ADOCIA

UNIVERSAL REGISTRATION DOCUMENT 2022

This is a free translation into English of Adocia Universal Registration Document issued in French and available on the website of the Issuer.

This free translation is for an informational purpose only.

Innovative Medicine for everyone everywhere

ADOCIA

innovative medicine
for everyone, everywhere

A French société anonyme (corporation) with €895 488.60 in share capital.

Registered office: 115 avenue Lacassagne
69003 Lyon, France
Lyon Trade and Companies Registry No. 487 647 737

AMF AUTORITÉ DES MARCHÉS FINANCIERS

The Universal Registration Document was filed on April 26, 2023 with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a transaction note and if necessary, a summary and all the amendments to the universal registration document. The assembly then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document as Annual Financial Report in pdf format is a reproduction of the official version of the Universal Registration Document as Annual Financial Report 2022 that was prepared in ESEF format and that is available on the Company's website (www.adocia.com) and on the AMF website (www.amf-france.org). Copies of this universal registration document are available free of charge from the Company at 115, Avenue Lacassagne, 69003 Lyon.

NOTICE

In this universal registration document, the terms "Adocia" or the "Company" refer to Adocia, a French société anonyme (corporation) whose registered office is located at 115, Avenue Lacassagne, 69003 Lyon, France, and which is registered with the Lyon Trade and Companies Registry under number 487 647 737 and, when appropriate, its subsidiary, Adocia Inc., a company incorporated in the state of Delaware, whose head office is located at 270258 San Diego, CA 92198-2258, U.S.A.

The consolidated financial statements prepared under IFRS for the fiscal year ended December 31, 2022, are presented on pages 123 to 162 of this universal registration document. The statutory auditors' report on the consolidated financial statements prepared under IFRS for the fiscal year ended December 31, 2022, is presented on pages 163 to 168 of this universal registration document.

The corporate financial statements prepared under French GAAP for the fiscal year ended December 31, 2022, are presented on pages 169 to 190 of this universal registration document. The statutory auditor's report on the corporate financial statements prepared under French GAAP for the fiscal year ended December 31, 2022 is presented on pages 191 to 196.

Pursuant to Article 19 of Commission Regulation (EC) No. 2017/1129 of June 14, 2017:

- The consolidated financial statements for the year ending on December 31, 2021, and the related statutory auditors' reports presented respectively in paragraph 4.1 and 4.2 of the 2021 universal registration document filed with the AMF on April 21, 2022 with reference D.22-0331
- The consolidated financial statements for the year ending on December 31, 2020, and the related statutory auditors' reports presented respectively in paragraph 4.1 and 4.2 of the 2020 universal registration document filed with the AMF on April 20, 2021, with reference D.21-0330

are incorporated by reference in this universal registration document.

The non-included parts of this(ese) document(s) are either irrelevant for the investor or covered elsewhere in the universal registration document.

A glossary containing the definitions of certain technical terms used in this registration document, as well as an index of abbreviations used, can be found in paragraph 6.6. Terms indicated by an asterisk (*) are defined in the glossary.

DISCLAIMER

Market and competition information

This universal registration document contains, in particular in section 1.2 "*Description of Activities*", information about the Company's markets and competitive position. This information is taken, in particular, from studies conducted by external sources. Publicly available information that the Company deems reliable has not been verified by independent experts, and the Company cannot guarantee that a third party using different methods to collect, analyze or calculate data on these markets would obtain the same results.

Forward-looking information

This universal registration document contains information on the Company's outlook and development priorities. At times, this information is identified by the use of the future or conditional tense or forward-looking words such as "consider", "plan", "think", "have as an objective", "expect", "intend", "should", "aspire to", "estimate", "believe", "wish", "could" or, where applicable, the negative form of these terms, or any variation thereof or similar terminology. This information is not historical data and should not be viewed as a guarantee that the facts and events described will occur. This information is based on data, assumptions and estimates that the Company deems reasonable. It may change or be modified due to uncertainties associated with, in particular, the economic, financial, competitive and regulatory environment. This information is provided in the various sections of this universal registration document and includes data related to the Company's intentions, estimates and objectives with respect to, among other things, the market in which it operates and its strategy, growth, results, financial position, cash position and forecasts. The forward-looking information in this universal registration document is provided only as of the date of this registration document. The Company operates in a constantly changing competitive environment. Therefore, it cannot anticipate all risks, uncertainties and other factors that may affect its business, the potential impact thereof on its business, or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those mentioned in any forward-looking information. It should be noted that none of this forward-looking information is a guarantee of actual results.

Risk factors

Investors are advised to carefully review the risk factors described in paragraph 1.4 "*Risk Factors*" of this universal registration document before making any investment decision. The occurrence of any or all of these risks may have a material adverse impact on the Company's business, financial position, results or outlook. Furthermore, other risks not yet identified or not deemed significant by the Company as of the date of this universal registration document may also have a material adverse impact.

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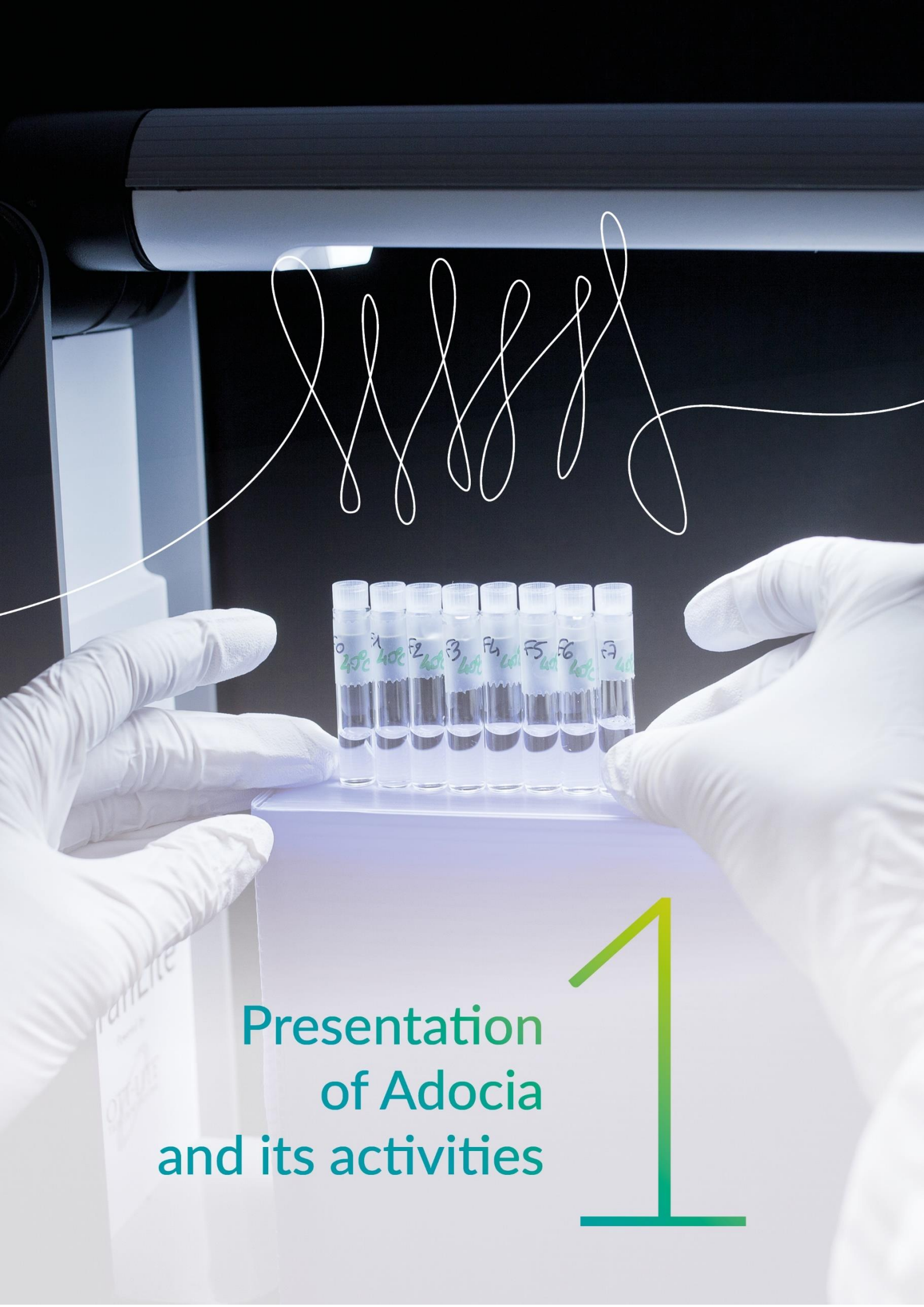

1 Presentation of Adocia and its activities

Presentation of Adocia and its activities

Chapter 1

1 PRESENTATION OF ADOCIA AND ITS ACTIVITIES

1.1 About Adocia and its evolution

1.1.1. Legal presentation of the company

The Company's legal name is Adocia.

It is registered with the Lyon Trade and Companies Registry under number 487 647 737.

It was incorporated on December 16, 2005, as a French *société à responsabilité limitée* (limited liability company) for a term of 50 years from the date of its registration with the Trade and Companies Registry on December 22, 2005, i.e., until December 22, 2055, unless such term is extended, or the Company is dissolved before its term expires.

It was converted into a *société par actions simplifiée* (simplified joint stock company) by a decision of the sole shareholder adopted on July 31, 2006, and then into a *société anonyme* (corporation) with a board of directors by decision of the general shareholders' meeting on October 24, 2011.

The Company is a *société anonyme* governed by French law and, with respect to its operations, is primarily subject to Article L. 225-1 et seq. of the French Commercial Code (*Code de Commerce*).

The closing date for its fiscal year is December 31.

The company's registered headquarters is located at 115 Avenue Lacassagne, 69003 Lyon, France.

Its legal entity identifier (LEI) is 969500ZL79KYH9PTYP78.

The Company's contact information is shown below:

Phone: +33 (0) 4 72 61 06 10

Fax: +33 (0) 4 72 36 39 67

Email: contactinvestisseurs@adocia.com

1.1.2. General presentation of Adocia

1.1.2.1. Mission

Adocia is a French biotech company founded in December 2005 by Gérard, Olivier and Rémi Soula with the goal of developing "innovative medicines for everyone, everywhere."

Adocia is a clinical-stage biotechnology company that specializes in the development of innovative formulations of already-approved therapeutic proteins and peptides for the treatment of diabetes and other 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 products in preclinical-stage.

Adocia's clinical pipeline contains five innovative insulin formulations for the treatment of diabetes: two ultra-rapid insulin formulations based on rapid insulin lispro (BioChaperone® Lispro U100 and U200), a combination of long-acting insulin glargine and rapid-acting insulin lispro (BioChaperone® Combo) and two combinations of prandial insulin with pramlintide, an analog of amylin (M1 Pram and BioChaperone® LisPram). It also includes an aqueous formulation of human glucagon (BioChaperone® Glucagon) for the treatment of hypoglycemia.

Adocia's preclinical pipeline includes three products for the treatment of diabetes and obesity: AdoShell® Islets, (an implant containing islets of Langerhans), AdOral® Sema (an oral delivery of semaglutide) and BioChaperone® GluExe (a combination of glucagon and exenatide).

Adocia's portfolio is based on three four technology platforms:

- BioChaperone®, a technology for the development of next-generation insulins and combinations of insulins with other hormone families;
- AdOral®, a technology for the oral delivery of peptides;
- AdoShell®, a synthetic immunoprotective biomaterial for cell transplantation, with a first application to pancreatic cells;
- AdoGel®, for the long-term delivery of therapeutic agents.

1.1.2.2. Significant events in the business development of the Company

As the results of the Company's research efforts and their commercial development take many years, for the first ten years, the Company's annual financial statements have mainly reflected research and development costs which, for the most part, have been financed by capital increases, Bpifrance repayable advances and grants, and the research tax credit.

Since its inception on December 16, 2005, and before its IPO, the company raised over €27 million through capital increases subscribed, in particular, by its founders, Gérard, Olivier and Rémi Soula, and institutional investors (IdInvest, Amundi, Viveris, BioAm, SHAM and InnoBio). In 2012, the Company was listed on the Euronext Paris regulated market and raised more than €27.4 million (excluding transaction costs). In March 2015, it completed a private placement of nearly €32 million by issuing new shares to investors specialized in the healthcare sector, particularly in the United States.

The BioChaperone Lispro program has been licensed twice to the American company Eli Lilly. In December 2011, a first partnership was signed on the development of an ultra-rapid insulin with two formulations: BioChaperone Lispro U100 and BioChaperone Lispro U200. This partnership was terminated by joint agreement in July 2013. On December 19, 2014, a second agreement was signed on the same product and Eli Lilly and Adocia successfully completed 6 clinical studies on BioChaperone Lispro U100 and U200.

Early 2017, Lilly announced its decision to terminate this agreement in order to prioritize an internal project, LY900014 (Lyumjev®). Adocia regained full ownership of the rights that had been licensed and has been continuing to develop its product.

Over 2017 Adocia achieved key milestones in the development of its products, by demonstrating a better fast-off profile for BioChaperone Lispro than for the Novo Nordisk ultra-rapid insulin Fiasp®, successfully completing the first clinical trial for the BioChaperone Glucagon project and demonstrating the dose linearity of BioChaperone Combo.

During the same year, the Company continued to develop its research on prandial combinations (insulin and pramlintide) launched in 2016 and also announced the extension of its portfolio also announced the expansion of its portfolio to new therapeutic fields other than diabetes, with the launch of new projects for the treatment of obesity.

In April 2018, Adocia signed with the Chinese company, Tonghua Dongbao Pharmaceuticals Co. Ltd, a strategic alliance for the development and commercialization of BioChaperone® Combo and BioChaperone® Lispro in China and in certain other countries. These licensing agreements have a total potential value of $ 135 million (Adocia is expected to receive double-digit royalties on the future sales of both products) including $50 million when the partnership was signed. In June 2018, the companies also signed two global supply agreements for Insulin Lispro and Insulin Glargine. Thus, Adocia will be able to carry out its BioChaperone Lispro et BioChaperone Combo projects in Europe, in the US and in Japan.

In late 2019, the Company used a financing plan of €15 million in the form of a bond loan with attached warrants (BSA) to finance the development of its products portfolio.In 2020, despite a year disrupted by the Covid-19 pandemic, the Company continued to develop its projects. In August 2020, Adocia was granted a State-guaranteed loan of €7 million.

2021 was marked by major advances in the insulin portfolio and by the achievement of important proofs of concept on new technological platforms developed for cell therapy and oral delivery of peptides. To speed up the development of these innovations, Adocia carried out in October 2021 a financing of €7 million made up of, on the one hand, the

issuance of bonds convertible into shares subscribed by European investors for an amount of €6 million net and, on the other hand, a share capital increase of €1 million subscribed by Gérard Soula, co-founder of Adocia.

In 2022, in a favorable real estate context, Adocia completed a sale and leaseback transaction of the building it owned, enabling it to support its growth while securing its occupancy on its historical site. In terms of clinical development, a key milestone was reached for BC Lispro with the start of the Phase 3 clinical program in China, which generated a milestone payment of 5 million euros. The year 2022 was also rich in scientific results with the publication of the exceptional clinical results obtained on M1Pram and the preclinical proof of concept of AdoShell ® Islets.

At the end of 2022, Adocia carried out a new financing through the issuance of convertible bonds, with the same European investors, according to the same characteristics and for the same amount (6 million euros) as the one carried out in 2021.

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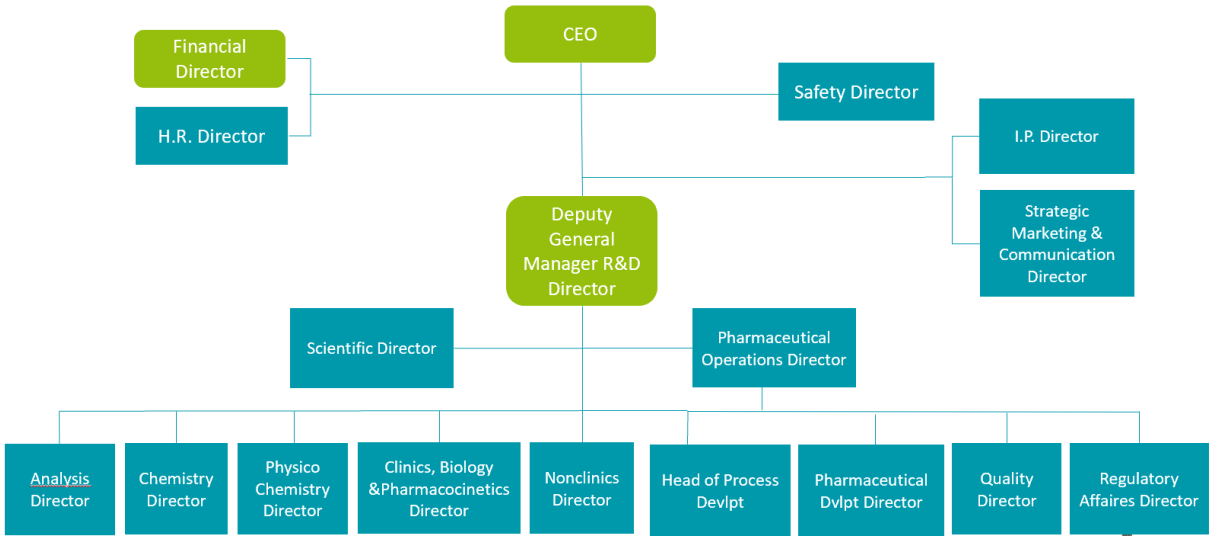
1.1.3. Organizational chart

1.1.3.1. Organization of the Company

At the date of issue of this registration document, the organizational chart for the Company is as follows:



Following the Company's annual general meeting to be held on May 11, 2023, the Company plans to separate the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company: Gérard Soula would retain the functions of Chairman of the Board of Directors and Olivier Soula would be appointed Chief Executive Officer.

1.1.3.2. Subsidiaries, branches, and secondary establishments

In February 2015, the company founded Adocia Inc., a subsidiary in the United States, a company incorporated in the state of Delaware, whose head office is located at PO Box 270258 San Diego, CA 92198-2258, U.S.A. Adocia wholly owns its subsidiary Adocia Inc., which at the date of the present registration document had one employee: a business development director. The objective is for the subsidiary to facilitate interaction with the US market and to locate the Company's advocacy activities in the United States.

At the date of this registration Document, the Company does not have a branch or a secondary establishment.

1.1.3.3. Management

ADOCIA is managed by an executive committee made up of three members: Gérard Soula, CEO, Valérie Danaguezian, CFO, Olivier Soula, Deputy General Manager and R&D Director.

Members of the management team have significant experience in managing technological innovation and partnerships with major biopharmaceutical groups, as well as in drug delivery of therapeutic proteins and in the development of medical devices.

Their experience is summarized below,

Dr. Gérard Soula, PhD, MBA – President and CEO: cf. paragraph 3.1.2.4 of the current universal registration document.

Dr. Olivier Soula, PhD, MBA – Deputy General Manager – R&D Director: cf. paragraph 3.1.2.4 of the current universal registration document.

Mrs. Valérie Danaguezian: Administrative and Financial Director

Valérie Danaguezian is a graduate of ISC and began her career in corporate auditing and financial consulting with Calan Ramonilo et Associés, a member of Deloitte & Touche, where she stayed for four years. In 1991, she joined Sanofi Pasteur where she was in charge of the group's financial consolidation, eventually being promoted as Director of the group's research and development expenditures management control. In 2003 she joined Flamel Technologies and held the position of administration and financial officer for 3 years. In 2006 Valérie Danaguezian joined Adocia as CFO and member of the executive team. She is specialized in the financial management of innovative research and development projects, and has acquired extensive experience in management control systems, international standards and internal controls.

1.1.4. Investments and real estate

The company outsources a significant portion of its research and development activities. Its investments in fixed assets are therefore relatively low in value compared with its research and development expenditures, with the exception of the real estate investments presented in the section below.

The investments made during the last three fiscal years are as follows:

En milliers d'euros	FY 2022 (12 months)	FY 2021 (12 months)	FY 2020 (12 months)
Intangible assets	22	-	-
Property, plant and equipment	-	-	-
Other tangible assets	111	159	148
Non-current financial assets	1 300	-	12
TOTAL	**1 433**	**159**	**160**

The increase in financial assets reflects the sale and leaseback of the building, which resulted in a three-month security deposit and a first demand guarantee for one year of rent.

1.1.4.1. Major investments

- Description of real estate

The Company is headquartered in Lyon, 115 avenue Lacassagne in the 3rd *arrondissement* (district) of the city of Lyon.

The Company has been located at these premises since it was founded, initially as a tenant of the city of Lyon (Métropole de Lyon), and then as owner. In February 2016, to make its presence at this site permanent, the Company acquired the building with a total area of 7,120 m², the land on which the building is located and parking spaces. The acquisition of this property for a total of €5.5 million was financed by a bank loan. In 2017, the company added to its

installation on the site by acquiring a storage building adjacent to the main building for €0.5 million and developing a green space in the interior courtyard for €0.3 million.

In 2018, after the signature of the partnership with the Chinese company Tonghua Dongbao Pharmaceuticals Co. Ltd, the Company initiated refurbishing on two floors of 450 sqm each, mainly dedicated to the Analytical Department. This work was finalized in 2019.

On March 28, 2022, Adocia completed a sale and leaseback transaction of its building. The sale of the building included all real estate assets for a net amount of close to €19 million corresponding to the sale price (€23.2 million) minus the repayment of the debts (€4.4 million) that were contracted to finance the acquisition of the building in 2016 and that have been completely repaid in the context of the sale transaction. The lease agreement provides for Adocia staying in the building for a duration of 12 years, with an option for an added 9 years. The annual rent will amount to €1.04 million for the entire surface of the buildings, the car parks, and the storage building.

- Other property, plant, and equipment

The principal property, plant, and equipment that the company holds is described in note 2 to the notes to the corporate financial statements prepared in accordance with IFRS, in chapter 4 of this universal registration document.

1.1.4.2. Major current and future investments

Over the course of 2023, Adocia plans *a minima* investments to purchase the scientific material needed for the research and development activities of its current and future projects.

Further refurbishment of the building will be done if there is new cash-in.

