeds of this financing operation and incomes from existing or future partnerships.

With an additional €3 million in cash received on the signing of this transaction, the Company's cash horizon has been extended to November 2024, and extends to the third quarter of 2025, taking into account the use of the entire PACEO⁵.

The Company is still in exclusive negotiations with Sanofi with a view to a global partnership on M1Pram, and is expecting two milestone payments of €10 million each in the second half of 2024, linked to the progress of its two projects BioChaperone[®] Lispro and BioChaperone[®] Combo in partnership with Tonghua Dongbao.

The funds raised through the Capital Increase and the PACEO will be used primarily for the development of AdoShell[®] Islets and M1Pram, and to help finance the Company's operating needs.

"We are delighted to complete these two transactions in partnership with Vester Finance, as they are the largest shareholder of the Company after the Soula family, and share same ambitions for Adocia's success," says Olivier Soula, Chief Executive Officer of Adocia, "We are thus strengthening our cash position and extending our financial visibility with guaranteed optional financing that will be used with the utmost caution and according to our needs, pending the signature of partnerships. The commitment of the two main shareholders to participate in this capital increase without discount, to maintain their existing positions and to carefully manage the PACEO should be seen as a guarantee of sound management and confidence in Adocia's short- and medium-term future."

Main characteristics of the Capital Increase

The Company's Chief Executive Officer, making use of the sub-delegation granted to him by the Board of Directors on March 08, 2024, itself making use of the delegation granted to him by the General Meeting of Shareholders of the Company on May 11, 2023 (the "**General Meeting**") under its 22nd resolution⁶, today decided to issue 207,683 new shares, on the basis of Article L. 225-138 of the French Commercial Code, with preferential subscription rights waived for Gérard Soula, Olivier Soula, a member of Adocia's management team and Vester Finance.

In accordance with the 22nd resolution of the General Meeting, the Chief Executive Officer has set the subscription price for the new shares at €9.63, corresponding to the volume-weighted average share price for the three trading days preceding the setting of the issue price, without any discount.

The new shares are due to be admitted to trading on the Euronext regulated market in Paris on March 25, 2024. They will be listed on the same quotation line as the Company's existing shares (ISIN FR0011184241), will carry dividend rights and will be immediately assimilated to the Company's existing shares.

⁵ Based on current market price.

⁶ The 22nd and 23rd resolutions target specific categories of person: investors active in the healthcare or biotech sectors (22nd) and strategic or financial partners (23rd).

Main terms of the PACEO

Under the terms of the agreement signed on March 21, 2024, Vester Finance has undertaken to subscribe for a maximum of 1,700,000 shares in the Company, representing up to 12.07% of the share capital, at its own initiative, over a maximum period of 24 months, subject to certain customary contractual conditions.

New shares will be issued on the basis of the average market price preceding each issue⁷, reduced by a maximum discount of 5%, in accordance with the price and ceiling rules set by the General Meeting as per the 23rd resolution^{6, 8}. The subscription price will be paid in priority by offsetting receivables against the advance granted by Vester Finance. Vester Finance will receive a commission of 2.0% on the proceeds of the issue.

The Company has undertaken to use a minimum of €2 million of the financing facility, corresponding, at the current share price, to a dilution of around 1.54%, beyond which the Company will have the option of suspending or terminating this agreement at any time and at no cost.

This operation was decided by the Chief Executive Officer acting on a delegation of authority from the Company's Board of Directors in accordance with the 23rd resolution of the Annual General Meeting, in order to enable the issue of 547,740 shares, corresponding to the number of shares remaining available under the terms of the 23rd resolution of the Annual General Meeting⁹. At the next Annual General Meeting, shareholders will be asked to delegate their powers to the Company's Board of Directors to issue the remaining portion of the PACEO (representing a maximum of 1,152,260 shares) exclusively to Vester Finance. The Soula family will support this initiative.