In the lease contract signed on the day of the sale of the building, the lessor has committed to financing up to €5 million of renovation work on the floors yet unoccupied by Adocia by means of an increase in rent.

1.2 Description of activities

1.2.1. Missions

Adocia focuses on the development of innovative medicine, for the treatment of diabetes, obesity, and other metabolic diseases.

Since 2005, Adocia's value lies in its ability to innovate in the formulation of already approved therapeutic proteins and peptides to make them more effective, better tolerated or easier for patient's use.

Adocia relies on its patented technology platforms (BioChaperone®, AdoShell®, AdOral® et AdoGel®), as well as on the expertise of a highly qualified team. Adocia currently has six clinical stage products and three preclinical products.

Adocia's mission is "to deliver more effective treatments, that are easier to use and more accessible to people with diabetes and other metabolic diseases in order to help them better treat their disease and avoid long-term consequences".

Adocia's objective is to develop its innovative products up to the demonstration of a proof of concept, before licensing them out to a pharmaceutical partner. The partner will finance the remaining development steps until the market authorization and will ensure the commercialization. For example, since April 2018, Adocia entered a partnership with the Chinese company Tonghua Dongbao Pharmaceuticals Co. Ltd, signing two license agreements for the development and commercialization of BioChaperone® Lispro et BioChaperone® Combo programs, in China and other Asian and Middle East territories.

- Adocia, a unique approach to face a double challenge

Diabetes and obesity are closely related pathologies. Caused by the dysregulation of certain hormones in common (glucagon, amylin, GLP-1 RA...), they can be both a cause or consequence of each other.

In 2021, more than 537 million people have diabetes worldwide, equating to about one on ten people[1]. Despite significant advancements in the treatment of diabetes over the past 30 years, the unmet medical need remains high. Innovation is still needed, especially to reduce the severe comorbidities and complications that affect 79% of patients[2].

At the same time, obesity has been growing rapidly over the last decades. To date, the World Health Organization (WHO) estimates that 1.9 billion people are obese or overweight (BMI>25 kg/m²) in the world.

In this context, Adocia's ambition is to provide innovative solutions to improve the treatment of diabetes and obesity by meeting a double challenge:

- **Offer better performance**, through more "physiologic" treatment approaches to address the disease in its complexity;
- **Facilitate the use of treatments**, to maximize the chances of patients' compliance without placing further daily constraints on them.

In order to do this, Adocia adopts a strategy consisting of the improvement of already approved treatment, either based on therapeutic proteins and peptides or cells, by leveraging its proprietary technology platforms.

Adocia's BioChaperone®, AdoGel® and AdOral® platforms enhance the efficacy of already approved proteins and peptides. This approach based on reformulation takes advantage of the track record of already-used therapeutic proteins in terms of safety, efficacy, and production infrastructure. This business-model makes it possible to deliver innovative treatments with improved performance while having relatively short and less expensive development cycles, compared to developing new proteins.
At the same time, Adocia aims to improve cell therapy techniques and is developing the AdoShell® platform. Transplantation of pancreatic cells are indeed authorized in several countries and can restore glycemic control. However, this technique is limited to a very small number of patients due to the scarcity of pancreas donors and because the maintenance of the transplant requires the concomitant use of immunosuppressive treatments, which are accompanied by serious side effects. With AdoShell®, Adocia's objective is to encapsulate the cells in a hydrogel matrix capable of maintaining the secretory activity of the cells while protecting them from degradation by the immune system, thus avoiding the need for immunosuppressive drugs.

By adapting its platforms to each molecule or cell to face specific technical challenges, Adocia has developed a differentiated portfolio of innovative products for the treatment of diabetes and obesity. Each product aims to meet specific unmet medical needs.

1.2.2. Pipeline presentation

Over the years, Adocia has developed a broad portfolio of injectable treatments for people with Type 1 diabetes, Type 2 diabetes and/or with obesity, based on its BioChaperone® technology and on other innovative formulation strategies.

In 2021, Adocia leveraged the knowledge accumulated over the past two decades and added new technology platforms to its pipeline: **AdoShell®, AdOral® et AdoGel®**.

[1] *International Diabetes Federation, 2021*

[2] *Hazel-Fernandez & al; American Journal of Managed Care. 2015*

BioChaperone®	AdOral®	AdoShell®	AdoGel®
• Pharmaceutical excipient • Forms a complex with therapeutic proteins/peptides (insulin, amylin, GLP-1, ...) ➔ Accelerates absorption ➔ Protects against enzymatic degradation ➔ Improves solubility ➔ Improves stability • Value: ➔ Improves proteins/peptides efficacy ➔ Combines hormones in one single product	• Pharmaceutical excipient • Enhances proteins/peptides oral route of administration ➔ Avoid injections • Value: ➔ Provides unique competitive advantage to therapeutic peptides used in metabolic disorders (diabetes, obesity,...) ➔ Life cycle management of existing injectable products ➔ Avoids large scale sterile manufacturing of injectables	• Hydrogel scaffold • Encapsulation of cells grafted to patients ➔ Protects grafted cells from immune system rejection ➔ Favors the survival and functioning of cells • Value: ➔ Avoid immuno-suppressive therapies associated to cell therapies	• Biomaterial • Long-acting drug delivery of small molecules or biologics ➔ Release from 1 to 36 months, without initial burst, for local or systemic use • Value: ➔ Avoid repetitive drug administrations ➔ Improve compliance

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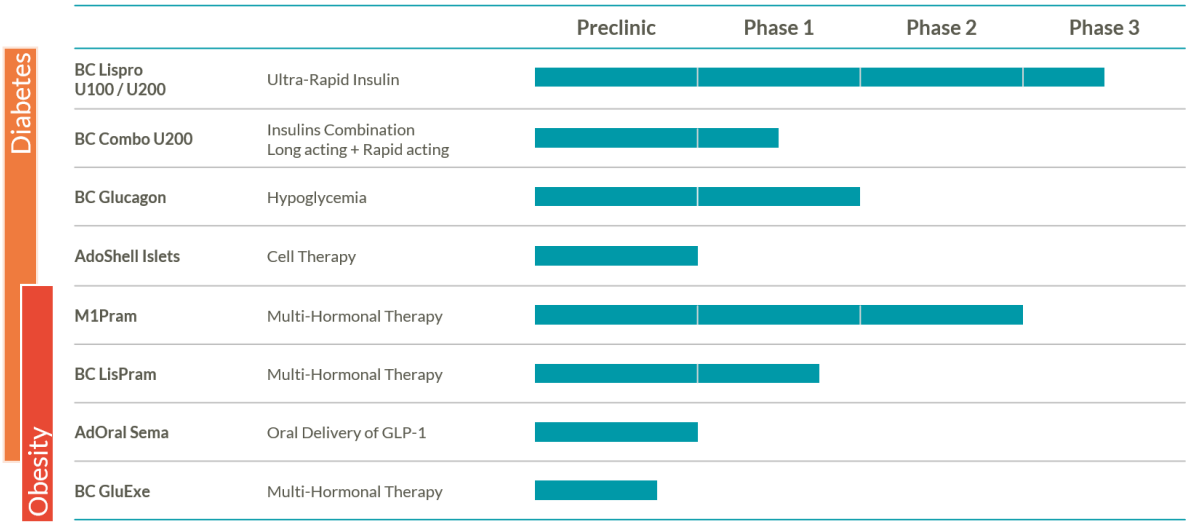
Adocia's clinical pipeline as of today features:

- **BioChaperone® Lispro**, an ultra-rapid insulin, available in two strengths, U100 and U200
- **BioChaperone® Combo,** a combination of a long-acting insulin (glargine) and a rapid-acting insulin (lispro)
- **BioChaperone® Glucagon,** a ready-to-use aqueous formulation of human glucagon
- Two combinations of insulin and amylin analogue:
  - **M1Pram,** a combination of insulin M1 and pramlintide
  - **BioChaperone® LisPram,** a combination of insulin lispro and pramlintide

Adocia also has several projects in **preclinical development**:

- **AdoShell® Islets**, a cell therapy via transplantation of encapsulated pancreatic cells
- **AdOral® Sema**, an oral formulation of semaglutide, a GLP-1 receptor agonist
- **BioChaperone® GluExe,** a combination of glucagon with a GLP-1 receptor agonist for obesity treatment



BC: BioChaperone®; **Lispro:** insulin lispro; **BC Combo:** BC insulin glargine insulin lispro; **M1:** A21G human insulin; **Pram:** pramlintide; **Glu:** Glucagon; **Exe:** exenatide

1.2.2.1. Diabetes

- Epidemiology

Diabetes is a chronic disease that regroups Type 1 diabetes and Type 2 diabetes. It is a global public health issue, and the incidence rate continues to increase. The International Diabetes Federation[3] estimates that between 2021 and 2045, the number of people with diabetes in the world is projected to grow by almost 46% (among the population aged 20 to 79), increasing from 537 million to 783 million people affected. While Europe (+ 13%) and North America (+ 24%) should experience growth rates below the world average, albeit high, emerging countries will no doubt have to face a sharp increase in number of people with diabetes. For example, the prevalence of diabetes in Africa is estimated to increase by 134% by 2045.

It should also be noted that in 2021, 1 in 2 adults living with diabetes is undiagnosed (240 million people).

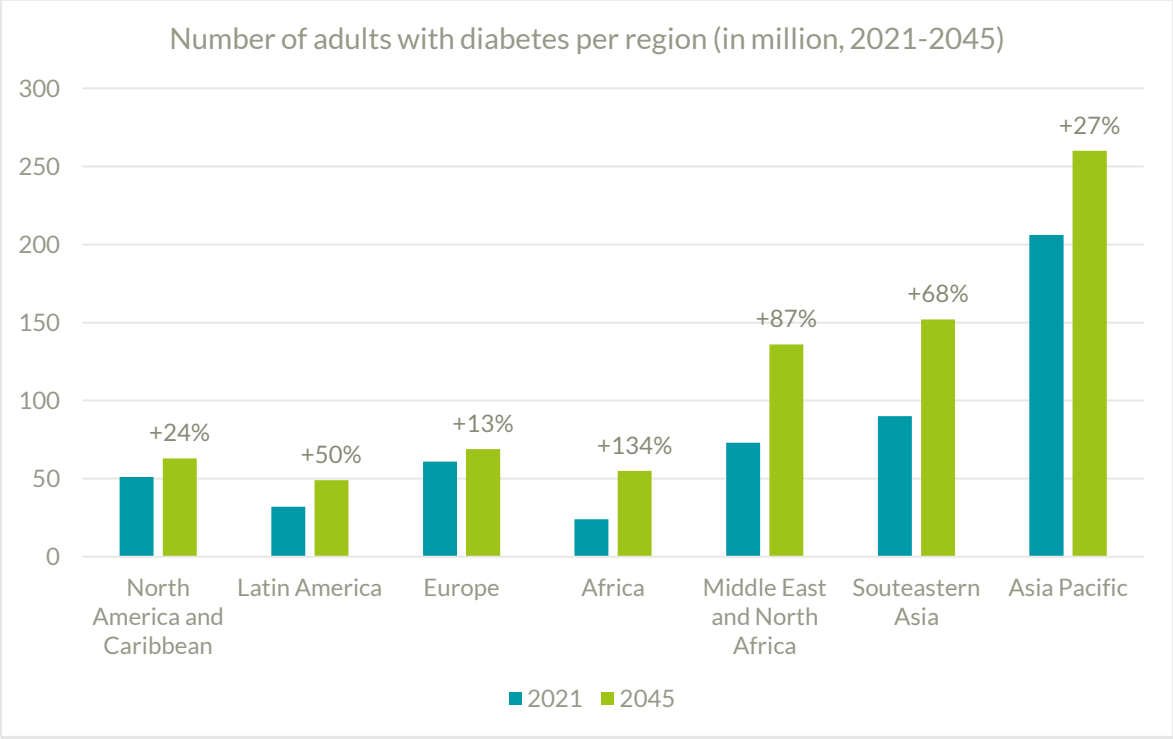


Figure 1 : Estimates of the number of people with diabetes (in millions) among people aged between 20 and 79 years worldwide in 2021 and forecasts for 2045. The percentages show growth rates from 2021 to 2045 per region. Source: International Diabetes Federation, 10th edition 2021

- Disease and complications

Diabetes is a chronic disease where the patient experiences high levels of sugar in the blood (hyperglycemia) due to a deficiency or total lack of insulin. Insulin is a hormone produced by the pancreas.

[3] Diabetes Atlas 10th edition (2021), Fédération Internationale du Diabète

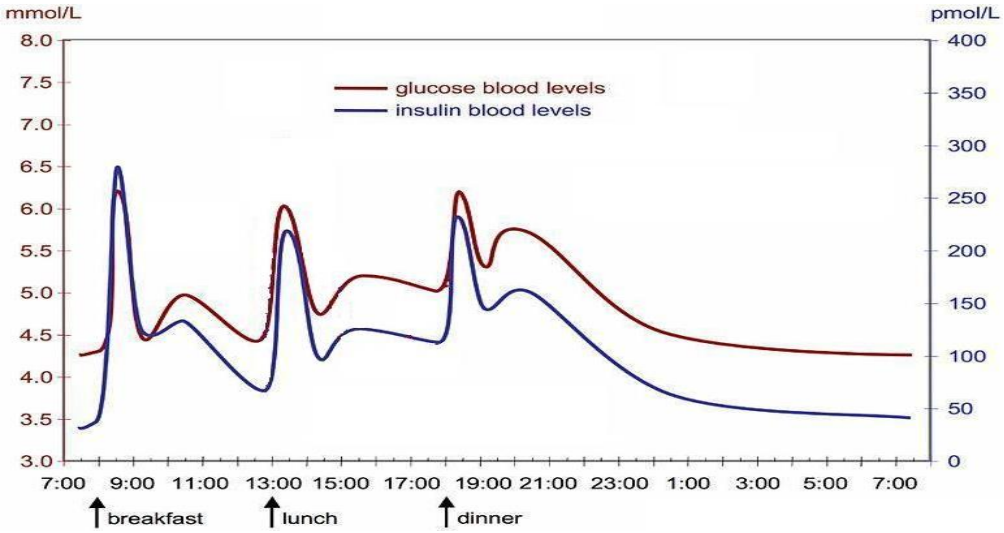


Figure 2 : Schematic representation of daily glycemic (red line) and insulin secretion (blue line) patterns in a person without diabetes

Insulin plays a major role in the control of glycemia by enabling the circulating glucose to enter in the cells. In a subject without diabetes, the surge of glycemia following a meal is immediately counteracted with a rapid increase of endogenous insulin concentration in the blood. This enables the circulated blood glucose to be taken up by the cells and consequently helps to maintain the glycemia level. The control of glycemia is considered ideal when blood glucose stays between 4.4 mmol/L (0.80 g/L) and 7 mmol/L (1.4 g/L).

However, if the blood glucose concentration goes under 0.80 g/L, the subject enters a hypoglycemic state, which is hazardous, and could potentially be lethal.

When this concentration goes over 1.4 g/L, the patient enters a hyperglycemic state which can lead to short-term ketoacidosis. Chronic exposure to hyperglycemic states could results in long-term microvascular and macrovascular complications, which are a major cause of blindness, kidney failure, heart attacks, strokes, and lower limb amputation.

In people with diabetes, glucose regulation is impaired, which implies recurrent exposure to both hyperglycemic and hypoglycemia risk.

In 2021, an estimated 6.7 million deaths were attributable to diabetes, which is equivalent to one death every five seconds[4].

Complications of diabetes

In the long term, diabetes can damage the heart, blood vessels, eyes, kidneys, and nerves[5,6]:

- Cardiovascular complications are the main cause of mortality in patients with Type 2 diabetes. For those patients, cardiovascular morbidity and mortality are multiplied by a factor of 2 to 3 in men and 4 to 5 in women;
- About 20% of cerebrovascular accidents (stroke) occur in people with diabetes;
- Kidney failure is responsible for the death of 10–20% of people with diabetes;
- Diabetic retinopathy is a significant cause of blindness resulting from the accumulation of damages in the retina small vessels. After approximately 15 years, 2% of people with diabetes will lose their sight and about 10% will have a serious visual impairment;
- Diabetic neuropathy is nerve damage caused by diabetes; up to 50% of people with diabetes experience it. Common symptoms are tingling, pain, numbness or weakness in the feet and hands. Neuropathy,

[4] Diabetes Atlas 10th edition (2021), Fédération Internationale du Diabète

[5] Diabetology Department, Prof. Altman, Georges Pompidou European Hospital (http://www.hegp.fr/diabeto/causetype1.html)

[6] DTTC study, NEJM, 1993, 329(14); EDIC study NEJM, 2005, 353(25)

associated with poor blood circulation, increases the risk of venous ulcers and foot ulcers, which may lead to amputation;

- Diabetes has also been associated with increased risks of neurological pathologies:
  - 21% of people with Type 1 diabetes and 27% of those with Type 2 diabetes have depressive symptoms[7];
  - 70% of people with Type 2 diabetes will develop cognitive decline[8] in their lifetime, which can lead to Alzheimer's disease. Alzheimer's disease is sometimes referred to as "Type 3 diabetes" in connection with the growing body of data implicating a metabolic brain disorder with this disease. Type 1 diabetes has also been associated with a 73%[9] increased risk of developing dementia.
- The overall risk of death is at least twice as high in people with diabetes.

Different types of diabetes

Type 1 diabetes is a disease caused by an autoimmune reaction. Although most often developed in young people, the pathology can occur at any age. Type 1 diabetes has been estimated to affect 5 to 10% of people with diabetes[10]. A person with Type 1 diabetes makes antibodies which attack the beta cells of the islets of Langerhans, located in the pancreas. These cells are responsible for the production of the insulin. When a large majority of beta cells are destroyed (about 90%), treatment with insulin becomes unavoidable. Type 1 diabetes cannot be considered a 'genetic disease'. In 90% of new cases there is no parental history of Type 1 diabetes and the risk of developing Type 1 diabetes if one of the two parents has it is lower than 2–3%[11].

Type 2 diabetes is characterized primarily by resistance of cells to insulin, i.e., “insulin resistance”. Type 2 diabetes has been estimated to affect 90% of people with diabetes[12]. Type 2 diabetes is a progressive disease: insulin resistance begins with excessive insulin production, which degrades the islets of Langerhans. Once this degradation is initiated, the amount of insulin being produced decreases. Type 2 diabetes is considered asymptomatic and is only discovered when measuring blood glucose levels (glycemia). It is estimated that the majority of patients have already lost half of their beta cells at the time of diagnosis. Genetic predisposition is a predominant factor and being overweight is an aggravating cause of Type 2 diabetes.

Other forms of diabetes, called secondary forms (owing to the fact they are a consequence of other disorders or pathologies) do exist although their prevalence is marginal: genetic insulin secretion defects, genetic insulin sensitivity defects, diabetes due to pancreatitis or pancreatic cancer, drug-induced diabetes, etc. Pregnancy can also cause diabetes which, even if it disappears after childbirth, can nonetheless be a precursor to Type 2 diabetes.

A complex hormonal disorder

Although insulin is a life-saving treatment for people with Type 1 diabetes, as insulin triggers the metabolization of ingested glucose, the reality of hormonal deregulations due to diabetes is more complex than a simple lack of insulin.

Indeed, in a person who does not have diabetes, glycemia is regulated by a multitude of metabolic hormones, including insulin, acting in synergy to keep glycemia levels within a very precise range.

7 De Groot et al, Am Psychol 2016 ; Roy et al J Aff Dis 2012
8 Ott et al, Neurology 1999
9 Roriz-Filho et al, Biochim Biophys Acra 2009
10 Business Insights - The Diabetes Market Outlook to 2016–May 2011
11 Diabetology Department, Prof. Altman, Georges Pompidou European Hospital (http://www.hegp.fr/diabeto/causetype1.html)
12 Business Insights - The Diabetes Market Outlook to 2016–May 2011

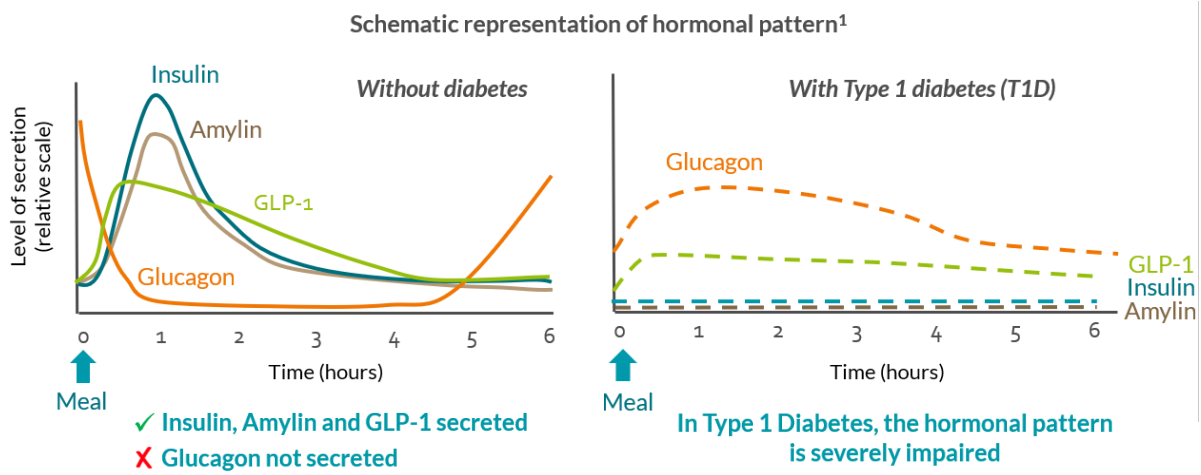


Figure 3: Schematic representation of the secretion pattern of 4 key metabolic hormones around mealtime: insulin, amylin, GLP-1 and glucagon. Source: Adocia, adapted from Toff-Neilsen et al., J. Clin Endocrinol Metab 2001;86:3717-3723; Cummings DE et al., Diabetes 2001;50:1714-1719; Aronoff SL et al., Diabetes Spectrum 2004; 17(3): 183–190

In particular, four hormones play a key role in controlling glycemia: insulin, amylin and GLP-1 are hypoglycemic agents, while glucagon is a hyperglycemic agent (cf. figure 3)

- **Insulin and amylin** act in synergy. Insulin and amylin are co-secreted by beta cells in the pancreas, at a 'basal' rate between meals and at a higher level, 'prandial' rate, during food consumption. Insulin promotes uptake of sugar from the blood by signaling on the liver, muscles, and adipose tissues to absorb glucose. Amylin works by suppressing the secretion of glucagon in the pancreas, by promoting a sensation of satiety in the brain and by slowing gastric emptying.
- **GLP-1** ("Glucagon-Like Peptide-1") also works in synergy with insulin and amylin. GLP-1 is mainly produced in the intestines following a meal. It has several effects which contribute to slowing the rate at which glucose enters the bloodstream. Firstly, via receptors in the pancreas, GLP-1 stimulates the secretion of insulin and suppresses the secretion of glucagon. Secondly, by affecting the central and peripheral nervous system, GLP-1 slows gastric emptying and induces a feeling of satiety.
- **Glucagon**, produced by alpha cells in the pancreas, is a hyperglycemic agent; it promotes the release of glucose from the muscles and liver into the bloodstream. This is particularly useful between meals and during periods of exertion (physical or mental).

Combined, these four hormones keep glycemia levels within a very precise range, avoiding hypoglycemia, which can be immediately debilitating or even fatal if severe, and hyperglycemia, responsible for severe long-term complications[13].

In each of these four classes, at least one compound has been approved by the FDA.

- Insulins:
  - Prandial insulins (short acting hormones, for mealtime usage):
    - Recombinant human insulin (also named « rHI »): Humulin®, Eli Lilly; Novolin®, Novo Nordisk; Insuman®, Sanofi
    - Rapid insulin analogs: insulin lispro (Humalog®, Eli Lilly; or Admelog®, Sanofi), insulin aspart (Novolog/NovoRapid®, Novo Nordisk); insulin glulisine (Apidra®, Sanofi)
    - Ultra-rapid insulin analogs: insulin lispro-aabc (Lyumjev®), insulin aspart (Fiasp®)
  - Basal (long acting hormones, to control fasting glycemia): insulin glargine (Lantus® and Toujeo®, Sanofi; Abasaglar®, Lilly); insulin detemir (Levemir®, Novo Nordisk); insulin degludec (Tresiba®, Novo Nordisk)

[13] D. Nathan et al, Diabetes Care 2014 Jan; 37(1): 9-16 (overview of the Diabetes Control and Complications Trial)

- Premix (insuring both prandial and basal regulation): Humalog Mix®, Eli Lilly, NovoMix®/Novolog Mix®, Novo Nordisk…

- Amylin analog: pramlintide (Symlin®, AstraZeneca);
- GLP-1 receptor agonists: exenatide (Byetta®, AstraZeneca), lixisenatide (Lyxumia®, Sanofi)[14]
- Human glucagon (Glucagon® and Baqsimi®, Eli Lilly, and Glucagen®, Novo Nordisk)

In people with Type 1 diabetes, this physiological hormonal regulation is severely impaired (see figure 3): not only does the destruction of pancreatic beta cells lead to the lack of insulin and amylin secretion, GLP-1 secretion by intestinal cells is also reduced. In the absence of glucagon suppressants i.e., GLP-1 and amylin, glucose is abnormally secreted at mealtimes.

Therefore, prandial hyperglycemia is potentially caused by three factors: 1) glucagon secretion, which leads to the release of sugars even before the person starts eating; 2) faster gastric emptying resulting in a massive surge of glucose; 3) the absence of insulin, which prevents the uptake of endogenous and exogenous sugars. This in part might explain why prandial insulin injection alone is not enough to completely control post-prandial hyperglycemia in insulin dependent diabetes patients.

1.2.2.2. Diabetes treatment and insulin-therapy

Diabetes is a global pandemic affecting 537 million people in 2021. The diabetic population continues to grow at a significant rate, mainly due to changing lifestyles (urbanization, increased sedentary behavior, and diets higher in fat and sugars) for many populations throughout the world. Historically, the injectable diabetes treatment market has been dominated by three major players: Eli Lilly, Novo Nordisk and Sanofi, with all three initially focusing on insulin and, more recently, on GLP-1s. However, the dominance of these three players may well come to change under the influence of several major trends, including the personalization of treatment and commoditization.

According to Novo Nordisk, the global market for diabetes treatment with injectable products (insulins, GLP-1 receptor analogs, glucagon) grew by 18.1% per year between 2008 and 2018, accounting for $29 billion[15], i.e., more than 50% of the total market for antidiabetic medications.

The dominance of insulin in this injectable market compared to other drug classes, is explained simply by the fact that insulin is necessary for the survival of patients with Type 1 diabetes. Type 2 diabetes patients will ultimately rely on insulin therapies as well.

It is important to remember that treatment differs for Type 1 and Type 2 diabetes. In Type 1 diabetes, treatment with insulin is unavoidable, as pancreatic beta cells are destroyed and there is no more production of insulin. The treatment should cover both the regulation of continuous glycemia due to hepatic glycogenesis between meals (basal glucose) and the regulation of post-prandial glycemia. This is achieved by two types of products: the so-called 'basal' or 'long-acting' insulins, injected once or twice per day, and the so-called 'rapid-acting', 'mealtime' or 'prandial' insulins, injected with every meal.

In order to simplify administration schemes, a third type of product, called 'premix', injected twice a day, provide both prandial and basal regulation. The premixes are based on a mealtime insulin, part of which is made slower by a co-precipitation with protamine. However, premixes are a sub-optimal solution to using basal insulin (which lasts longer) and mealtime insulin (which works faster) separately.

The year 2021 marked a century since the discovery of insulin by McLeod, Banting and Best. And it was on January 23, 1922, that 14-year-old Leonard Thompson was the first patient to receive insulin[16]. Historically, purified animal insulin was used as the first insulin-therapy, followed in the 1980's by human recombinant. Since the end of 1990's, modified insulin analogs were developed to either accelerate the prandial action (insulin lispro, aspart or glulisine), or to lengthen the basal action (insulin glargine, detemir or degludec). Premixed insulins made from human recombinant insulin and insulin analogs have also been developed.

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[14] Among the GLP-1 receptor analogs, there are also long-acting products, whose action is pharmacologic but not physiological, in particular Ozempic® (Semaglutide, Novo Nordisk, weekly injection) Victoza® (liraglutide, Novo Nordisk, daily injection), Trulicity® (dulaglutide, Eli Lilly, weekly injection), Bydureon® (long-acting exenatide formulation, AstraZeneca, weekly injection), and Tanzeum® (abliglutide, GlaxoSmithKline, weekly injection).

[15] Estimations from annual reports. On the diagram below, this market is valued at $49 billion dollars according to IMS data, reported by Novo Nordisk, a figure that does not take into account discounts granted to payers.

[16] https://insulin100.utoronto.ca/

In people with Type 2 diabetes, disease progression is accompanied by treatment intensification: initially patients receive an oral antidiabetic and then move on to GLP-1 receptor analogs (that promote the secretion of insulin) and subsequently insulins (basal at first, then basal and prandial or premix) as the disease progresses.

1.2.2.3. The injectable diabetes treatment market: challenges and trends.

Despite the multitude of treatment options for people with Type 1 and Type 2 diabetes, there is still significant unmet medical needs in the area.

- **Trend #1: Decrease morbidity and mortality with new criteria for glycemic control**

It has been demonstrated that improving glycemic control can help limit the disease's short- and long-term consequences[17]. Generally, there is a strong trend in the endocrinologist community to start evaluating new treatments on other criteria than glycated hemoglobin (HbA_{1c}) alone, which only reflects the average glycemia over 3 months.

For instance, it has been proposed[18] to pay closer attention to:

- The "Time-In-Range" (TIR): defined as the time spent in a specific glycemic range set between 70-140mg/mL. The notion of time in range permits a more precise representation of the glycemic variations that patients endure and that have an impact on their quality of life;
- The risk of hypoglycemia (the definition of which has recently been revised by several scientific societies): hypoglycemia is a major risk for patients treated for diabetes and can lead to permanent brain damage and death;
- Long-term benefits of certain drugs: for instance, cardiovascular benefits observed with new classes such as GLP-1 receptor agonists and SGLT-2 inhibitors.

In general, there is also a trend toward actively engaging the patient, in order to avoid treatment misuse or discontinuation. The American Diabetes Association's guidelines (ADA), published in January 2022, are also recommending a patient-centered approach, recommending the use of Continuous Glucose Monitoring (CGM) devices to gain better insights on the glycemic management[19].

- **Trend #2: Integrate drug therapies and technologies**

The focus given to specific indicators of glycemic variability has been possible with the rapid evolution of technology: development of increasingly accurate continuous blood glucose monitoring (CGM) devices, ability to use Big Data to address patient behavior, development of decision support algorithms (eg. Sanofi 's IBG Star) or control pumps (eg. BetaBionics), etc. Recently, companies such as Eli Lilly and BigFoot entered in collaboration with medtech companies (like Dexcom) to develop complete solutions (also known as "artificial pancreas" or "closed-loop systems"). This includes a CGM system, an insulin pump and an algorithm that automatically takes into account blood glucose levels and injects the appropriate dose of insulin. Similar systems using "smart" pens are also under development.

More recently, the various major players in insulin treatment have partnered with big data companies to develop new diabetes monitoring and management solutions (Medtronic-IBM Watson partnerships, Novo Nordisk-Glooko ...). The development of these new solutions could have a significant impact on the market in the years to come.

- **Trend # 3: Market commoditization**

At the same time, the diabetes market is becoming more commoditized, given the combined effect of the approval of the first biosimilars and the pressure on healthcare systems to constrain rapidly increasing costs. Within the field of insulin, the first "me-too" of glargine, a basal insulin (Basaglar®, Eli Lilly) has been introduced to the European (2015) and American (2016) markets, a few years after similar products were introduced to the Chinese (Basalin®, Gan & Lee) and Indian (Basalog®, Biocon) markets. In July 2021, Semglee® (glargine, Mylan/Viatris/Biocon, 2020) was the first-ever insulin biosimilar substitutable at pharmacy level, for Lantus®[20]. In November 2022, Rezvoglar® (Eli Lilly) was

[17] DTTC, NEJM study, 1993, 329(14); EDIC NEJM study, 2005, 353(25)

[18] Travaux de consensus de l'ADA (American Diabetes Association) et de l'EASD (European Association for the study of diabetes). Travaux de l'EMA (European Medical Agency), interventions d'associations comme le JDRF (Juvenile Diabetes Research Foundation) ou DiaTribe

[19] Glycemic Targets: Standards of Medical Care in Diabetes—2022 Diabetes Care 2022;45(Suppl. 1):S83–S96

[20] https://www.fda.gov/news-events/press-announcements/fda-approves-first-interchangeable-biosimilar-insulin-product-treatment-diabetes

also granted interchangeable status. This product, approved since July 2021, has still not been launched, possibly pending interchangeability status. According to the FDA, biosimilars have generally been launched with listed prices 15-35% lower than reference products[21]. Over the year 2022 (Q3 2021 to Q3 2022), "traditional" basal insulins were down -6% in value.

In April 2018, Sanofi also launched to the US market the first FDA-approved insulin lispro biosimilar, Admelog®. Moreover, in 2018, Sandoz and Gan & Lee signed a partnership to develop and commercialize biosimilars of insulins glargine, aspart and lispro in multiple markets, including the US and Europe. At a regional level, one should also mention TUL, Fosun WangBang and Tonghua Dongbao Pharmaceuticals Co. Ltd in China, or Biocon and Wockhardt in India. In the GLP-1 field, Teva and Sandoz are developing biosimilars of liraglutide (Victoza®, Novo Nordisk), whose patent is due to fall into the public domain in 2023.

The commoditization of these markets have begun to have a downward impact on historical product revenues, but is also pushing for innovation, in order to develop products exempt from the biosimilars competition. For example, Novo Nordisk and Eli Lilly, world leaders in prandial insulins with Novolog® and Humalog®, developed two ultra-rapid acting insulins, Fiasp® (approved in 2018) and Lyumjev® (approved in 2020). Similarly, Novo Nordisk and Sanofi have developed a new generation of basal insulins, Degludec® and Toujeo®, which outperform the historic products Lantus® and Detemir®.

By innovating from already approved products, Adocia responds to these trends in the diabetes market and develops new generations of more efficient treatments, compatible with new technologies and protected by intellectual property (via formulation, BioChaperone®, etc.).

1.2.2.4. Obesity and its treatment

The World Health Organization (WHO) estimates that there were 650 million obese adults in the world in 2016, or 13% of the world's population. This number has nearly tripled since 1975 and continues to grow[22]. The obesity rate varies from one country to the next one. Amongst the most impacted, we can highlight the USA with 42.2% of adults suffering from obesity (and 65% overweight) and China, where more than half of the population (50.7%) is overweight or obese[23]. Obesity can lead to at least sixty other pathologies, including diabetes, cardiovascular disease, NASH... The Milken Institute has estimated the direct and indirect health care costs of obesity at $1.72 trillion per year for the US alone.

Today, 70% of Americans suffering from obesity are trying to lose weight[24]. However, only 2% of those patients use prescription medicines.

This percentage can be explained by the small number of drugs available, due to its at times limited efficacy and information regarding the effects over a long period of time. These treatments, oral or injected subcutaneously, allow a rapid loss of 3 to 10% of body mass, but this loss is rarely stabilized in the long term. Moreover, some of these treatments are associated with side effects (nausea, cardiac risk, diarrhea...). Finally, obesity has only recently been considered a serious chronic disease. It is now recognized that obesity is not only a matter of the patient's will, but has a multifactorial origin, including genetics, biology, cultural and socio-economic environment... To accompany the launch of Wegovy® (semaglutide 2.4mg) in June 2021, Novo Nordisk has undertaken a strong advocacy work to change the mentalities and the policies of obesity management[25].

Mechanisms of action include a decrease of the energy intake (via modulation of the food bolus, limitation of nutrients absorption, etc.), or an increase in energy expenditure.

Interestingly, many of the hormones involved in weight control are also involved in blood glucose regulation. Amylin, glucagon, GLP-1 receptor agonists, etc., thus play a role both at the peripheral and central nervous system levels.

[21] CloseConcerns knowledgebase

[22] Principaux faits sur l'obésité et le surpoids, OMS, octobre 2017

[23] The Lancet, Obesity in China, May 24. 2021. https://doi.org/10.1016/S2213-8587(21)00150-9

[24] Mechanisms of Weight Regain following Weight Loss, E. S. Blomain et al., https://doi.org/10.1155/2013/

[25] https://www.itsbiggerthan.com/

These two pathologies, diabetes and obesity, are thus intimately linked and can be both cause and consequence of each other. In the USA, 65% of adults with type 1 diabetes[26] and 85% of type 2[27] are overweight or obese.
Recent studies have shown that a multi-hormonal approach, targeting several metabolic hormone receptors, could increase energy expenditure, promote significant weight loss and improve blood glucose control in obese people[28]. Based on these results, several companies have initiated the development of multi-agonists (e.g. tirzepatide, Eli Lilly's GIP/GLP-1 receptor co-agonist; IBI362, Zealand's Glucagon/GLP-1 receptor co-agonist, etc) or multi-hormonal combinations (e.g. semaglutide-cagrilintide, Novo Nordisk's amylin analog and GLP-1 RA combination).

Adocia, because of its knowledge of metabolic hormones, has naturally extended its formulation expertise to the treatment of obesity.

1

1.2.3. A diversified pipeline of specialty products

1.2.3.1. BioChaperone Lispro U100 and U200

- Ultra-rapid insulins for more efficacy

Ultra-rapid insulin is an insulin that has an increased rapid absorption profile compared to rapid-acting insulin analogs currently on the market. Currently marketed insulin analogs must be injected 5–15 minutes before meals, whilst human recombinant insulin must be injected 30 minutes before. This is in contrast to what happens in a non-diabetic person, for whom insulin secretion is immediate and proportionate to the meal, in order to limit glycemic excursion and its long-term effects. To mimic this 'physiologic' action profile, injected prandial insulins should ideally start acting very rapidly and for a duration limited to a few hours (to avoid a shift between insulin on-board and actual glycemia). In the long-term, chronic hyperglycemia is correlated to serious complications.

A mealtime injection, or right-after-mealtime, would enable patients to better determine the appropriate insulin dose because the exact contents of their meal would be known. This would also avoid overdosing or delayed dosing, which can lead to hypoglycemia or hyperglycemia respectively, which both have severe short and long-term consequences. This would give patients some flexibility in terms of the time of injection, which is important in day-to-day life.

To respond to this need, **Adocia has developed two ultra-rapid insulin lispro formulations**: BioChaperone® Lispro U100 (standard insulin concentration: 100 Insulin Units/mL) and BioChaperone® Lispro U200 (twice as concentrated solution, i.e., 200 IU/mL). These two products could offer a significant medical benefit to all users of prandial insulin. They may be of particular importance for specific populations of people with Type 1 or Type 2 diabetes:

- **Children**: it is particularly difficult to predict exactly when a child will eat and in what quantities. To avoid the risk of severe hypoglycemia, parents tend to inject insulin in their children with diabetes at mealtimes or after meals, which, together with prandial insulins currently on the market, can result in hyperglycemia.
- **Insulin pump users**: the development of ultra-rapid insulin is a key element to facilitate the development of fully-automated insulin pumps (also called an 'artificial pancreas', 'closed-loop systems' or 'automated insulin delivery systems') that deliver insulin automatically, in real time, depending on the patient's blood glucose levels. Concentrated ultra-rapid insulin may also facilitate the miniaturization of devices and/or increase autonomy between refills.
- **People with high insulin requirements:** BC Lispro U200, an ultra-rapid concentrated insulin, could improve blood glucose control in these people, while limiting the volume of each injection, and therefore the local pain felt afterwards. It also allows to reduce the disposable use – one pen or catheter lasting twice as long.

[26] Conway et al, Diabetes Med 2010 April; 27(4):398-404. BMI>25, Data for 2004-2007 period

[27] Epidemiology of Obesity and Diabetes and Their Cardiovascular Complications

[28] Cegla G. et al, Diabetes 2014;63:3711–3720; Henderson SJ. et al, Diabetes, Obesity and Metabolism 2016; 18: 1176–1190; Evers A. et al, J Med Chem. 2017 May 25;60(10):4293-4303

▪ Partnership on BC Lispro U100 & U200

BioChaperone® Lispro program was previously licensed on two different occasions to the American company Eli Lilly (2011 and 2014), then was terminated by Eli Lilly in January 2017 (see partnership details on Chapter 1.2.4.4).

In April 2018, the program was licensed to the Chinese company Tonghua Dongbao for China and other Asian and Middle Eastern territories (see details of the partnership in Chapter 1.2.4.4). Development continues with this partner and, in 2022, a key milestone was reached with the launch of a large Phase 3 program.

▪ Results obtained with BC Lispro U100 & U200

To date, BioChaperone® Lispro has been successfully tested in 10 clinical trials, involving more than 380 people with Type 1 or Type 2 diabetes. BioChaperone® Lispro has confirmed its ultra-fast profile compared to the reference prandial insulins lispro and aspart, both injected by syringe or pump. BC Lispro also showed superiority over Fiasp® on certain pharmacokinetic and pharmacodynamic parameters.

Only the results of the latest studies are reported in this document. All detailed results can be found in Adocia's prior Universal Registration Documents.

Previous clinical studies

- Phase 2a:
  - First Pharmacokinetic and pharmacodynamic study in people with Type 1 diabetes (n=36) - vs. Humalog U100
  - Second pharmacokinetic and pharmacodynamic dose-response study in people with Type 1 diabetes (n=37)
  - Study of the response to a standardized meal in people with Type 1 diabetes (n=38) vs. Humalog

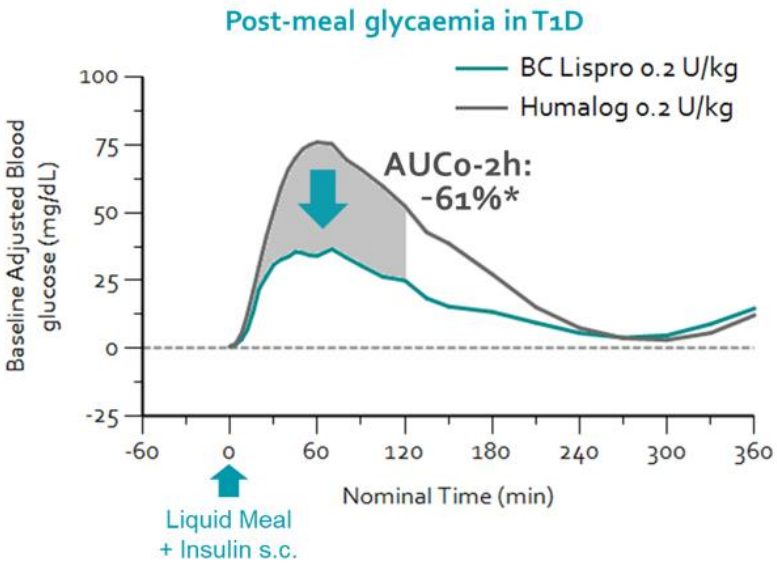

Figure 4: Comparison of the effect on postprandial glycemia of BioChaperone Lispro U100 vs. Humalog U100 in 38 people with type 1 diabetes. Glycemia is measured for six hours after injecting the treatment at the time of consuming a standardized liquid meal.

- Phase 1b clinical results
  - Study evaluating the potential for bioequivalence of the BioChaperone® Lispro U200 formulation compared to BioChaperone® Lispro U100, based on their pharmacokinetic and pharmacodynamics profiles in healthy volunteers (n= 26)

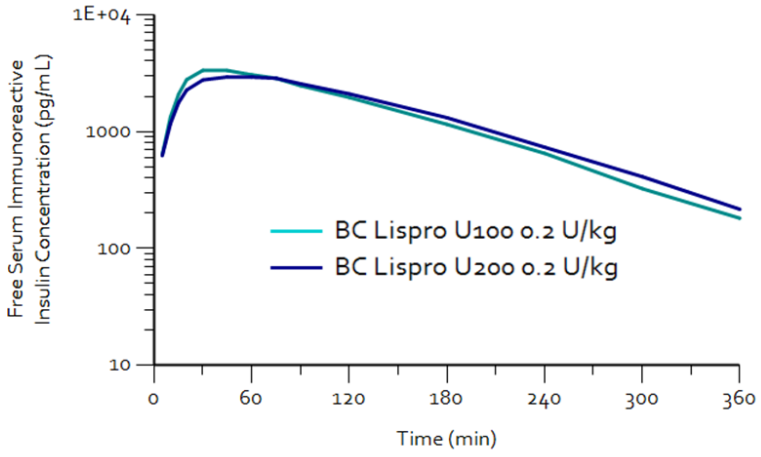

Figure 5: Mean pharmacokinetic profiles (variation in insulin level in the blood) of BioChaperone Lispro U100 (light blue curve) and BioChaperone Lispro U200 (dark blue curve) obtained from 26 healthy volunteers.