This equity financing line was structured and underwritten by Vester Finance, a European company that usually invests in small-cap growth companies, particularly in the healthcare and biotech sectors. Vester Finance, acting here as an investor, may be required to resell all or part of the shares subscribed under the PACEO at some point in the future.

Assuming full utilization of this financing facility, a shareholder holding 1.00% of the Company's share capital before the facility was set up would see his stake fall to 0.892% of the share capital on a non-diluted basis¹⁰, and 0.894% of the share capital on a diluted basis¹¹. Based on the current share price, the total amount of net financing would represent €15.1 million¹².

This transaction does not give rise to the preparation of a prospectus subject to the approval of the Autorité des Marchés Financiers (AMF), on the basis of Article 1 of Regulation (EU) 2017/1129 as amended (Prospectus Regulation), granting an exemption when a transaction involves a dilution of less than 20% of the Company's share capital over a 12-month period.

The number of shares issued under this agreement and admitted to trading will be disclosed on the Company's website.

⁷ Lower of the two daily volume-weighted average prices over the period immediately preceding each issue.

⁸ Under this authorization, the issue price of the shares must be "at least equal to the volume-weighted average of the prices quoted for the shares over the three trading days preceding the setting of the issue price, possibly reduced by a maximum discount of 20%".

⁹ Authorization to increase the Company's capital, without shareholders' pre-emptive subscription rights being maintained, for the benefit of a category of persons with defined characteristics.

¹⁰ On the basis of the 14,089,930 shares currently comprising the share capital.

¹¹ On the basis of the 14,337,252 shares, i.e. 247,322 shares could be issued on exercise of the dilutive instruments issued by the Company to date.

¹² Value of shares issued, in the event of full utilization of the financing facility, after deduction of the maximum discount of 5% and the variable commission of 2% based on the lowest VWAP of the last two trading sessions, i.e. gross income of €15.4m, commission of €0.3m and net income of €15.1m.

Theoretical impact of the Capital Increase and PACEO

Following completion of the Capital Increase and the PACEO, the Company's share capital will amount to €1,599,761.30, divided into 15,997,613 ordinary shares with a par value of €0.10 each.

Prior to the transaction, the Soula family group held 10.63% of the Company's capital and 16.38% of the voting rights, and Vester Finance 10.17% and 8.83% of the voting rights.

After completion of the capital increase, the Soula family group will hold 10.95% and 16.58% of the voting rights and Vester Finance 10.74% and 9.35% of the voting rights.

By way of illustration, a shareholder holding 1% of the Company's share capital before the Capital Increase (on a non-diluted basis) and who did not take part in the transaction will hold:

- 0.985% of the Company's share capital after the Capital Increase;
- 0.881% after the Capital Increase and assuming that the is PACEO fully used.

Shareholder structure:

	Before the Capital Increase			After the Capital Increase			After the Capital Increase and the utilization of PACEO		
	Nber of shares	% of capital	% of voting rights ⁽¹⁾	Nber of shares	% of capital	% of voting rights ⁽¹⁾	Nber of shares	% of capital	% of voting rights ⁽¹⁾
Soula Family ⁽²⁾	1 497 416	10,6%	16,4%	1 564 913	10,9%	16,6%	1 564 913	9,8%	15,0%
Gérard Soula (*)	1 187 226	8,4%	12,6%	1 239 147	8,7%	12,7%	1 239 147	7,7%	11,5%
Olivier Soula (*)	310 190	2,2%	3,8%	325 766	2,3%	3,9%	325 766	2,0%	3,5%
Financial investors	2 508 847	17,8%	18,7%	2 612 689	18,3%	19,1%	2 612 689	16,3%	17,3%
Vester Finance	1 432 432	10,2%	8,8%	1 536 274	10,7%	9,4%	1 536 274	9,6%	8,5%
Innobio (a)	138 006	1,0%	1,7%	138 006	1,0%	1,7%	138 006	0,9%	1,5%
FPS Bpifrance Innovation I (c)	550 660	3,9%	3,4%	550 660	3,9%	3,4%	550 660	3,4%	3,0%
Sub-total Bpifrance (a)+(b)+(c)	688 666	4,9%	5,1%	688 666	4,8%	5,0%	688 666	4,3%	4,6%
Fund Amundi	1 570	0,0%	0,0%	1 570	0,0%	0,0%	1 570	0,0%	0,0%
Fund Viveris	25 618	0,2%	0,3%	25 618	0,2%	0,3%	25 618	0,2%	0,3%
Oréo Finance	40 561	0,3%	0,5%	40 561	0,3%	0,5%	40 561	0,3%	0,4%
SHAM ⁽³⁾	320 000	2,3%	3,9%	320 000	2,2%	3,9%	320 000	2,0%	3,5%
Employees	227 552	1,6%	2,0%	263 896	1,8%	2,2%	263 896	1,6%	2,0%
Scientific Committee (BSA)	700	0,0%	0,0%	700	0,0%	0,0%	700	0,0%	0,0%
Autocontrol ⁽⁴⁾	6 474	0,0%	0,0%	6 474	0,0%	0,0%	6 474	0,0%	0,0%
Other Shareholders ⁽⁵⁾	9 848 941	69,9%	62,9%	9 848 941	68,9%	62,1%	11 548 941	72,2%	65,7%
TOTAL	14 089 930	100,0%	100,0%	14 297 613	100,0%	100,0%	15 997 613	100,0%	100,0%

* Directors of the Company

- (1) All fully paid-up shares (irrespective of class) registered in the name of the same shareholder for at least two years carry double voting rights in relation to the percentage of share capital they represent.
- (2) On October 10, 2023, the Company was informed of the exit of Rémi Soula and Laure Soula from the Soula family group, by means of a declaration of threshold crossing.
- (3) SHAM: Société Hospitalière d'Assurance Mutuelles.
- (4) Treasury shares held under the liquidity contract with Kepler Cheuvreux.
- (5) Including bearer shares held by the Company's historical financial investors (including shares from the utilization of PACEO).

Risk factors

The risk factors affecting the Company are presented in section 1.4 of the Company's universal registration document filed with the AMF on April 26, 2023 under number D. 23-0346, as updated by the first amendment to the universal registration document filed on July 26, 2023 under number D. 23- 0346-A01 filed with the AMF and the second amendment to the universal registration document filed with the AMF on September 13, 2023 under number D. 23-0346-A02, these documents being available free of charge on the Company's website at www.adocia.com/fr/investisseurs, and on the AMF website at www.amf-france.org.

The sale of shares on the market is likely to have an impact on the volatility and liquidity of the stock, as well as on the Company's share price¹³.

Investors' attention is also drawn to the fact that the Company's Shareholders' Meeting could refuse to delegate its powers to the Board of Directors for the purpose of implementing the balance of the PACEO, which would notably have a negative impact on the Company's financing requirements and medium-term liquidity horizon.

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 four 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 an initial application in pancreatic cells transplantation; and 4) AdoGel®, a long-acting drug delivery platform.

Adocia holds more than 25 patent families. Based in Lyon, the company has about 80 employees. Adocia is listed on the regulated market of Euronext™ Paris (Euronext: ADOC; ISIN: FR0011184241).

¹³ Source Vester Finance: As of December 31, 2023, over the last 26 similar equity line transactions (PACEO) carried out by Vester Finance, company share prices have risen by an average of +12% and market capitalizations by +43%.

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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 26, 2023 updated by the amendment of 26 July 2023 (D.23-0346-A01) and amendment of 13 September 2023 (D.23-0346-A02), available at www.adocia.com, in particular uncertainties inherent in research and

development, future clinical data, analyses, and the evolution of the economic context, the financial markets and the markets in which Adocia operates, which could impact the Company's short-term financing requirements and its ability to raise additional funds.

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.