- Repeated administration of BioChaperone Lispro U100 in people with Type 1 diabetes (n= 36)
- Repeated administration of BioChaperone Lispro U100 in people with Type 2 diabetes (n=51) – vs. Humalog®
- Evaluation of BioChaperone Lispro U100 in people with Type 1 diabetes using an insulin pump vs. Humalog® (n=44)
- Evaluation of BioChaperone Lispro U100 in people with Type 1 diabetes using an insulin pump vs. Fiasp® and Novolog® (n=42)
- Positive clinical results confirming the ultra-rapid profile of BC Lispro including insulin from its partner Tonghua Dongbao
- Pharmacology study comparing BioChaperone® Lispro including insulin lispro from its partner Tonghua Dongbao to insulin lispro from Humalog® (Eli Lilly) (n= 30)

- Phase 1:
  - Evaluation of BioChaperone Lispro U100 in healthy Japanese subjects (n=15)

2022 development

In 2022, the development of BioChaperone® Lispro reached an important milestone with the start of a Phase 3 program in China led by Tonghua Dongbao. Initiated in May, this large-scale program will involve 1,300 people with Type 1 or Type 2 diabetes at 100 clinical research centers in China. The objective of this program is to demonstrate the safety and efficacity of BC Lispro in comparison with the standard of care (Humalog®).

This development milestone triggered a $5 million payment from Tonghua Dongbao to Adocia.

In parallel to this Phase 3 program, Tonghua Dongbao had launched a Phase 1 study on BioChaperone® Lispro in China at the end of 2021 to evaluate the pharmacokinetics and pharmacodynamics of a single dose of BioChaperone® Lispro in Chinese healthy volunteers (n=39). The results obtained at the end of December demonstrated a faster absorption and pharmacodynamic action of BioChaperone® Lispro, manufactured by Tonghua Dongbao, compared to an injection of insulin lispro. In December 2022, Adocia also announced positive results from a Phase 1 study on BioChaperone Lispro with its partner Tonghua Dongbao. The primary endpoint of this study was met, and the results confirmed an accelerated profile of BioChaperone Lispro compared to lispro.

- Next steps

The results of the Phase 3 program, the only remaining clinical activities, will be submitted to the Chinese regulatory authorities by Tonghua Dongbao in order to obtain marketing approval.

In parallel with the activities for the Chinese market, Adocia continues regulatory interactions with the FDA and the EMA, in order to be in a position to rapidly initiate Phase 3 studies in the U.S. and Europe as soon as a partnership will be signed for these territories. The development plan for the Phase 3 studies in Type 1 and Type 2 diabetes has been accepted by the health authorities (FDA End of Phase 2 meeting in March 2022 and EMA Scientific Advice in September 2022).

Adocia has also integrated a pediatric development plan into its clinical program, in order to validate the use of the ultra-rapid insulin BC Lispro in children with diabetes. The initial Pediatric Study Plan (iPSP) received a positive opinion from the FDA in September 2022 and the Pediatric Investigation Plan (PIP) from the EMA in January 2023.

Based on the strong clinical and regulatory track record of BioChaperone® Lispro, Adocia is looking for a new partner to conduct the Phase 3 studies and to commercialize the product in territories not covered by the agreement with THDB, mainly in the U.S., Europe, Japan, Latin America, North Africa and the Middle East.

- Competition

Several companies have sought to develop an ultra-rapid insulin with an action profile close to the physiologic activity of insulin.

To date, only two injectable ultra-rapid insulins are marketed: Fiasp® U100 (Novo Nordisk, 2016 EU, 2017 USA) and Lyumjev® U100 and U200 (Eli Lilly, 2020).

There is also an inhalable formulation of human insulin, Afrezza® (Mannkind, 2014), which has an ultra-fast profile. However, given these limitations in use, Afrezza is therefore not considered a direct competitor.

Currently in development by Arecor, the ultra-fast insulin AT-247 is in Phase 1 on-pump, and Phase 1 results of AT-278, an ultra-fast, ultra-concentrated insulin aspart formulation (U500), have just been published[29].

Thermalin is also working on the subject of ultra-fast, thermostable and ultra-concentrated insulins (U500) for patch pump applications in particular. In August 2019, Thermalin announced the selection of T-1123 as a clinical candidate for trials in Type 1 and Type 2 patients[30].

BC Lispro is currently in Phase 3, making it the most advanced clinical program on an ultra-rapid insulin. BC Lispro also offers significant competitive advantages, with an improved pharmacodynamic profile, good local tolerance, and a full concentration range (U100 and U200).

1.2.3.2. BioChaperone Combo

- A safer alternative to premixed insulin for treatment intensification in people with diabetes

Diabetes is a progressive disease requiring progressive treatment intensification. Today, 50% of patients on basal insulin do not meet their glycemic control targets[31].

To improve glycemic control, the patient may be recommended to add a prandial component to their treatment regimen. This can be achieved via the addition of prandial insulin to the basal insulin, or by replacing basal insulin with premixed insulin. Premixed insulin is a fixed-dose combination of a soluble fraction and a precipitated fraction of the rapid-acting prandial insulin analog. It is usually injected twice per day. It is thus an easier regimen than multiple insulin injections: one product only, twice per day at a fixed ratio (rather than two products, four times per day at variable doses).

Thank to this simple administration scheme, premixed insulins are therefore particularly recommended for elderly patients. They are also widely used in emerging countries due to an overall lower cost.

[29] Pharmacokinetics and Pharmacodynamics of a Novel U500 Insulin Aspart Formulation: A Randomized, Double-Blind, Crossover Study in People With Type 1 Diabetes, Eva Svehlikova et al. Jan 2023, Diabetes Care

[30] Thermalin Press Release, August 6, 2019

[31] Sanofi communication – Q3 2015 presentation

However, these products have several disadvantages, in particular:

- **A delayed prandial action** compared to their benchmark insulin (human or analog). This delay leads to reduced postprandial glycemic control and an elevated risk of hypoglycemia linked to an overly slow transition between the prandial and basal effects.
- **An overly slow basal action**, always less than 24h, meaning two injections per day are required.

To meet the medical need for a regimen as simple as that of premixed insulin but as effective as a multiple-injection regimen, Adocia has developed BioChaperone® Combo, a combination of insulin glargine (basal) and insulin lispro (prandial) at a neutral pH. For a longtime, it was technically impossible to combine the gold-standard basal acting insulin, insulin glargine, and a rapid acting insulin into the same product, as they could not be formulated in the same pH range. BioChaperone technology makes it possible to solubilize insulin glargine at a neutral pH and thus make it compatible with any prandial insulin.

By combining a basal insulin and a prandial insulin without changing their individual pharmacodynamic profiles, BioChaperone Combo could advantageously replace premix insulins in populations using them.

Partnership with Tonghua Dongbao Pharmaceuticals Co. Ltd

In April 2018, Adocia granted Tonghua Dongbao Pharmaceuticals Co. Ltd the license for the development and the commercialization of BioChaperone Combo in China and other territories in Asia and Middle East (see details of the partnership in Chapter 1.2.4.4). Since the signature, the partnership has continued according to the plan.

Clinical results obtained with BioChaperone Combo

To date, BioChaperone Combo has been successfully tested in 5 clinical studies in more than 140 people with Type 1 or Type 2 diabetes and has repeatedly shown a faster prandial profile and longer basal action than insulin analog premix (Humalog Mix® 75/25).

The details of the results obtained before can be found in the 2021 Universal Registration Document. Only the results obtained in 2022 are detailed below.

- Phase 1b:
  - Pharmacodynamic and pharmacokinetic study in people with Type 1 diabetes (n=20) - vs. Humalog Mix® (insulin lispro premix 75/25, Eli Lilly).
  - Evaluation of the effects of BioChaperone Combo on postprandial glycemic control in people with Type 1 diabetes (n=28) - vs. Humalog Mix® 75/25.

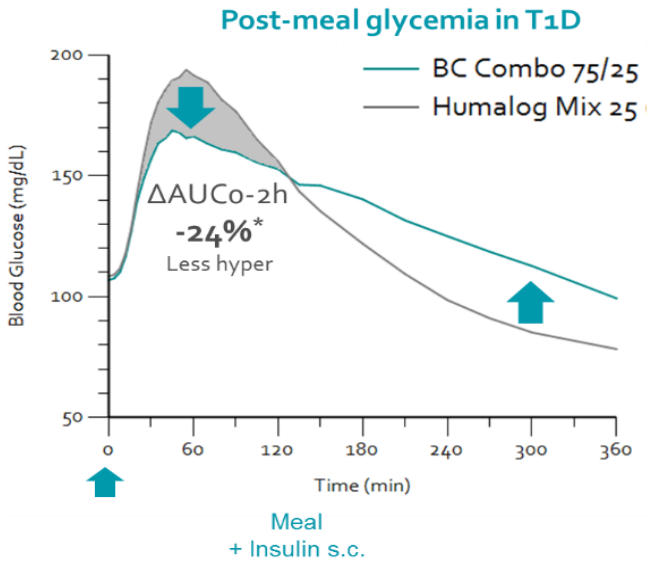

Figure 6: Pharmacodynamic profiles for BioChaperone Combo 75/25 and HumalogMix 25 after a liquid meal obtained from 28 people with type 1 diabetes (NCT#02514954). 1 p=3.10-3.2 p=8.10-3. BioChaperone Combo reduced significantly the postprandial blood glucose levels more than Humalog Mix™75/25 during the first 2 hours (ΔAUCBG(0-2h)). The minimum blood glucose level observed during the period was significantly better controlled. BioChaperone Combo also provides a reduced risk of late hypoglycemia following a meal.

- Pharmacokinetic and pharmacodynamic study of people with Type 2 diabetes comparing BioChaperone Combo to HumalogMix™ 75/25 and to the dual injection of Lantus and Humalog (n=24)

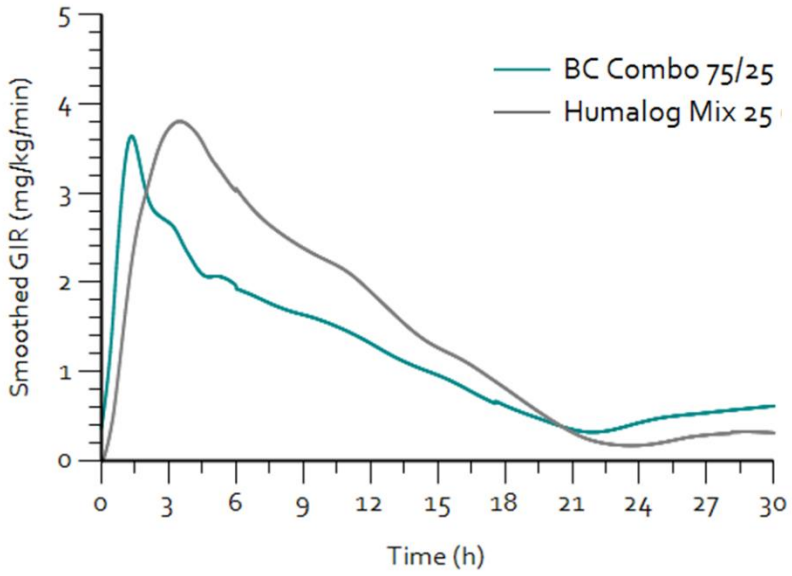

Figure 7: Pharmacodynamic profile (glucose infusion rate) of BioChaperone Combo 75/25 and Humalog Mix 25 for 30 h after injection in 24 subjects with type 2 diabetes under euglycemic clamp conditions (NCT#02514850). In this study, BioChaperone Combo demonstrated a significantly superior early prandial action and a longer metabolic effect compared to HumalogMix™75/25

- Evaluation of the effects of BioChaperone Combo on postprandial glycemic control in people with Type 2 diabetes. (n= 39), vs. Humalog Mix25™ premixed insulin (Eli Lilly), and with separate injections of Lantus (Sanofi) and Humalog (Eli Lilly).
- BioChaperone Combo dose-proportionality study in people with Type 2 diabetes. (n= 32)

In order to register BC Combo in China, Tonghua Dongbao has chosen to rely on Adocia's expertise to conduct part of the clinical development in Europe.

In 2022, three Phase 1 clinical trials were initiated (CT046, CT047 and CT048). These were funded by Tonghua Dongbao and conducted by Adocia in Germany. With the first patient treated in May 2022, preliminary results are expected in the second quarter of 2023.

- CT046 is evaluating the pharmacodynamics of BC Combo compared to Humalog® Mix25 and concurrent injections of Humalog® and Lantus® in Chinese healthy volunteers.
- CT047 evaluates the pharmacodynamic and pharmacokinetic characteristics of BC Combo and Lantus® and Humalog® in subjects with Type 1 diabetes.
- CT048 evaluates the dose linearity and safety of BC Combo in subjects with Type 2 diabetes.

Next steps

The clinical file of BC Combo, completed with the results of these three studies, will be submitted to the Chinese Drug Agency by Tonghua Dongbao in order to obtain an authorization to directly start the pivotal Phase 3 program in China. This would allow for an accelerated clinical program, with the ambition of making BC Combo available to patients as soon as possible.

Competition

Premixed insulins are prandial insulins, with a portion of insulin precipitated with protamine to slow down its effect. These products are considered as direct competitors to BioChaperone Combo. These products include: HumalogMix® (**Eli Lilly**, made from insulin lispro) NovoMix®/NovologMix® (**Novo Nordisk**, made from insulin aspart), in addition to

premixed insulins made from human insulin, which remain widely used in emerging countries (e.g., Humulin® 70/30 for Eli Lilly and Novolin® 70/30 for Novo Nordisk, as well as many locally developed products). The premix market in the USA represents a turnover of 2.2 billion dollars in 2019[32]. It should be noted that in China, 63% of the volume of insulin sold consists of insulin premix. The turnover of Chinese companies in their market is not precisely known and it is observed that the Chinese market is partially underestimated[33].

Novo Nordisk has developed Ryzodeg®, the only other product truly combining a basal insulin (insulin degludec) and a prandial insulin (insulin aspart). Ryzodeg was tested in multiple clinical studies and demonstrated that it is well tolerated in patients with type 1 and type 2 diabetes, and that it can improve glycemic control *vs.* Lantus and reduce the incidence of hypoglycemic episodes *vs.* Novomix. It confirms the expected benefits of a 'true' combo compared to premixed insulin.

BioChaperone Combo, the formulation developed by Adocia combining insulin glargine and lispro, benefits from the large amount of positive data on the safety of insulin glargine and lispro (Lantus® and Humalog®). In 2018, Adocia secured its sourcing of lispro and glargine insulins from Tonghua Dongbao Pharmaceuticals Co. Ltd.

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1.2.3.3. BioChaperone® Glucagon

- An aqueous formulation of human glucagon for the acute and chronic treatment of hypoglycemia

Glucagon is one of the main hormones regulating the metabolism. Its role is schematically the opposite to that of insulin. In a person without diabetes, glucagon is secreted in the event of hypoglycemia or during exertion in order to keep blood glucose at a normal level.

It is worth mentioning that an overdose of insulin can cause hypoglycemia. It is therefore the most feared short-term side effect of patients on insulin therapy.

Severe hypoglycemia is defined by a blood glucose lower than 50-54 mg/dL. Its symptoms may include dizziness, transient cognitive impairment, convulsion and, in the most severe cases, coma and death. Due to those symptoms, treating severe hypoglycemia very often requires the help of a third party. The prevalence of severe hypoglycemia per year is estimated at 34% in people with Type 1 diabetes[34]. Severe hypoglycemia causes more than 300,000 hospitalizations in the United States each year[35].

In the therapeutic field, human glucagon is the only approved treatment for severe hypoglycemia. Unfortunately, human glucagon is very unstable in an aqueous solution and the only commercially available products during the last decades are multi-step emergency (rescue) kits. Composed of lyophilized human glucagon, the kit requires reconstitution prior to injection by following several steps. Recent studies evaluating the ease-of-use of these kits have shown that in 80% of cases, users fail to correctly reconstitute and/or administer the recommended dose[36].

By using proprietary BioChaperone® technology, Adocia is developing a stable aqueous solution of human glucagon. Such a solution could both be used as part of the emergency treatment of hypoglycemia (in a ready-to-use device) and in the context of a dual hormone artificial pancreas (DHAP). In the latter, using glucagon may help to significantly increase the time spent within the targeted glycemic range. Additionally, the joint use of glucagon and insulin may help the development of completely autonomous devices, using algorithms that react automatically to glycemic variations, without the patient intervening. Recently, several research groups (academic and industrial, such as Beta Bionics or Inreda Therapeutics) have developed such "smart" pumps and have clinically demonstrated their potential benefits in comparison to pumps using insulin alone[37], particularly with regards to reduced glycemic variability and the reduced risk of hypoglycemia. However, all these teams are currently limited by the absence of a glucagon solution. Most of the studies had been conducted using lyophilized glucagon reconstituted every day, which would not be acceptable for a daily use, or with developing products which are not yet approved by a regulatory authority. Adocia is also

[32] IQVIA data for 2019

[33] IQVIA data for 2019

[34] Frier Int. Dia. Monitor 2009

[35] CDC reports, 2014

[36] Yale et al. Faster use and fewer failures with needle-free nasal glucagon versus injectable glucagon in severe hypoglycemia rescue: a simulation study. Diabetes Technol Ther. 2017;19;423-432

[37] For example, c.f. El Khatib et al., 77-OR, ADA 76th Scientific Sessions June 10–14th, 2016, USA. et Russell et al, The Lancet (2016) 4(3):233-2

seeking to develop BioChaperone Glucagon for other indications, including congenital hyperinsulinism and chronic hypoglycemia following bariatric surgery.

▪ Clinical results obtained with BioChaperone Glucagon

Phase 1 clinical results – Evaluation of the safety, pharmacokinetics, and pharmacodynamics of BioChaperone Glucagon in patients with Type 1 diabetes (n=24)

In November 2017, Adocia announced positive topline results for BioChaperone Glucagon in this first human study. A subcutaneous injection of 1 mg BioChaperone Glucagon showed acceptable safety and tolerability profiles, validating the primary objective of the study. In all groups, the most common adverse event was nausea, with eight events observed in 25 patients with BioChaperone Glucagon vs. five events in 24 patients with Glucagen® HypoKit®. The median time to reach a clinically risk-free level of blood glucose of 70 mg/dL was 11 minutes for BioChaperone Glucagon and almost 7 minutes for the reconstituted commercial product Glucagen®. All patients achieved hypoglycemic resolution within 35 minutes of injection.

▪ Next steps

Adocia is actively seeking a partner to continue clinical development with a Phase 1/2 study. This study may be the last before the program enters Phase 3 of its clinical development. At the same time, Adocia has identified a high quality and easy to use injection device for BioChaperone Glucagon.

▪ Competition

The product developed by Adocia is an aqueous formulation based on human glucagon, an approved peptide, that has been shown to be safe and effective. This is a de-risked approach, compared to formulations proposed by other competitors based on new peptides (glucagon analogs).

For the treatment of severe hypoglycemia, two categories of products are currently on the market:

The "historical" products to be reconstituted: Glucagon Emergency Kit (Eli Lilly) and GlucaGen® Hypokit® (Novo Nordisk). These are emergency kits requiring real-time reconstitution of lyophilized glucagon and injection with a syringe. The entire operation requires between 7 and 9 steps. In emergency situations, where the patient is unconscious, these devices have proven to be extremely difficult to use by third parties. Response delay can be fatal. Due to the difficulty in using these products, they remain under-prescribed and under-utilized.

Ready-to-use products:

- Baqsimi® (Eli Lilly, 2019): presentation as a single-use nasal spray, a priori easier to use for a naive user. In France, Baqsimi was included in the list of reimbursable drugs in January 2022[38].
- Gvoke® (USA, 2019) / Ogluo® (Europe, 2021), Xeris: liquid formulation of human glucagon, obtained using the organic solvent DMSO. The product is available in HypoPen® autoinjector pen, pre-filled syringe and kit (vial of liquid glucagon and syringe). Two Phase 2 studies in pump are ongoing (for hypoglycemia following bariatric surgery and reduction of exercise-induced hypoglycemia). Xeris also intends to develop this product as a mini-pen for moderate hypoglycemia and as a cartridge for use in pumps (artificial pancreas or other chronic uses).
- Zegalogue® (Zealand Pharma, 2021): liquid formulation of dasiglucagon, a glucagon analog, available in a ready-to-use HypoPal® pre-filled pen. In September 2022, Zealand granted a global license to Novo Nordisk for the development and commercialization of Zegalogue. Dasiglucagon is also being developed for use in pump for the chronic treatment of congenital hyperinsulinism (currently in Phase 3 with an orphan drug designation). In addition, Zealand has established a collaboration with Beta-Bionics for the development of the iLet™ system, a Dual-Hormonal Artificial Pancreas, which is expected to enter Phase 3.
- Hanmi is currently developing a long-acting glucagon analog (HM15136) primarily targeting the treatment of congenital hyperinsulinism and post-bariatric surgery hypoglycemia. Hanmi has received orphan drug designation from the FDA and the EMA for HM15136.

[38] Arrêté du 19 janvier 2022 modifiant la liste des spécialités pharmaceutiques remboursables aux assurés sociaux - JORF n°0020 du 25 janvier 2022

1.2.3.4. AdoShell® Islets: cell therapy, the ultimate goal for people living with diabetes

25 million people with Type 1 diabetes live without β-cells, destroyed by their own immune system. Cell therapy involves administering living cells to patients in order to restore glycemic control.

Since the 1980s, the transplantation of islets of Langerhans from the pancreas of deceased donors has been possible. However, this technique, although approved by the health authorities, is limited to a small patient population because two major problems persist:

- The scarcity of donors
- The lifelong use of immunosuppressive treatments to prevent rejection of transplanted cells by the immune system, causing a significant increase in the risk of infection and certain cancers.

Today, recent advances in cell biology allowing stem cells to be differentiated into cells like β-cells, which will solve the problem of donor shortages and expand treatment to a larger patient population. However, a real challenge remains to overcome regarding the effective implantation of β-cells for the long term.

To address these issues, Adocia has designed an innovative hydrogel matrix capable of maintaining cell activity while protecting them from rejection by the immune system.

▪ *In vitro/In vivo* results and next steps

Adocia has developed a flexible, stable, and biocompatible hydrogel matrix.

The program was initiated with human islets of Langerhans in order to achieve proof of concept of the tolerance and efficacy of an easily transplantable implant. The process proved to be simple, and the transplanted islets are functional and rapidly deliver insulin in response to a glucose stimulus.

On September 7, 2022, Adocia announced a first preclinical proof of concept on AdoShell® Islets for the treatment of Type 1 diabetes by cell therapy. This study consisted of implanting islets from allogeneic rats (Wistar) - encapsulated in AdoShell – into immunocompetent diabetic rats (Lewis). The insulin secreted by the transplanted islets was measured for 132 days with no slowing of secretion observed during the duration of the study.
At the end of the study the graft was removed, which resulted in an observable drop of insulin secretion and rise in blood sugar levels, the animals rapidly returned to its diabetic state. At the same time, the animals in the control group (diabetic rats that did not receive AdoShell Islets) were unable to control their blood sugar levels. Additional ongoing studies in diabetic rats, with the aim to optimize the AdoShell technology, confirm these initial results, producing insulin and normalizing the glycemia in 4 diabetic rats for 80 days (study still on-going). The weight gain of the studied rats - which is also an important clinical indicator of healthy test subjects - shows that the AdoShell Islets are performing as expected. In parallel, the rats in the control group are not gaining weight as expected in diabetic rats.

These results were presented at the upcoming cell therapy session of the PODD 2022 conference held in Boston in October.

▪ Collaboration

A collaboration has been established with Professor Pattou's research team (TRD (Translational Research for Diabetes)/DiabInnov®, Inserm Lille, France), which is internationally recognized in the field of islet transplantation in humans and in preclinical models. Adocia has also surrounded itself with a network of experts in various fields, including the CEED (Centre d'Etudes Européennes pour le Diabète) and the IRCAD (Institut de Recherche contre les Cancers de l'Appareil Digestif) in Strasbourg, the Montpellier University Hospital, the Institut Pierre Gilles de Gennes and the ESPCI.

▪ Next steps

Studies are ongoing on diabetic rats to optimize the AdoShell technology and confirm the initial results over a longer period of time and on a larger number of animals.

At the same time, studies have been initiated in pigs, in order to validate AdoShell Islets in large animals and to build a file for the first-in-human trial preparation planned for 2023.

The program was initiated with human islets of Langerhans. At the same time, Adocia is setting up collaborations with companies developing stem cells, which will help to overcome the limitations associated with the scarcity of donors.

Other pathologies could also benefit from this technology (cancers; heart, muscle and immune system diseases, etc.).

- Competition

While many research teams are focusing on cell biology to obtain β-cells from stem cells, Adocia is focused on developing a matrix capable of accommodating these cells. Other public and private research teams are also working on β-cell encapsulation. To date, around ten programs have been initiated based on various technologies. No company has yet entered Phase 3. Among the most advanced:

Vertex, which acquired **Semma Therapeutic** ($950 million, 2019) and **ViaCyte** ($320 million, 2022), is developing several approaches to limit the immune system response. Two studies are underway with hypo-immune cells, developed in partnership with CRISPR Therapeutics (Phase 1 on VCTX-210[39], Phase 1/2 active on VCTX-211). Phase 1/2 of VX-880 is progressing and results are expected in 2023. Vertex plans to start a trial on VX-264, the cell program associated with a PTFE device, in early 2023.

Sernova is working on different approaches to avoid the immune response: via conformal coating with the University of Miami and via the development of immune-evasive cell lines with AgeX. A PTFE device, the CellPouch®, is designed to facilitate cells survival and retrievibility (in Phase 1/2)[40]. In May 2022, Sernova signed a strategic partnership with Evotec for their iPSCs. Placed within the CellPouch, the goal is to develop a ready-to-use implantable solution, which would likely be tested in clinic trials in 2024-2025[41].

Sigilon Therapeutics is developing a spherical alginate-based matrix (Afibromer™). In 2018, proof of concept was completed in non-human primates and a partnership was signed with Eli Lilly ($63 million upfront payment). The Afibromer technology was suspended by the FDA in November 2021 following the observation of fibrosis in a hemophilia trial[42]. Sigilon has since refocused on diabetes.

Most of these companies focus their research on technologies based on alginate or PTFE (polytetrafluoroethylene). Adocia now proposes an innovative approach with a hydrogel-based matrix.

1.2.3.5. M1 Pram and BC LisPram: multi-hormonal prandial combinations for obesity treatment in people with diabetes under intensive insulin therapy

- Providing high-performance, easy-to-use multi-hormone therapy for overweight and obese people with Type 1 and 2 diabetes, to improve long-term outcomes

Although insulin is a vital treatment for people with Type 1 diabetes, even the best-controlled patients present significant glycemic variations and frequently do not achieve the targets set by their physician. This may result in an increase in the risk of severe complications in the long term, such as cardiovascular disease, retinopathy, renal failure, and neuropathy.

In parallel, more and more people with Type 2, as well as Type 1, are facing problems of overweight and obesity. In the US, 65% of adults with Type 1 diabetes[43] and 85% of those with Type 2 are overweight or obese[44], so much so that the term *Diabesity* is sometimes used to describe this pandemic. It is important to understand that diabetes and obesity are two closely related pathologies, which can be both causes and consequences of each other.

When a patient is treated with insulin, it becomes more difficult for him to control his weight, because of the anabolic action of insulin.

Today, there is a real medical need to cover these two pathologies together, and no currently available treatment is able to meet the need for weight loss for people with diabetes under intensive insulin therapy. Adocia's ambition is to meet this need by developing the M1Pram and BC LisPram combinations.

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[39] ViaCyte, Press Release, 2 février 2022

[40] Press Release - January 10, 2022; The Principal Investigator in Sernova's Type 1 Diabetes (T1D) Trial Confirms Patients with a History of Hypoglycemia Unawareness Are Now Insulin Independent

[41] Evotec-partner Sernova provides update on development of iPSC-derived cell therapy for diabetes, Jan 10, 2023

[42] Sigilon Therapeutics Announces Update on SIG-001 Phase 1/2 Study in Hemophilia A, Nov 29, 2021

[43] Conway et al, Diabetes Med 2010 April; 27(4):398-404. BMI>25, 2004-2007

[44] Epidémiologie de l'Obésité et du Diabète et Leurs Complications Cardiovasculaires

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- **Towards the restoration of the physiological equilibrium**

In people who do not have diabetes, insulin is secreted synchronously and acts in synergy with other hormones, such as amylin and GLP-1, to control glycemia (cf. figure 3). In Type 1 diabetes, ultimately, neither insulin nor amylin are secreted, and GLP-1 secretion is deficient. It is therefore possible that the use of insulin alone cannot address all the metabolic deficiencies related to diabetes.

Pramlintide (Symlin®, AstraZeneca), a rapid-acting amylin analog, was approved in 2005 for the treatment of diabetes (Type 1 and 2) as a supplement to intensive insulin therapy. In Phase 3 clinical studies, this molecule has been shown, when used as a supplement to insulin therapy, to improve HbA1c (-0,2% by people with Type 1 after 6 mo.) and reduce prandial insulin use (-22% in the same study) and weight gain compared to insulin alone (-3 kg in the same study)[45].

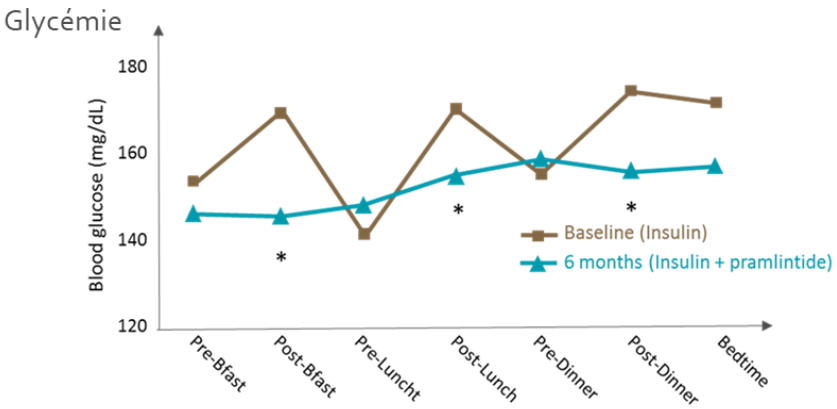


*Figure 8 : Average daytime glycemia in people with type 1 diabetes, treated by insulinotherapy alone (brown curve) or by insulinotherapy + Symlin®(pramlintide, blue curve), after a 6 months treatment period. Adapted from Guthrie R et al. Diabetes 2005, 54(Suppl 1): A118, *P <.05. See also Pullman J and al. Vasc Health Risk Manag. 2006, 2 (3), 203-212. And for type 2 diabetes: Karl D, and al. Diabetes Technol Ther 2007; 9(2):191-199 and the label of Symlin.*

Unfortunately, to the extent that insulin therapy for Type 1 diabetes requires high patient compliance, with frequent glycemia monitoring and at least four injections of insulin daily, the introduction of an additional injectable treatment is often synonymous with a significant deterioration in quality of life and an increase in the cost of treatment, which can lead to its abandonment.

The combination of this molecule with insulin could therefore prove to be an elegant solution to maximize the medical benefit whilst maintaining patient compliance and controlling health costs. Developing such combinations is Adocia's objective for the M1 Pram, BC LisPram and BC AsPram programs.

Currently, prandial insulin and pramlintide formulations are not compatible. Adocia has developed various type of combinations:

- Adocia used its formulation expertise to identify a human insulin analogue, M1, that can be co-formulated with pramlintide to provide a stable formulation. M1 is the A21G analog of human insulin. It is also the major metabolite of long-acting insulin glargine, but exhibits the action profile of a mealtime insulin. As a result, millions of insulin glargine users worldwide have been exposed for years to M1 without M1 being an approved insulin. It is therefore a well-known insulin with an established action and tolerance profile[46].
- At the same time, Adocia took advantage of its BioChaperone® technology platform to combine pramlintide with insulin lispro ("BC LisPram"). This insulin analog is already approved and in the public domain. BC Lispro is formulated especially for pump application.

The formulation strategy is based on the clinical results obtained in real world settings demonstrating the clear medical benefits when these hormones are administered separately. This demonstration would allow for a reduced development timeline. Developing M1Pram and BC LisPram programs in parallel makes it possible to mitigate the risk and enhance partnership opportunities.

[45] Guthrie R and al Diabetes 2005, 54(Suppl 1): A118. See also Pullman J and al. Vasc Health Risk Manag. 2006, 2 (3), 203-212

[46] Bolli et al. Diabetes Care. 2012 Dec; 35(12): 2626–2630. & Lucidi et al. Diabetes Care. 2012 Dec; 35(12): 2647–2649 & Lantus® label, Section 12.3

- M1Pram

Clinical results obtained with M1Pram

Detailed results of the following clinical studies are available in the 2021 Universal Registration Document:

- Phase 1: Evaluation of safety, pharmacokinetics and pharmacodynamics of M1 Pram in people with Type 1 diabetes (n=24) - vs. simultaneous injections of human insulin (Umuline®, Eli Lilly) and pramlintide (45 µg, Symlin®, AstraZeneca), and vs. Humalog®.
- Phase 1b
  - Part A - exploratory study of M1Pram in Type 1 diabetics (n = 24), receiving a low dose of insulin for a period of 3 weeks, in the clinic and on an outpatient basis, vs. Novolog®.
  - Part B - repeated administration of M1 Pram in people with Type 1 diabetes (n = 16) receiving a high dose of insulin, for a period of 3 weeks, with in-clinic and outpatient settings, vs. Novolog®.

In 2022, Adocia conducted a Phase 2 study on M1Pram. This parallel arm study, conducted by the CRO Profil in Germany, evaluated the efficacy, safety, and patient satisfaction of M1Pram on body weight reduction and blood glucose control compared to insulin lispro (Humalog®, Eli Lilly) after 16 weeks of outpatient treatment in Type 1 diabetes patients with BMI ranging between 25 and 35kg/m². Both products were administered at meal-time and in combination with once daily basal insulin. 71 patients completed the study.

- The weight loss of M1Pram vs. Humalog over 4 months is -2.13kg (p=0.0045) in total population and -3.1kg (p=0.0155) in a subpopulation of patients with BMI>28kg/m². During the period, a continuous weight decrease was observed and was still ongoing at the end of the study.
- Both treatments maintained HbA_{1c} and Time-in-Range in patient population with mean HbA_{1c} of 7.4% at baseline.
- Hypoglycemic event numbers are similar between the two treatments and no difference in severe hypoglycemia.
- M1Pram demonstrates overall a good safety profile. Total number of adverse events (excluding hypoglycemia) M1Pram vs Humalog, 76 vs. 38 were mainly driven by gastro-intestinal side effects as expected and documented in pramlintide literature.
- The reduction of daily prandial insulin dose for M1Pram treatment compared to baseline is more than 10% (no change in Humalog arm).
- The treatment satisfaction questionnaire clearly demonstrates a better control of appetite with M1Pram for 82.4% of patients (vs. 43.2% with Humalog).

On October 6, 2022, Adocia revealed the results of *post-hoc* analyses demonstrating the greater efficacy of M1Pram in a subpopulation of obese patients with a Body Mass Index (BMI) greater than 30kg/m². Weight loss in the M1Pram arm was -5.56kg versus -0.57 kg (p=0.03) in the Humalog arm at week 16, and weight loss had not plateaued by the end of the study.

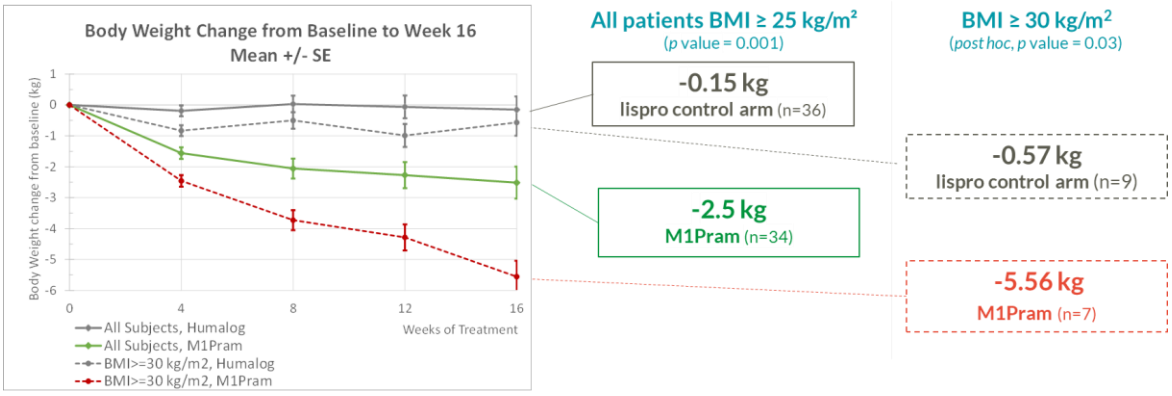


Figure 9: CT041 results: Phase 2 study comparing M1Pram vs. lispro (Humalog®) in patients with Type 1 diabetes, after 16 weeks in outpatient setting.

Next steps on M1 Pram

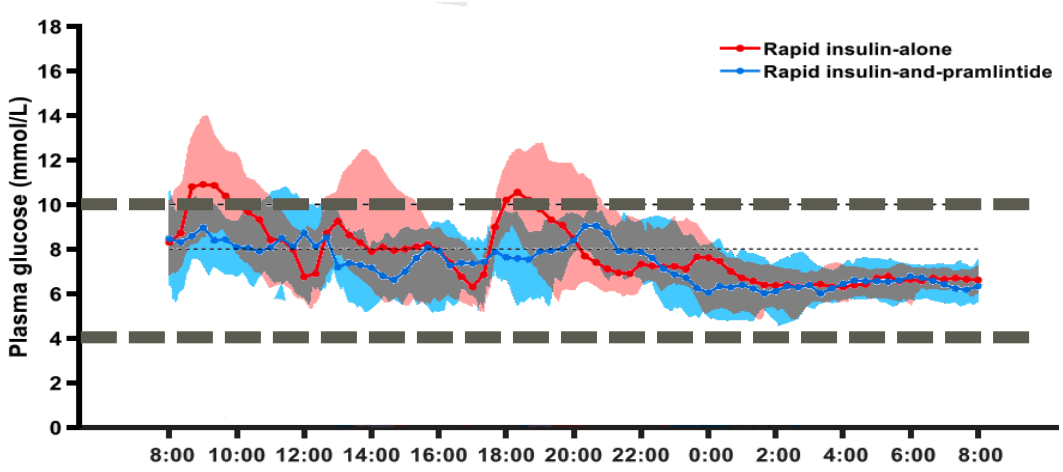
The announcement of the exceptional results obtained in Phase 2 has allowed Adocia to fuel discussions with potential partners. The next steps in clinical development will be conditional on the signature of an agreement.

- BC LisPram

Clinical results obtained on BioChaperone® LisPram

The detailed results of the Phase 1 clinical study (Evaluation of the safety, pharmacokinetics and pharmacodynamics of BioChaperone Insulin-Pramlintide in people with Type 1 diabetes (n = 24)) are available in the 2021 Universal Registration Document.

The clinical proof of concept was established by Dr. Amhad Haidar of McGill University, in Canada, comparing the simultaneous administration of insulin lispro and pramlintide via two separate pumps to the administration of lispro alone. Lispro + pramlintide administered simultaneously resulted in a + 10% improvement in time spent in the glycemic target ("time-in-range") compared to Lispro (Humalog®) alone (84% vs. 74%). A satisfaction questionnaire was also sent to the 29 patients included. Of these, 27 would recommend switching from insulin lispro alone to a fixed combination of insulin and pramlintide[47].



Results comparing the time spent in the target area for the 29 patients with type 1 diabetes, treated with insulin lispro alone or with insulin lispro and pramlintide co-administered

Adocia developed BC LisPram and BC AsPram formulations with the goal of achieving similar results with a formulation that combines the two hormones in one pump. A Phase 1 study in patients with Type 1 diabetes has hence been conducted in 2022, with Dr. Ahmad Haidar of McGill University. The study was designed to evaluate the pharmacokinetics, glycemic control and tolerability of BC LisPram in 16 people with Type 1 diabetes, in comparison to rapid insulin lispro. To date, the clinical part of the study has been completed, but the results are expected still being analyzed and have not yet been communicated.

Next steps on BioChaperone® LisPram

The results expected in 2023 should also validate the design of the next clinical steps. The communication of the results of the Phase 1 pump study will fuel the search for potential partners.

- Competition

To date and to our knowledge, Adocia is the only company developing combinations of insulin and amylin analogs. M1Pram and BC LisPram would therefore constitute a unique breakthrough for people who are overweight or obese and under intensive insulin therapy.

[47] Ahmad Haidar et al. Diabetes Care 2020 Jan; dc191922

Arecor and Xeris Pharmaceuticals have both developed this type of combination (AT271 and XP-3924 respectively), but their programs are no longer active in their pipeline in 2023.

To address the issue of obesity for people with Type 2 diabetes, some companies have also identified amylin as playing a central role in weight and metabolic control:

- **Novo Nordisk** is developing a long-acting amylin analog, cagrilintide, in combination with semaglutide (in Phase 2 for the treatment of Type 2 diabetes and in Phase 3 for obesity). In Phase 1, the pipeline also includes an amycretin, a GLP-1 and amylin receptor co-agonist, for daily oral administration.
- **Zealand Pharma,** in collaboration with Boehringer Ingelheim, is developing ZP-4982, a long-acting amylin analog. A Phase 1 study appears to have been completed in January 2023, but Zealand has not yet reported the results[48].
- **Eli Lilly** has also entered the race with a long-acting amylin analogue and a DACRA (Dual Amylin Calcitonin Receptor Agonists), both in Phase 1.

1.2.3.6. Multi-hormonal combinations for the treatment of obesity

1.9 billion adults are overweight in the world, and obesity is associated with no less than 60 comorbidities[49]. It is therefore urgent to try to curb this pandemic, and many companies have entered the race, using various approaches.

Among companies targeting multiple receptors via multi-agonists or multi-hormone combinations, many are seeking to develop weekly formulations, in order to limit the injection burden. However, some of these treatments, including GLP-1 RA in particular, are known to be associated with strong gastrointestinal side effects: nausea, vomiting, diarrhea, pain... Studies have shown that these effects affect treatment adherence, and that 70.1% of diabetic patients taking GLP-1 discontinue their treatment before 2 years[50]. It should be noted that treatment discontinuation often leads patients to return to their original weight, or even gain more weight, due to a metabolic adaptation mechanism. Weekly injections make it impossible for the patient to modulate these effects, which may be felt for several days.

Adocia is therefore proposing a new paradigm in the treatment of obesity by working on combinations of short-acting hormones. Via pump administration, the patient can optimize the dose received at any time and truly personalize their treatment. Initial doses can be finely modulated, and the treatment does not reach concentration peaks as it does with weekly forms. Finally, if patients experience any side effects, they have the option to discontinue them quickly. In contrast to multi-agonist approaches, Adocia's approach using formulations makes it possible to rely on the efficacy and safety profiles of several approved molecules, while promoting the choice of the best ratio between these molecules to optimize the product profile.

Adocia thus developed BC GluExe, a co-formulation of glucagon and exenatide, based on the BioChaperone® technology.

Among other effects, it has been previously shown that pramlintide increases satiety and enhances leptin response, exenatide limits food intake while orienting relative preferences towards lower fat and calorie foods, and glucagon signals satiety while increasing energy consumption via activation of brown adipose tissue.

Adocia's objective is to offer an easy-to-use and effective multi-hormonal treatment, with weight loss rates that can exceed 15% or 20%. Through a drug-device combination approach, Adocia can offer the best benefit/risk ratio, thus enabling long-term patient adherence and therefore the best results.

- In vitro results and next steps

Promising *in vitro* stability results of PramExe and BioChaperone GluExe have been demonstrated. The pre-clinical proof of concept has been established with BC GluExe in obese mice. After 14 days of treatment, a weight loss of 25% ($p<0.001$) was observed vs. placebo (vehicle). Adocia's objectives is to test this multi-hormonal combination in human in 2023, under the condition of a partnership signature.

[48] NCT05096598

[49] RethinkObesity.com

[50] Real-World Adherence and Discontinuation of Glucagon-Like Peptide-1 Receptor Agonists Therapy in Type 2 Diabetes Mellitus Patients in the United States, Weiss et al. Nov 2020

- Competition

The obesity treatment market has undergone profound changes in recent years. On the one hand, the rapid increase of the obese population, the recognition of obesity as a chronic disease and the realization of the interest of pharmacologic approaches have boosted the demand.

On the other hand, the global market, which was still relatively limited to only a dozen approved products with limited efficacy (Qsymia, Contrave...), has seen the emergence of more effective products (Saxenda® (liraglutide 3mg, Novo Nordisk, 2015), Wegovy® (semaglutide 2.4mg, Novo Nordisk, 2021), Imcivree® (setmelanotide, Rythm Pharmaceuticals, 2021), which have changed the dynamic considerably. Several other products in late-stage development hold out the promise of even greater performance, most of them with approaches targeting multiple receptors (GLP-1, GIP, glucagon, amylin, calcitonin receptor co-agonists, etc.).

In 2020, the market reached $8.36 billion, and is expected to reach $27.1 billion by 2028, representing a CAGR of 16.7%[51].
In 2022, Novo Nordisk still holds a leading position and achieved 94% of branded obesity drug sales in the US and 86% of branded obesity drug sales worldwide[52]. However, the market is likely to evolve further, with Saxenda coming off patent in 2023 and new molecules anticipated to be approved.
Among the most anticipated products in development, tirzepatide (GLP-1/GIP co-agonist, Eli Lilly) is currently in Phase 3 for obesity and launched under the name Mounjaro® in 2022 for the treatment of Type 2 diabetes. In Novo Nordisk's Phase 3 pipeline: "CagriSema" (a combination of the amylin analog cagrilintide (AM833) and semaglutide), and the oral form of semaglutide at a dose of 50mg to be administered to obese patients. Also highly anticipated from Amgen is AMG-133, a GLP-1/GIP co-agonist in Phase 2.

Another company, like Adocia, is betting on pump administration of short-acting hormones, in order to better control side effects and personalize the treatment to each patient. San Plena, which was created in December 2021 as a joint venture between Zihipp (a spin-off from Imperial College London) and EoFlow (a Korean company marketing patch pumps), is working on a PYY agonist. A weight loss of 10 to 15% in 2-3 months is expected[53].

1.2.4. Adocia's proprietary technology platforms

1.2.4.1. The BioChaperone®: platform for molecular delivery of therapeutic proteins

Adocia has designed and developed BioChaperone®, a technology platform based on novel polymers, oligomers, and innovative small molecules. BioChaperone® molecules can spontaneously form a complex with other molecules, including therapeutic proteins. This technology platform can be leveraged to combine various therapeutic proteins. The non-covalent molecular association helps to increase solubility and efficacy of therapeutic proteins while protecting from enzymatic degradation.

BioChaperone technology is derived from the functional mechanism of heparin. This natural polysaccharide forms molecular complexes with growth factors that increase their solubility and protects them from enzymatic breakdown, thereby extending their time of action. The first generation of BioChaperone molecules developed by Adocia mimicked the properties of heparin with growth factors, while avoiding its anticoagulant effects. The BioChaperone compounds were then developed with the objective to be combined with a wide range of different proteins.

The first innovative BioChaperone polymers were composed of a sugar backbone (e.g., dextran or pullulan) modified by both anionic groups (eg. carboxylates with a negative electric charge) and by hydrophobic amino acids. Subsequently Adocia extended its BioChaperone family to include other shorter compounds (oligomers and small molecules) with the same properties. BioChaperone compounds have no intrinsic biological activity.

BioChaperone compounds form complexes with proteins by non-covalently binding to their surface (adsorption). The complex forms spontaneously and is based on hydrophobic, electrostatic interactions or hydrogen bonds. These BioChaperone polymers interact reversibly and have non-degradative effects on the proteins. When the two

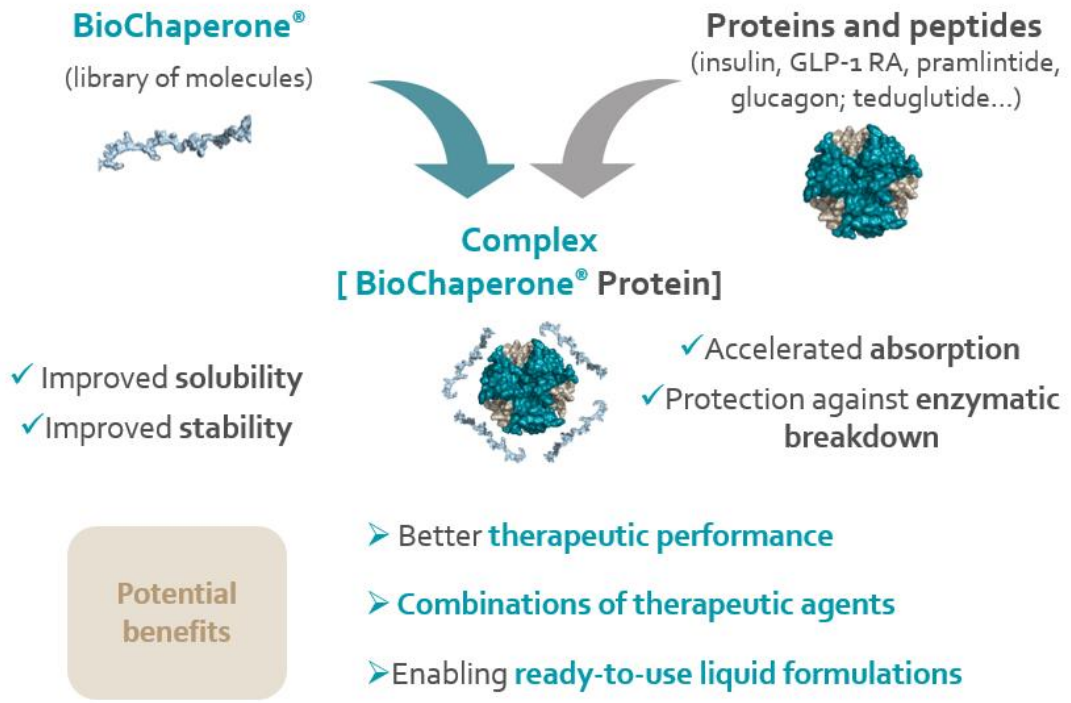
[51] BioSpace, Obesity Treatment Market Size to Reach USD 27.10 Billion in 2028, Jul 01, 2021

[52] Novo Nordisk Q3 2022 Presentation

[53] Zihipp and EOFlow Announce Joint Venture for Development of Innovative Solutions for Treatment of Obesity & NASH, Dec 28, 2021

constituents are simply mixed in aqueous solution, the complex is formed naturally. This process occurs immediately and does not require heating or the use of an organic solvent.

The formulation-based approach presents the advantage of being easily produced at industrial scale as it relies solely on the addition of BioChaperone in the formulation process (preservatives, salt, etc.), and does not require additional use of industrial tools. Furthermore, the BioChaperone chemical synthesis processes are simple and low-cost compared to the therapeutic proteins themselves. These two aspects make it possible to envisage the BioChaperone formulations manufacturing costs to be equivalent with those of the original formulations.



Four key properties of the BioChaperone technology have been demonstrated, via a complex formation with the protein or peptide:

- increased solubility of proteins or peptides that are relatively insoluble at physiological pH;
- increased stability of proteins or peptides during storage;
- protection of proteins or peptides against enzymatic breakdown; and
- stabilization of the activity of proteins or peptides in the presence of cells.

Pharmaceutical products developed using BioChaperone technology are therefore designed to be more effective, to be easier to use for the patient and to offer new applications.

To date, Adocia's research team has developed more than 500 BioChaperone compounds, an impressive collection that continues to grow over time. The main distinctions among BioChaperone compounds are their size, type, and the number of anionic and hydrophobic grafts. This portfolio of molecules was rapidly developed to advance several classes of difficult to formulate therapeutic proteins; notably insulins and other metabolic hormones used in the treatment of diabetes (glucagon, amylin, etc).

BioChaperone technology is protected by several patent families, for BioChaperone molecules alone and for formulations with BioChaperone. In addition, Adocia also has patent families covering compositions which include active ingredients with or without BioChaperone.

1.2.4.2. AdoShell®: the cell therapy platform

Cell-based therapies consists in the administration of cells as living agents to fight a disease. It has the potential to "cure" many diseases, currently incurable, rather than to chronically "treat" them. As a result, this area has grown exponentially in recent years, both in terms of clinical development and on the commercial level.
In particular, some therapies have overcome regulatory hurdles and been commercialized, resulting in a growing public recognition and enthusiasm. These include the successful treatment of lymphoid cancers by adoptive transfer of genetically reprogrammed T cells (tisagenlecleucel for ALL and axicabtagene ciloleucel for LBCL, 2017), and the use of stem cells to repair corneal epithelium or to treat fistulas associated with Crohn's disease[54].

Despite these recent clinical and commercial successes, cell therapies continue to face numerous challenges that limit their widespread application and commercialization. These include the identification of appropriate cell source, the generation of a sufficiently viable, potent and safe product that meets specific patient- and disease- needs, and the development of manufacturing processes that can be scaled up. These hurdles are being addressed through cutting-edge fundamental research, leveraging interdisciplinary approaches, including the fields of basic biomedical research and engineering, which were previously disconnected.

The use of biomaterials is now an integral part during the development process of a new cell therapy. They can perform a number of important functions and significantly improve the safety and efficacy of cell-based therapy products.

Adocia has therefore used its expertise in chemistry and biochemistry and its innovation capabilities to create AdoShell®, a versatile platform for cell therapy.

The AdoShell matrix displays a number of advantages:

- Inert biomaterial:
  - Promotes safe and efficient engraftment
  - Ensures the containment of proliferative cells
- Physical barrier for immuno-isolation:
  - Avoids the need for immunosuppressors for transplanted patients
  - No modification of encapsulated cells required, no need for gene-editing strategies for immuno-evasive iPSCs
- Universal and scalable design for all cell types, diseases and patients
- Minimally invasive surgical procedure to implant or explant, for a safe removable and replaceable transplant.

The AdoShell cell therapy platform is currently being developed for application in diabetes, with AdoShell Islets containing islets of Langerhans. Adocia is continuing its development in 2023 in preparation for the entry into the clinical phases.

The application of AdoShell to other pathologies is vast and could, for example, involve the treatment of hemophilia, Parkinson's disease, oncology, etc.

1.2.4.3. AdOral®: the platform for oral delivery of peptides

Peptides and proteins are widely used as drugs, particularly in the treatment of chronic diseases such as diabetes. However, almost all of these drugs exist only in injectable form, which is very restrictive for patients and hinders the adoption of these products, especially in the case of chronic diseases that require numerous and regular injections. One of the main barriers to diabetes treatment intensification is the "injectable" nature of the options currently available. It faces the reluctance of some patients, who also need to be properly trained in the proper injection technique, which can impact the time and resources of healthcare professionals[55].
Oral forms could thus help overcome delays in treatment intensification, improve patient adherence and compliance, and help them achieve their therapeutic goals.

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[54] Engineering the next generation of cell-based therapeutics, Caleb J. Bashor et al., Nature Reviews,

[55] Will oral semaglutide be a game-changer in the management of type 2 diabetes in primary care? Primary Care Diabetes, S. Seidu et al. Feb 2021

Analysts agree that the simplification of administration with oral forms (GLP-1, insulin, etc.) will be the main growth driver in the diabetes and obesity market. Thus, major research efforts have been made in recent years to obtain oral formulations of proteins and peptides.
However, the technological challenge is significant because these molecules are naturally degraded in the digestive tract before reaching the bloodstream. Due to this low bioavailability, only five peptides are currently available on the market in oral form.

Novo Nordisk, in reformulating its flagship product Ozempic® (semaglutide weekly injection, 0.25 mg, 0.5 mg, 1 mg) has proposed a real game changer: Rybelsus® (semaglutide, daily oral administration, 3 mg, 7 mg, 14 mg). Using SNAC Eligen technology, Novo Nordisk has established the ability to produce oral formulations of peptides, protecting them from degradation in the stomach and increasing their absorption. It should be noted that the bioavailability of semaglutide is around 1%, the rest being degraded in the gastrointestinal tract.

In response to this strong market need, Adocia has developed a technology platform based on its formulation expertise to increase the absorption efficiency of peptides in the gastrointestinal tract, which would allow for the transition from injectable to oral forms. Adocia's objective is to obtain a better performance than the established reference.

- ### Adocia's preclinical program

Currently in preclinical development, Adocia's delivery technology optimizes the bioavailability of orally administered peptides. *In vitro*, efficacy has been demonstrated at low concentrations. Applied to semaglutide, *in vivo*, Adocia's formulation has achieved performance similar to that of Rybelsus. Adocia's objective is to test its oral delivery technology in human in 2023.

- ### Competition

Many companies have realized the importance of oral formulations for improving patient compliance and quality of life. These formulations can be a real growth driver for peptides or proteins already offered as injectable forms.

Novo Nordisk has reformulated its flagship product Ozempic® in Rybelsus® for the treatment of Type 2 diabetes (3 mg, 7 mg, 14 mg) and is also planning to expand its oral semaglutide line, with the initiation in 2021 of Phase 3 programs of Rybelsus® at high doses: 25 and 50 mg for people with Type 2 diabetes, and 50 mg for people with obesity. To gain access to this oral delivery technology, Novo Nordisk paid $1.35 billion in November 2020 to acquire Emisphere Technologies[56]. This transaction gives Novo Nordisk full ownership of the SNAC Eligen (sodium N-[8-(2-hydroxybenzoyl)amino] caprylate) technology.
Novo Nordisk is also working with MIT and BWH on a completely different approach the robotic pill SOMA (Self-Orienting Millimeter-Scale Applicator). On March 9, 2022, a new agreement was signed extending the collaboration to 2026, expanding the scope to include the creation and integration of bioelectronic devices, biosensors, and stimulus-sensitive delivery devices.

Oramed has tackled the challenge of formulating human insulin and exenatide (GLP-1 RA) in oral forms. Based on the POD™ (Protein Oral Delivery) technology, their insulin (ORMD-0801) did not meet the primary endpoints of its Phase 3 study in Type 2 diabetes, as communicated by Oramed on January 11, 2023[57]. The development of this product will most likely be suspended.

Entera Bio addresses osteoporosis (EB613, Phase 3 expected in 2023[58], for 505(b)2 pathway) and hypoparathyroidism (EB612, Phase 3 expected in 2023[59]) with oral formulations of PTH 1-34 (parathyroid hormone). The company is also seeking to improve the bioavailability of peptides via an absorption enhancer (SNAC) and protease inhibitors.

[56] Novo Nordisk to Acquire Emisphere Technologies for $1.35 Billion, November 06, 2020

[57] Oramed, Press Release, January 11, 2023

[58] Entera Bio Announces FDA Agreement for a Single Phase 3 Clinical Trial to Support an NDA for EB613 for the Treatment of Osteoporosis, October 6, 2022

[59] Entera Bio Provides Corporate Updates and Financial Results for the Third Quarter of 2022, November 10, 2022

1.2.4.4. AdoGel®: the platform for long-acting delivery of peptides and proteins

The majority of pharmaceuticals products are administered using short-acting formulations that requires frequent administrations. This can affect patient compliance, increase the risk of failure due to inconsistent use, and lead to dose variability beyond the therapeutic window.

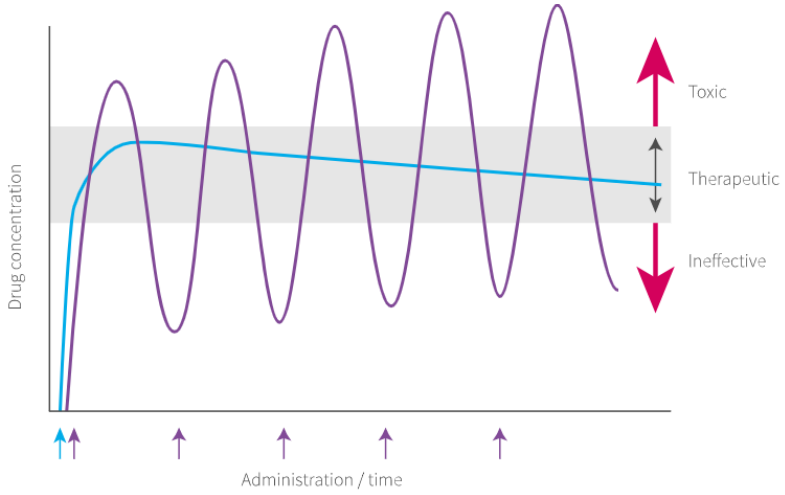


Figure 10: Long acting drug delivery pattern (blue) versus short acting drug through repeated administration (purple)

In contrast, long-acting formulations allow the release of drugs for weeks, months, or even years.

Clinical applications of long-acting drug delivery formulations can range from contraceptives to treatments for opioid and alcohol dependence, or localized drug delivery to the eye or joints.

Evaluation of marketed injectable depots shows that most formulated drugs are potent, physically and chemically stable, with low water solubility and a wide therapeutic window. There are different slow-release mechanisms, for example dissolution- or biodegradation-based formulations, non-degradable implantable formulations or hydrogel-based formulations. It is on hydrogel-based formulations that Adocia has worked to establish the AdoGel platform, notably by leveraging its experience with the AdoShell platform.

Adocia is developing a biomaterial capable of releasing various active ingredients in a prolonged manner, ranging from small molecules (contraceptives, anti-HIV, anti-cancer drugs...) to biological products (monoclonal antibodies, GLP-1, parathyroid hormone...). AdoGel is a versatile platform, and the product can be presented as an implantable and removable soft hydrogel device, or as an injectable with *in-situ* gel formation. Intended for local or systemic administration, the release time can range from one month to several years. The primary advantage of AdoGel is an almost constant rate of release, without initial burst.

Preclinical proof of concept is currently underway with Levonorgestrel (LNG) and antibodies. The kinetics obtained with AdoGel LNG after 180 days in rats validate the absence of initial discharge and the zero-order release.

Adocia's objective is to propose this technology to partners for application to their proprietary molecules. Preparation for human trials is underway in 2023.

1.2.5. Intellectual Property

1.2.5.1. Innovation policy

Adocia's mission is to create and develop inventions that are subsequently licensed.

These inventions involve in particular innovative therapeutic treatments based on the combination of our processing technology (BioChaperone®) with therapeutic protein agents.

Since its founding, Adocia has created inventions in several therapeutic domains based on its BioChaperone® technology, such as the healing of chronic wounds and the treatment of diabetes with insulin therapy. Recently, the

Company refocused its business on the treatment of diabetes and obesity, which is reflected in its patent portfolio. New technology platforms were also added, for cell therapy (AdoShell®), oral delivery of peptides (AdOral®) and delayed delivery of active ingredients (AdoGel®).

The Company's innovation policy consists of all measures the Company takes in this area. The Company's innovative mission guides the recruitment of management employees and technicians, employee training, and its work methods. More specifically, researchers receive both internal and external training related to IP.

The inventions that Adocia develops are cross-disciplinary and cover various scientific fields, in particular chemistry, physical chemistry, analytics and biology. Teams of experts have therefore been formed, and then expanded, in each discipline. The various teams are coordinated during regular working meetings held for each project. In addition, each lead scientist presents a bimonthly report on scientific advances every two weeks.

Mr. Gérard Soula has significant research and innovation management experience, with over 35 years' experience in this field. Mr. Olivier Soula, Deputy General Manager and R&D Director has more than 20 years of experience in R&D management, first with Flamel Technologies and then with Adocia.

1.2.5.2. Procedures for the protection of Intellectual Property

- ### IP department and external Industrial Property consultancy

The Intellectual Property department is under the responsibility of Walter Roger, IP Director and comprises three people at the date of this universal registration document.

The Intellectual Property department, in collaboration with two Intellectual Property consulting firms, evaluates the patentability of inventions and, if applicable, conducts studies of freedom to operate for the products intended to be utilized, in particular via a license. Patent applications and examination procedures are conducted in collaboration with this consulting firm.

These intellectual property firms, Cabinet Tripoz and Cabinet Casalonga, manages the Company's portfolio of patents.

- ### Designation of inventor and remuneration

An invention declaration form has been created to describe the invention and designate its inventor(s), specifying their respective contribution.

Besides, Adocia has set up an attractive compensation policy for inventions to promote innovation within the Company. An internal memorandum explains the conditions under which employee-inventors are entitled to the additional compensation prescribed by the French Intellectual Property Code and provides for payment of attractive lump-sum fixed compensation after submission of a first patent application and granting of a patent in Europe or the United States, as well as variable compensation that increases in accordance with sales generated by the relevant invention.

Mr. Gérard Soula has assigned to the company, without any financial consideration, all of the rights he held for inventions within the Company's field of business at the date of this registration document. Assignment agreements are signed whenever required by national law (in particular, in the USA and in Canada). Furthermore, Mr. Gérard Soula has undertaken to assign to the Company, also without any financial consideration, all new intellectual property rights within the company's field of business that he may hold in the future during the time he continues to be an officer of the Company.

- ### Communication and confidentiality

It is essential for an innovation company such as Adocia to manage communication and control the confidentiality of information.

Technical communication is therefore approved by the Intellectual Property department and, if applicable, subject to contracts suitable to the situation (see chapter relating to Contracts below).

1.2.5.3. Patents and patent applications

- ### Intellectual Property protection policy

The success of the Company depends at least in part on its ability to protect its inventions, primarily by obtaining and renewing patents in Europe, the United States and the rest of the world.

Since March 16, 2013, priority applications are submitted in France or via an European patent application (in English).

Extensions are done via PCT pathway; however, it is frequent that in parallel direct extensions in the United States are conducted simultaneously, in order to ensure direct and rapid US procedures.

- ### Offensive, alternative and defensive strategies

An active policy is pursued to protect key products, for example under clinical development (offensive strategy) as well as products derived from alternative solutions (alternative strategy) and products corresponding to defensive solutions (defensive strategies). Patent applications are qualified as (i) protection of core business, (ii) protection of alternative solutions and (iii) defensive applications.

- ### Territories

Patent coverages are examined with respect to the importance of inventions, and three predetermined strategies are implemented by the Company concerning the choice of countries in which the national phase of PCT applications are in force (no later than 30 months after submitting the priority application). These three predetermined strategies are:

- Strategy 1 for defensive applications: United States, Europe and China;
- Strategy 2 for alternative solutions: United States, Europe, China, India, and possibly Brazil, Canada, Japan, Australia and/or Israel;
- Strategy 3 for the core business: United States, Europe, Canada, China, Japan, India, Australia, Israel, Mexico, Brazil, Russia (or Eurasia), South Africa, Singapore and South Korea, even additional territories depending on the market, for example states in the Middle East or South East Asia; direct filings can be made simultaneously with the filing of the PCT application, in order to obtain protection, in particular in non-PCT member states.

- ### Patents Applications in the sole name of Adocia

Patents applications submitted by the Company are filed in the name of the Company if their inventors are all employees, with the exception of Mr. Gérard Soula. In the case of company employees, every employment contract for staff contributing to invention contains a clause covering inventions, and all inventions legally belong to the Company as stipulated in article L.611-7 of the French Intellectual Property Code. Transfer agreements are systematically signed for each invention whenever required by government regulation.

- ### Types of patent application

There are two main types of patents:

- Patents concerning an object (also known as “composition of matter” patents) may involve polymers, composites or compositions;
- Patents concerning actions, such as utilizations or procedures;
- In addition, depending on the evolution of legislation, patent applications relating to specific therapeutic applications, dosages and / or methods of treatment are also filed to supplement the protections.

- ### Portfolio

A review of the portfolio is carried out regularly and notably led to the discontinuation of certain patents granted or patent applications which were no longer relevant to ongoing projects.

To date, inventions are protected by patent application filings comprising 39 distinct families. Adocia's portfolio contains more than 250 patents and patent applications belonging to the Company, of which 200 are being examined

by patent authorities. The table below indicates the number of patents granted as well as the patent applications currently underway, by territory, as of December 31, 2021:

Territories	Patents	Ongoing patent applications
France	*16*	*4*
USA	*20*	*15*
Europe (European patent)	*8*	*34*
Algeria	*0*	*4*
South Africa	*0*	*9*
Saudi Arabia	*4*	*6*
ARIPO[60]	*0*	*1*
Australia	*2*	*3*
Bahrein	*0*	*2*
Brazil	*0*	*6*
Brunei Darussalam	*0*	*2*
Cambodia	*0*	*1*
Canada	*0*	*7*
China	*6*	*16*
South Korea	*2*	*5*
Egypt	*0*	*2*
United Arab Emirates	*0*	*5*
Eurasia (Eurasian patent)	*3*	*5*
Hong Kong	*4*	*8*
India	*3*	*11*
Indonesia	*0*	*5*
Israel	*2*	*5*
Japan	*1*	*6*
Kuwait	*0*	*2*
Macao	*0*	*4*
Malaysia	*0*	*3*
Morocco	*0*	*1*
Mexico	*3*	*5*
New Zealand	*0*	*3*
Nigeria	*0*	*1*
OAPI[61]	*0*	*1*
Uzbekistan	*0*	*2*
Pakistan	*0*	*2*
Philippines	*0*	*6*
Qatar	*0*	*2*
Singapore	*1*	*8*
Thailand	*0*	*4*
Taiwan	*0*	*2*

[60] ARIPO: African Regional Intellectual Property Organization

[61] OAPI: African Intellectual Property Organization

Tunisia	*0*	*1*
Vietnam	*0*	*2*
PCT	*NA*	*4*
TOTAL	**75**	**215**

Adocia's portfolio is primarily composed of "composition of matter" patents. More specifically, the families involving prandial or basal insulin, amylin receptor agonists (RA), glucagon, oral delivery forms or cell therapy rely on polymers, composites and/or compositions.

The FAST insulin project (BC Lispro and HinsBet) comprises tens of families of patent that include many delivered patents.

It includes in particular, the WO2014076422 and WO2014076423 families currently under review for which patent applications have been submitted in Australia, Brazil, Canada, China, Eurasia, Europe, Hong Kong, Israel, India, Japan, South Korea, Mexico, Saudi Arabia, Singapore, the United States and South Africa. The WO2014076423 application led indeed to the issuance of the patents US9700599 in the United States, EP2918804 in Europe, CN104902922 in China and JP6322642 in Japan.

The patents for these families, subject to their delivery and to payment of annuities, will confer protection until 2033.

The project for the combination of basal insulin, notably glargine insulin, and prandial insulin, comprises around 15 families of patents.

We can cite among these the WO2017211916 and WO201721903 applications submitted in 2017, involving new composites and new compositions combining a basal insulin, like glargine insulin and a prandial insulin. These families have patents pending in the following countries or regions: South Africa, Saudi Arabia, Brazil Cambodia, China, Egypt, Europe, India, Indonesia, Japan, Mexico, Eurasia, Singapore and United States. Subject to payment of annuities, the patents of this family will provide protection until 2037.

We may also mention the families of applications WO12019110773, WO2019110774 submitted in 2019. These families, as the two mentioned above, include applications in many states.

The glucagon project involves in particular the applications WO2017211917 et WO2017211917 submitted in 2017. These families have patents pending in the following countries or regions: Australia, Brazil, Canada, China, South Korea, Europe, Japan, Mexico, New-Zealand, and Singapore. Subject to payment of annuities, the patents of this family will provide protection until 2037. The applications WO2019110837 et WO2019110836 concern also the glucagon.

Adocia is still developing a project involving a composition combining amylin, an agonist of amylin or an agonist of amylin receptor, in particular pramlintide, formulated at physiological pH value. This project involves notably the families of applications WO2018122278, WO2019110788 et WO2019110797 involving applications in many states.

Adocia has also developed a formulation including a combination of prandial insulin and glucagon suppressor with prandial effect. This works was the subject of application WO2019020820, which led to patent applications in many countries and regions, including Europe, the United States, China, Japan and India. It should be noted that two US patents (US10610572B2 et US11065305B2) and a European patent (EP3658115B1) have already been issued (US10610572B2).

Furthermore, following excellent results from a clinical study of a combination of insulin and pramlintide, a European patent application was filed in 2022.

In addition, Adocia is developing products to treat metabolic diseases and in particular obesity. Various families have been filed, including WO2021152184 relating to the combination of an amylin receptor agonist and a GLP-1 receptor agonist.

Since early 2021, the Company has been developing a platform for cell therapy, called AdoShell®. The Company has filed a first cellular patent on this subject in 2021, followed by four priority filings in 2022.

Another platform, called AdoGel®, relating to the delayed delivery of active ingredients, has been the subject of a priority European patent application filed in 2022.

Finally, the AdOral® platform, relating to the oral delivery of peptides, has recently been the subject of three European patent applications.

It should be noted that published patent applications and PCT applications as well as patents granted can be found on the internet using free patent databases, such as Espacenet or USPair (USPTO).

- Portfolio management

The portfolio is examined periodically for patent applications made for inventions that are no longer under development and that can neither be sold nor licensed. These are terminated to reduce costs.

1.2.6. Major Contracts

Significant contracts for the Company, other than those entered into in the ordinary course of business, are as follows:

1.2.6.1. Protection of proprietary technologies

Before any exchange of information or material of a confidential nature with a third party, a suitable contract is drafted that systematically includes confidentiality and restriction of use clauses. A confidentiality contract is generally signed first when assessing the relevance of entering into a possible commercial relationship or collaboration. There will follow, depending on the situation, one or more contracts for transfer of equipment, service provision, consulting or collaboration, which will ensure, among other provisions, that Adocia retains full ownership of the results (related to Adocia's proprietary technologies) arising from these contracts and of the intellectual property rights attached to these results.

1.2.6.2. Cooperation agreements

Starting in November 2007, the Company began signing cooperation agreements with various major pharmaceutical groups.

The Company did not assign intellectual property rights to its technology with any of the agreements it signed, and no implicit license can arise from any of the cooperation agreements with its partners, as this is a prerequisite demanded by Adocia upon signing any such agreement.

Partners may hold rights only to inventions developed strictly within the scope of the cooperation that is the subject of these agreements, and to no other inventions. Depending on the partner, title may be held jointly with the company or outright by the partner.

Most of these cooperation agreements involve evaluating BioChaperone® technology with respect to active pharmaceutical ingredients that are already marketed or are under pharmaceutical development.

Studies are conducted in either the Company's or the partners' laboratories, and the costs of such trials are either fully paid by the Company's partners or shared between the partner and Adocia.

Because the Company's partners have demanded confidentiality about the very existence of these agreements, neither the areas of cooperation nor the partners' identities may be disclosed in this reference document.

1.2.6.3. Licenses

- License granted by Adocia to Eli Lilly

On December 14, 2011, the Company signed a licensing and cooperation agreement with the Eli Lilly group. This agreement concerned the development and marketing of Lispro rapid-acting insulin analog in conjunction with BioChaperone® technology. The company granted Eli Lilly exclusive worldwide rights to BioChaperone® for the purpose of developing, manufacturing and marketing BioChaperone® Lispro. This agreement covered all potential indications for BioChaperone® Lispro. The license rights granted were based on the WO2008038111 and

WO2010122385 families of patent applications and patents. In July 2013, Adocia and Eli Lilly decided to terminate their licensing and cooperation agreement, and Adocia recovered its rights to develop ultra-rapid insulin analogs.

On December 19, 2014, Adocia and Eli Lilly announced the signature of a licensing agreement for the development of an ultra-rapid insulin based on insulin lispro (commercial product from Eli Lilly, Humalog®) with BioChaperone® technology ("BioChaperone® Lispro").

Adocia's and Eli Lilly 's goal was to develop BioChaperone Lispro with the goal of optimizing glucose levels during and after meals. The expected benefits of BioChaperone Lispro for patients with diabetes included greater flexibility in the timing of insulin injections, lower variability of postprandial glycemic levels, lower rates of hypoglycemia and better overall glycemic control.

Under the terms of the agreement, Lilly was responsible for future development, manufacturing, and commercialization of BioChaperone Lispro. The total upfront and milestone payments could have reached $570 million. Adocia had received an upfront payment of $50 million, and a $10 million milestone payment in December 2015.

No joint patent applications were submitted during this collaboration.

By letter dated January 26, 2017, Eli Lilly announced its decision to terminate the 2014 licensing contract. As a result, the rights that Adocia has licensed to Lilly reverted to Adocia at no cost (see Adocia's press release of January 27, 2017 available on the Company website).

In October 2017 and again in January 2018, Adocia initiated two arbitration proceedings against Eli Lilly. The first was for approximately $11 million, and other specific remedies, relating to changes made to the development plan during the collaboration. The second was for Lilly's appropriation and misuse of confidential information and discoveries belonging to Adocia, as well as Lilly's breach of several collaboration and confidentiality agreements.

The arbitral tribunal ruled in favor of Adocia in the first proceeding (ordering Lilly to pay Adocia $11 million plus interest) but rejected the additional claims in the second arbitration. It is noted that all legal proceedings against Eli Lilly were concluded during fiscal year 2019.

- Licenses granted by Adocia to Tonghua Dongbao Pharmaceuticals Co. Ltd

On April 26, 2018, Adocia and Tonghua Dongbao Pharmaceuticals Co. Ltd Pharmaceuticals announced a strategic partnership, whereby Adocia granted the exclusive development and commercialization rights to Tonghua Dongbao Pharmaceuticals Co. Ltd for the fixed-ratio insulin glargine and insulin lispro combination, BioChaperone® Combo, and ultra-rapid insulin, BioChaperone® Lispro, in China and other designated Asian and Middle-East countries.

Under the terms of the Licensing Agreements, Tonghua Dongbao is responsible for the future development, manufacturing, and commercialization of BioChaperone Combo and BioChaperone Lispro in China and certain other countries. Adocia received a total upfront payment of $50 million, including $40 million for BioChaperone Combo and $10 million for BioChaperone Lispro. Additionally, Adocia is entitled to receive development milestone payments up to $85 million, including $50 million for BioChaperone Combo and $35 million for BioChaperone Lispro. Finally, Adocia is expected to receive double-digit royalties on the sale of both products in the territories. Tonghua Dongbao will also reimburse some of Adocia's expenses for research and development activities performed during the terms of the agreements. It should be noted that in 2022, Adocia received from its partner a payment of $5 million (out of the $35 million provided for in the agreement), following the start of phase 3 in China of BioChaperone® Lispro.

Adocia retains the rights to develop and license these two insulin programs in worldwide markets outside of the territories covered by these agreements, including the United States, Europe and Japan. Adocia remains responsible for the development and the manufacturing of BioChaperone® pharmaceutical excipients.

Tonghua Dongbao Pharmaceutical Co., Ltd. is a China-based company with over 2.000 employees, principally engaged in the research and development, manufacture and distribution of pharmaceuticals. The Company provides biological products, traditional Chinese medicines and chemical supplements, applied in the treatment of diabetes and cardiovascular and cerebrovascular diseases, among others. The Company produces 10 different types of products with over 100 specific pharmaceutical products in production. Tonghua Dongbao Pharmaceutical Co., Ltd. main products portfolio consists, at the time of the signature of the partnership with Adocia, of recombinant human insulin crystal API, regular recombinant human insulin injection Gansulin R, isophane protamine recombinant human insulin injection Gansulin N, 30/70 mixture recombinant human insulin injection Gansulin 30R, 3 50/50 mixture recombinant human insulin injection Gansulin 50R, 40/60 mixture recombinant human insulin injection Gansulin 40R, Zhen Nao

Ning capsules and Dongbao Gantai tablets, among others. Tonghua Dongbao Pharmaceutical Co., Ltd. also provides medical instruments. The Company distributes its products within domestic markets and to overseas markets.

1.2.6.4. Litigation

None.

1.2.6.5. Insulin supply agreements

Adocia and Tonghua Dongbao Pharmaceuticals Co. Ltd announced on June 1st, 2018 an expansion of their strategic alliance see section 1.3.8.2 « *Licences granted by Adocia toTonghua Dongbao Co.Ltd* » above) by signing with the Chinese company two supply agreements in insulin. Under the terms of the agreements, Tonghua Dongbao Pharmaceuticals Co. Ltd will manufacture and supply insulin lispro and insulin glargine APIs to Adocia worldwide, excluding China in accordance with Adocia's specifications and established quality standards.

Local leader on the Chinese insulin market, Tonghua Dongbao Pharmaceuticals Co. Ltd can currently produce several tons of insulin per year divided on numerous outstanding production plants. While the Chinese company already commercializes human insulin products in China and in other markets, Tonghua Dongbao Pharmaceuticals Co. Ltd develops in parallel several insulin analogs. Notably, its insulin glargine was approved in China at the end of 2019, and its insulin lispro is expected to enter Phase 3 trials in the near future. Insulin lispro from Tonghua Dongbao Pharmaceuticals Co. Ltd. is produced in the same plant as human insulin used in its commercial products; this plant has recently passed a cGMP standard audit allowing Phase 3 entry into Europe of this human insulin from Tonghua Dongbao Pharmaceuticals Co. Ltd.

1.2.6.6. Bond loan concluded with IPF Fund II

On October 11, 2019, the Company signed a bond financial line with IPF Fund II to finance its growth.

This financing line consists in a bond issue, structured in two tranches of equal amounts, of a total number of 15 million euros of bonds ("Bonds") to each of which is attached a warrant (the "BSA"), hereinafter collectively referred to as the "OBSA", for a maximum amount of principal loan of 15 million euros.

The Bonds were issued in two tranches, each for a principal amount of 7,500,000 euros (the « Tranche A » and "the Tranche B" and together the "Issue" entirely reserved for IPF Fund II SCA, SICAV FIAR (hereinafter referred to as "IPF Fund II").

The first tranche (Tranche A), amounting to 7.5 million euros, was subscribed on October 11, 2019, at the signing of the contract. The second tranche (Tranche B) was subscribed on December 10, 2019.

In return for this loan, the Company issued BSA giving right to Adocia's shares (1 Bond = 1 BSA) with characteristics detailed below.

In addition, the Company granted IPF Fund II a pledge on part of its assets (bank accounts, securities accounts, trade receivables, stock) as well as a pledge of certain key Adocia patents (« *Core IP* »).

In July 2020, in a context marked by the Covid-19 pandemic, the Company obtained a restructuring of its debt with IPF. In consideration for this restructuring, it granted a total of 35,005 additional warrants to the IPF Fund II SCA SICAV FIAR fund.

The Company has again negotiated an adjustment to its debt in 2021 and 2022, in the context of the implementation of the financing line with financial investors, including Vester Finance, and the sale of the building housing its headquarters. In consideration for these adjustments, in September 2022 the Company redeemed its bonds in an amount of 2 million euros.

The terms and conditions of the Bonds are as follows[62]:

- Nominal Amount of the bond issue: EUR 15,000,000 in two tranches: Tranche A: EUR 7,500,000; Tranche B: EUR 7,500,000.
- Initial par value: 1 euro per Bond.
- Issue date: Tranche A: October 11, 2019 and Tranche B: December 10, 2019.
- Maturity: the twentieth quarter falling after the issue date of each tranche.
- Interest: EURIBOR + 8% (Cash margin) +3% (PIK margin).
- Deferral of 12 months of capital repayment, then another deferral of 12 months granted in July 2020, then repayment of 33%, then 30% and finally 37% the last year
- Early redemption possible at any time, subject to early redemption fee, for an amount of 8% if the exit occurs during the first year, 7% in the course of the second year and finally 6% the third year.
- Security: customary security interests granted to the benefit of the bondholders' body (pledge of the bank accounts and securities accounts, pledge of the trade receivables, pledge of the stock, and pledge of Adocia's key patents registered in France, in Europe, in the United States and in China).
- Assignment: the bonds can be freely assigned to any fund or financial institution, to the exclusion of any competitor of the Company or any fund managing or having invested in a competitor of the Company.

The main terms and conditions of the warrants are as follows:

Warrants issued in 2019:

- Number of warrants: 15,000,000, i.e. 7,500,000 under Tranche A and 7,500,000 under Tranche B, creating the right for each tranche to subscribe to a number of ordinary shares of the Company equals to 15% of the amount drawn, i.e. an amount of 1,125,000 euros each tranche, divided by the share strike price.
- Exercise price: 8.57 euros, it being specified that, in the event the Company issues new shares (excluding employee and manager incentive scheme) at a lower price during the warrants' exercise period, the IPF warrants exercise price shall be reduced to 95% of the lower of the said issue prices, it being specified that the issue price cannot be lower than 80% of the average of weighted average market price over the three stock market sessions preceding a new share issue.
- Number of shares that may be issued upon exercise of the warrants: in respect of each tranche, 438 596 ordinary shares representing 4.67% of the Company's share capital as of the date of the Universal Registration Document, in respect of each tranche[63].
- Exercise period: in whole or in part, for a minimum aggregate exercise price of 100,000 euros, once or several times, at any time from their issue date until October 10, 2026.
- Listing of the warrants: the warrants shall not be listed but can be detached from the OBSAs at any time and, from that date, freely assigned under the same conditions as the Bonds.

Warrants issued in 2020:

In consideration for the adjustment of its debt, the Company's Board of Directors has granted to IPF Fund II SCA SICAV FIAR, free of charge, a total of 38,961 warrants with an exercise price of 7.70 euros (this price may be adjusted under the same conditions as those of the warrants issued in 2019). The other terms and conditions are similar to those of the BSAs granted in 2019 to IPF Fund II SCA SICAV FIAR under the main contract.

As of the date of the Universal Registration Document, the number of shares likely to be issued upon exercise of the BSAs in question is 116 959 shares, i.e. approximately 1.29% of the Company's share capital[64].

62 Reflecting the various developments in 2020, 2021 and 2022.

63 Taking into account in particular the adjustment of the exercise price of the warrants following the setting up of the financing line with Vester Finance.

64 Taking into account the adjustment of the exercise price of the warrants following the setting up of the financing line with Vester Finance.

- Granted security

The Company consented a pledge on certain of its assets in order to secure the repayment of the bonds issued by the Company, in particular:

- a pledge on French law of the bank accounts and share accounts of the Company;
- a pledge of the key IP rights (Core IP) of the Company registered in France, in Europe, in the USA and in China insured by the conclusion of a patents deed of pledge on French law, a deed of pledge on New York State law and a pledge deed on Chinese Law on the following families of patents:
  - Insulin FAST (BC Lispro and HinsBet): WO2014076423
  - Combination of basal insulin, notably glargine insulin, and prandial insulin: WO2019110773
  - Combination of prandial insulin and suppressor of glucagon with prandial effect: WO2019020820 and WO2019110788
- a pledge of the trade receivables of the Company evidenced in the form of a deed of pledge of receivables on French law;

Being specified that the implementation of additional security could in the future be required by IPF Fund II, in particular on stock/inventory with a value greater than 250,000 euros and intellectual property rights developed or acquired in the future.

This security may be implemented by IPF Fund II in the event of default of payment by the Company or at the request of IPF Fund II in the event of any event of default stipulated in the issued contract. The implementation of this security would result in the judicial allocation, the forced sale or, as the case may be, the transfer of ownership of the pledged asset to the benefit of IPF Fund II.

- Commitment made

Under the terms of the loan obtained, the Company notably made a commitment to comply with the following obligations:

- no contract of new debt (beyond a threshold by type of debt and an overall ceiling of 6.5 million euros in debt),
- no grant of new security or lease,
- have a minimum amount of cash equal to the higher of (i) 10 million euros and (ii) equivalent of cash to cover 6 months of operating cash flow including debt service (*cash covenant*)
- no change in activity substantially,
- no sell of assets other than in the ordinary course of business, to acquire or create joint ventures without the prior consent of IPF Fund II,
- respect all legal and regulatory obligations that are applicable to the Company.

Failure to comply with these commitments, to which it would not be remedied within 10 working days of the occurrence or of their notification by IPF Fund II (or immediately with regard to non-compliance with the cash covenant) could lead IPF Fund II to declare the early payment of the lease and to proceed with the implementation of the security described above.

As of December 31, 2022, the Company was in compliance with all of the covenants described above.

However, since March 31, 2023, the Company is no longer in compliance with the cash covenant defined above, as the cash position of 13.9 million euros is less than 6 months of operating cash flow including debt service.

As of the date of this document, the company is in discussion with its lenders to amend these covenants.

See sections 1.3.4.2 and [--] of the Universal Registration Document for the consequences of non-compliance with the financial covenants.

1.2.6.7. State-Guaranteed Loan (PGE) Contracts

In August 2020, Adocia was granted a loan of €7 million from BNP, HSBC, LCL and Bpifrance Banks, in the form of a State-Guaranteed Loan (PGE).

These loans are guaranteed by the French State up to 90% of the amounts due and are not subject to any payment during the first year. At the end of the first year, the repayment of the principal may again be deferred and amortized over a maximum period of 5 years, at the option of the Company. These loans will carry annual fixed interest rates of between 0.25% and 1.75% for the first year.

On November 30, 2022, the Company began repaying the PGE according to the contractual schedule in the amount of €0,4 million.

As of the date of this document, the company is in discussion with these banks to restructure its debt.

1.2.6.8. Issuance of convertible bonds at a variable price

On October 26, 2021, the Company issued 6,568,422 convertible bonds into shares with a par value of one euro each (the "**OC1023**") for a total amount of 6 million euros net subscribed by Vester Finance and two other European investors.

On November 30, 2022, the Company carried out a new issue of 6,568,422 bonds convertible into shares with a nominal value of one euro each, the terms and conditions of which are similar to those of the OC1023 (the "**OC1124**" and, together with the OC1023, the "**OC**") for a total amount of 6 million euros net subscribed by the same group of European investors. It should be noted that this group of investors acts as financial intermediaries and does not intend to remain in the capital of the Company.

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) 11.87 euros for the OC1023 and 4.40 euros for the OC1124, and (ii) 93% of the lower of the daily VWAPs (volume-weighted average share price) over a period of 15 days preceding each conversion request, without this price being lower than the limit set by the General Meeting of Shareholders of the Company, i.e. 80% of the volume-weighted average price of the last three trading sessions preceding the conversion request.

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

The convertible bonds have an initial maturity of 24 months (i.e., until October 16, 2023 for the OC1023 and November 30, 2024 for the OC1124), extendable under certain conditions. In the event that the convertible bonds have not been fully converted and/or redeemed at maturity, they will be fully repaid by the Company at 100% of their nominal value[65].

The parties have agreed that the shares of the Company issued upon conversion of the OC1023 and the OC1124 may not represent 20% or more of the shares of the Company over a sliding 12-month period. Prior to the attainment of the said 20% limit, the Company and the holders of the OC1124 have undertaken, firstly, to discuss the adaptation of the conversion rate and then, should these discussions fail, to amend the terms and conditions of the OC1124 in order to remove this 20% threshold (subject, however, to the publication by the Company of a prospectus relating to the said OC).

The Company has also undertaken to the holders of the OC, as long as the OC have not been converted, not to issue new securities giving access to equity securities providing for a variable subscription price per share, except in the case of a limited number of exceptions. The Company has also undertaken to issue convertible bonds, with terms substantially similar to the OC, for the benefit of the holders of the OC in the event of non-compliance with certain provisions of the contract for the issue of OC.

As of the date of this Universal Registration Document, on March 31, 2023, a number of 6,405,132 OC1023 and 910,000 OC1124 have been converted, resulting in the issuance of 1,473,335 and 316,230 shares respectively.

[65] Subject that the OC issued to IPF Fund II having been fully redeemed.

Please refer to section 4.3.3.7 of this Registration Document for more information on these bonds.

The impact on debt and equity is presented in more detail in note 10 of chapter 4 of the consolidated financial statements.

1.2.6.9. OSEO Innovation agreement of April 25, 2012

As part of the Insulin project, the company signed an agreement with OSEO on April 25, 2012 under which the company received a reimbursable advance totaling 800,000 euros for the development of a fast-acting "human" insulin formulation and the Phase 2a clinical trial. After fulfilling all the technical and financial conditions, the company received the full amount of this reimbursable assistance on April 30, 2012.

In the event of the program's success, the company agreed to repay OSEO the sum of 800,000 euros according to the following terms:

The company agreed to repay OSEO the full amount lent based on the following payment schedule:

- €130,000 for the year 2017 (€32,500 per quarter),
- €150,000 for the year 2018 (€37,500 per quarter),
- €200,000 for the year 2019, and
- €320,000 for the year 2020.

In the event of assignments of licenses or marketing, the company agreed to pay OSEO, by March 31 of each year and starting on January 1, 2014:

- 44.82% of income, excluding tax, from assignments or concessions of licenses, patents or know-how received during the previous calendar year, when such assignments or concessions concern all or part of the results of the financed program, and
- 44.82% of income, excluding tax, generated by the marketing and particularly the sale to a third party or the use by the company for its own purposes of the prototypes, pilot products and samples developed under the financed program.

In this case, the sums paid will first be deducted, by the same amount, from the last payment owed to OSEO Innovation, as specified in the above payment schedule, and, where applicable, from the next to last payment.

In the event of the program's commercial failure, even if such failure is partial, given the nature of the work carried out under the fast-acting human insulin project, the company agreed to repay OSEO a minimum sum of 280,000 euros corresponding to the amounts due for 2017 and 2018 as described above. In 2017 and 2018, the Company reimbursed accordingly to the plan.

If the company fails to fulfil its obligations, OSEO would have a right to demand the repayment of the advance granted.

In 2015, the Company noted the end of the program and proceeded with the reimbursements provided in the event of commercial failure of the program in 2017 and in 2018. An expertise commissioned by Bpifrance has been realized in 2020.

On January 16, 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the total technical failure of the program and declaring the abandonment of the remaining debt to be repaid, i.e. a total of 520,000 euros. As a result, the Company is fully released from its commitments to Bpifrance under its innovation support agreement signed on April 25, 2012.

1.2.6.10. Sale and lease-back agreement

On March 28, 2022, the Company announced the sale of its building in Lyon in a sale and leaseback transaction. This transaction resulted in the sale of the building for a net cash inflow of 19 million euros and was accompanied by the signature of a lease agreement for the building concerned. This contract covers all the areas (i.e. the main building, the secondary building and the parking lots). The lease is for a period of 12 years, with Adocia expressly and irrevocably waiving its right to terminate the lease at the end of the first three-year period.

In addition, the lease agreement provides for an option to renew the lease for an additional 9 years in favor of the Company. The lessor has thus irrevocably undertaken to renew the lease upon its expiration, with Adocia being free to accept or not. The renewal would be on the same terms and conditions as the current contract, with the exception of the term, which would be fixed at 9 years, and the lessee's three-year termination option, which would be reintroduced.

The lease provides for an initial annual rent of 1,042,553 euros excluding taxes and charges. A security deposit of 3 months' rent (260,638.25 euros) was paid on signing the lease. In addition to this deposit, Adocia has given the lessor a first demand bank guarantee from HSBC, equal to twelve (12) months' rent excluding taxes and charges, i.e. the sum of one million forty-two thousand five hundred and fifty-three euros (1,042,553 euros).

In addition, the lessor has undertaken to finance a package of future investment and restructuring work, in return for which Adocia will pay an additional annual rent. This commitment runs for a period of 9 years from the signing of the lease.

As of the date of this Universal Registration Document, Adocia has not undertaken any work and is therefore paying the initial rent.

1.3 Analysis and comments on activities during the year

Readers are invited to read this analysis of the Company's financial position and results along with the financial statements prepared under IFRS for the fiscal years ended December 31, 2022 and December 31, 2021, as well as the notes to the consolidated financial statements prepared under IFRS and presented in section 4.1 of this registration document and all other financial information included herein. Readers may also review the description of the Company in section 1.2 "Presentation of Adocia and its activities."

The consolidated financial statements prepared under IFRS are presented in section 4.1 of this registration document. Only the corporate financial statements prepared under French GAAP have legal force and are reproduced in the notes to this registration document along with the statutory auditors' reports.

1.3.1. Main activities during the year

The year 2022 was marked by progress on our flagship products, which attracted the interest of potential partners with a view to establishing licensing agreements for our specialty products. At the same time, Adocia has established *in vivo* proofs of concept on its AdOral®, AdoShell® and AdoGel® technology platforms. The business team is looking for partnerships on these three technology platforms.

Major clinical progress and deployment of technological platforms

- BioChaperone® Lispro: start of Phase 3 in China

In May 2022, Adocia announced the dosing of the first patient in the Phase 3 program of BioChaperone® Lispro with its partner Tonghua Dongbao. This large-scale program will include 1,300 people with Type 1 or Type 2 diabetes in 100 clinical research centers in China. This major development milestone has triggered a $5 million payment from Tonghua Dongbao to Adocia. Additional payments of up to $30 million are contingent upon the achievement of future development milestones until marketing authorization. Royalty payments on future sales of Tonghua Dongbao are also planned.

In parallel, a Phase 1 study was completed in December 2022 and the preparatory work for the Phase 3 studies in the United States and Europe has been finalized, with positive opinions received from the FDA and the EMA. The company is searching for a partner capable of financing the pivotal program until marketing authorization is obtained for these territories

- M1Pram: exceptional clinical results obtained in Phase 2

Adocia has intensified the clinical development of its two candidates, M1Pram and BioChaperone LisPram, which are positioned for the auto-injector pen and pump markets respectively. These fixed-dose combinations of insulin and amylin analogues are expected to provide improved medical benefits compared to rapid insulins administered alone, by achieving weight loss in obese or overweight diabetic patients. In the United States, 65% of Type 1 diabetic patients and 85% of Type 2 diabetic patients are overweight or obese.

The results of the Phase 2 study (CT041) with M1Pram autoinjector pen were disclosed on June 21, 2022. The primary endpoint was met, with a weight loss in overweight people (BMI > 25 kg/m^2) with Type 1 diabetes demonstrated over 4 months compared to Humalog® (-2.13 kg). The treatment was well tolerated and good overall glycemic control was maintained. Better appetite control was expressed in the patient satisfaction survey (82.4% with M1Pram vs. 43.2% with Humalog®). In a post-hoc analysis, M1Pram showed exceptional weight loss in the subpopulation of obese patients (BMI >30 kg/m^2). Weight loss was -5.56 kg in the M1Pram group versus -0.57 kg in the Humalog group (p=0.03) at 16 weeks of treatment, and weight loss did not plateau at the end of the study. These results were presented at EASD 2022.

In parallel, a proof-of-concept study in humans was initiated with BioChaperone LisPram. This combination was specifically designed for automated pump administration using an algorithm. The clinical part of this study, conducted in collaboration with Dr. Ahmad Haidar of McGill University (Canada), has been completed and results are expected in the first quarter of 2023.

- AdoShell® Islets: first preclinical proof-of-concept for the treatment of Type 1 diabetes by cell therapy

The function of AdoShell® Islets is to maintain the secretory activity of transplanted pancreatic cells, while protecting them from the immune system. In September 2022, Adocia announced the first preclinical proof of concept for AdoShell Islets for the treatment of Type 1 diabetes by cell therapy. AdoShell Islets restored glycemic control in immunocompetent diabetic animals, without insulin or immunosuppressants, until the end of the 132-day trial. These results were presented at the PODD 2022 cell therapy session in Boston in October 2022. A new series of trials on diabetic rats confirm these very promising results with 80 days of glycemic control (study still in progress). Studies are also underway on pig models, in order to prepare the first in human clinical trials. An academic collaboration has been established with several teams, including Inserm with Professor François Pattou, a world-recognized specialist in islet transplantation.

New proprietary technology platforms opening up promising markets

- AdOral®: oral delivery of peptides to replace injections

Adocia has developed a technology that can enable the oral delivery of peptides, which would make it possible to switch from injectable to oral forms. In addition to improving patient quality of life and compliance, oral forms of peptides may be of interest for product life cycle management and would avoid the difficulties associated with large-scale production of sterile injectables. Initial preclinical results have shown an increase in the absorption efficiency of peptides by the digestive tract. A first application to semaglutide, a GLP-1 receptor agonist used in the treatment of diabetes and obesity, has validated this technology in preclinical studies by demonstrating improved bioavailability. This technological platform opens up numerous applications in various therapeutic areas.

- AdoGel®: a technology for the long-term delivery of peptides and small molecules

AdoGel has been designed to enable the long-term delivery of therapeutic solutions, in order to compensate for repeated drug administration and improve compliance. Designed for release from one month to several years, AdoGel also avoids an initial concentration peak and improves the time in the therapeutic window.

A first application to a contraceptive treatment has demonstrated in vivo a release without initial burst and a zero-order release profile up to 6 months.

These three technological platforms invented by Adocia open up numerous potential applications in various therapeutic areas.

Change in the governance

At the beginning of December 2022, the Company was informed that Bpifrance Investissement had resigned from its position as director. Bpifrance Investissement was represented by Mr. Olivier Martinez who had been a member of Adocia's Board of Directors since BioAm's investment in 2007.

The Board of Directors meeting held on December 14, 2022 appointed Mr. Mads Dall as a provisional director, replacing Bpifrance Investissement for the remaining term of the latter's mandate, i.e. until the General Meeting to be held in May 2023. Mr. Mads Dall is internationally recognized for his expertise in the field of diabetes. He had a long career at Novo Nordisk which included development of the commercial activities in China.

1.3.2. Presentation of the financial statements

1.3.2.1. General information

The Company's principal activity is research and development of innovative formulations of pre-approved therapeutic proteins. It has in particular a high level of expertise in the field of insulin for the treatment of diabetes and obesity.

1.3.2.2. Main accounting principles

- Revenue recognition

Adocia generates revenue from collaboration and licensing agreements signed with other companies operating in its sector and from public funding of research costs (grants and research tax credit).

- Research and development costs

Research and development costs are recognized as expenses on the income statement in the year in which they are incurred. Development costs are capitalized only when the conditions required by IAS 38 are met. As of the date of this registration document, these conditions have not been met and the Company therefore does not capitalize its development costs.

1.3.3. Financial position and appropriation of profit

1.3.3.1. Components of income

The following table summarizes the Company's income statement under IFRS for the fiscal year ended December 31st, 2022, and provides a comparison with fiscal year 2021.

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Revenue (a)	**11 447**	**1 444**
Research and collaborative agreements	6 359	983
Licencing revenues	5 088	461
Other revenue (b)	**5 914**	**4 611**
Research tax credit	5 914	4 611
Grants, public financing, others	0	0
Operating revenue (a) + (b)	**17 361**	**6 055**
Research and development expenses	(25 898)	(20 016)
General and administrative expenses	(4 359)	(5 404)
Operating expenses	**(30 257)**	**(25 421)**
OPERATING INCOME (LOSS)	**(12 896)**	**(19 366)**
Other operating revenue and expenses non current	11 198,7	0
OPERATING INCOME	**(1 698)**	**(19 366)**
FINANCIAL INCOME (LOSS)	**(4 727)**	**(3 388)**
EXCEPTIONAL INCOME (PROFIT)	0,0	**0**
Tax	**(476)**	0
NET INCOME (LOSS)	**(6 901)**	**(22 754)**

Base earning per share (€)	(0,9)	(3,2)
Diluted earning per share (€)	(0,9)	(3,2)
GROUP NET PROFIT (LOSS)	**(6 901)**	**(22 754)**

▪ Operating income

The Company's operating income resulted from collaboration and licensing agreements and public funding of research costs. In 2022, operating income amounted €17,4 million compared to €6 million in 2021, based on the following breakdown:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Revenue (a)	**11 447**	1 444
Research and collaborative agreement	6 359	983
Licencing revenues	5 088	461
Grants, public financing, others (b)	**5 914**	**4 611**
OPERATING REVENUE (a) + (b)	**17 361**	**6 055**

The Company's revenue is mainly due to the licensing and collaboration agreements signed with Tonghua Dongbao (THDB) for the BioChaperone® Lispro and BioChaperone® Combo combinations in China and other territories.

For the year 2022, revenue includes licensing revenues of USD 5 million, triggered by the first patient dosed in the pivotal Phase 3 clinical study conducted by THDB in China with Ultra-Rapid Insulin BC Lispro.

Revenue of the year also includes EUR 6,1 million from collaboration signed with THDB for services provided by Adocia's teams on the BioChaperone® Combo project to conduct of three clinical studies in Europe. These studies, launched in 2021, had generated nearly one million euros in revenue last year.

Finally, research and collaboration revenues include two feasibility studies provided by Adocia teams on the AdOgel platform.

In 2021, revenue resulted in €1.4 million from the initial upfront payment in April 2018 at the signature of the two partnership and licensing agreements with Tonghua Dongbao. These revenues related to R&D services provided by Adocia to Tonghua Dongbao, are recognized based on progress, in accordance with IFRS 15, by comparison between the costs incurred by Adocia and the total budget estimated to date over the term of the contract. For the year 2021, revenue also includes rebilling of €1 million to Tonghua Dongbao for additional services provided at the request of the partner particularly for the BC Combo project.

It should be noted that the initial payment received in 2018 in the amount of $50 million (€41.1 million) is being amortized over the development period of the projects. The portion recognized in revenues as of December 31, 2022 amounts to 0.4 million euros compared to 0.5 in 2021.

Other operating income mainly consists of the Research Tax Credit which amounted to €5.9 million as of December 31, 2022 compared to €4,6 million as of December 31, 2021.

▪ Operating expenses

The table below shows a breakdown of operating expenses by function for the fiscal years ended December 31st, 2022 and December 31st, 2021:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Research and development expenses	(25 898)	(20 016)
General and administrative expenses	(4 359)	(5 404)
OPERATING EXPENSES	**(30 257)**	**(25 421)**

Research and development expenses mainly consisted of the payroll costs of research and development employees, subcontracting costs (including preclinical studies and clinical trials), intellectual property costs and purchases of materials (reagents and other consumables), and pharmaceutical products and other raw materials. In 2022, these expenses amounted to €25.9 million versus €20 million in 2021.

The increase in expenses is mainly due to the clinical activities conducted for Tonghua Dongbao and the development of the Company's portfolio, in particular the research conducted for the development of AdoShell Islet and Oral delivery.

General and administrative expenses mainly included payroll costs of non-research and development employees, as well as the cost of services related to the management and business development of the Company and its subsidiary in the United States. General expenses amounted to €4.4 million in 2022 and are down 19% compared to 2021, reflecting the reduction in headcount and the maintenance of a rigorous spending policy.

Research and Development expenses represented 85% of the operating expenses in 2021 compared to 79% in 2021.

The table below shows a breakdown of operating expenses by type of expense for the fiscal years ended December 31st, 2022, and December 31st, 2021:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Purchases used in operations	(1 839)	(1 264)
Payroll expense	(9 819)	(11 434)
Share-based payments	(140)	(197)
External expenses	(17 724)	(11 102)
Taxes and contributions	(240)	(265)
Depreciation, amortization & provisions	(496)	(1 158)
OPERATING EXPENSES	**(30 257)**	**(25 421)**

The cost of consumed materials, products and supplies increased by €0.7 million between 2021 and 2022, totaling €1.8 million, mainly for the support of the AdoShell project.

Payroll expenses totaled €9.8 million in 2022 compared to €11.4 million in 2021, i.e., a decrease of €1.6 million. The decrease is mostly due to the decrease in staff from 122 Full Time Equivalents (FTE) in 2021 to 109 FTE as of December 31, 2022, i.e., a decrease of 10%.

The share-based payments item remains low at €0.1 million euro in 2022 and reflects the impact of plans set up in previous years. In accordance with IFRS 2, these expenses correspond to the fair value of equity instruments granted to managers and employees. These elements had no impact on the Company's corporate financial statements nor cash position.

External charges include the costs of preclinical studies, clinical trials, subcontracting expenses, intellectual property costs, professional fees, and general expenses. These expenses amounted to €17.7 million as of December 31, 2022, an increase of €6.6 million compared to 2021. This variation is mainly due to the increase in clinical expenses, in particular the BC Combo studies conducted under the collaboration agreement with Tonghua Dongbao.

Taxes totaled €0.2 million in 2022 at a stable level compared to 2021.

Depreciation and amortization totaled, down by €0.7 million compared to 2021, are impacted by the sale of the building in March 2022.

- Net financial income/expense

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Cost of net financial debt	**(4 673)**	**(3 553)**
Cash and cash equivalents income	28	1
Interest on conditional advances	(2 859)	(2 249)
Fair value revaluation of OCA 1023	(527)	(1 078)
Fair value revaluation of OCA 1124	(643)	0
Fair value revaluation of IPF's share subscription warrants	**(673)**	**(227)**
Foreign exchange gains and losses	**125**	**176**
Other financial income and expenses	**(179)**	**(11)**
FINANCIAL INCOME (LOSS)	**(4 727)**	**(3 388)**

The negative financial income of €4.7 million at December 31, 2022, down from 2021, is mainly due to:

- The interest generated by the loan taken out with IPF Fund II in October 2019 (€2.2 million);
- €1.1 million impact on the Company's cash position of the fair value measurement of the OC1023 and OC1124 bonds (see paragraph 4.1.5.3 on the application of IFRS 9 and IAS 32 for the accounting of the OC1023 & OC1124 bonds);
- €0.7 million impact, also with no effect on the Company's cash position, of the revaluation of the fair value of the warrants granted to IPF (see paragraph 4.1.5.3 relating to the application of IAS 32 for the accounting of the IPF loan);

  Change variations (0.1 million euro).

The Company's investment policy focuses on liquidity, the absence of capital risk and, to the extent possible, guaranteed performance.

- Corporation tax

The carryforward tax losses, after allocation of the fiscal deficit subject to the standard tax rate for the 2022 financial year, was €195.9 million. This carryforward loss is not limited in time. Since the company cannot determine with sufficient reliability when it will be able to absorb its accumulated tax loss, it did not recognize a deferred tax asset for this loss.

- Net profit/loss

	FY 2022 (12 months)	FY 2021 (12 months)
CONSOLIDATED NET PROFIT / LOSS (in euros thousands)	**(6 901)**	**(22 754)**
Average number of shares	8 031 527	7 057 600
NET EARNINGS (LOSS) PER SHARE (in euros)	**(0,9)**	**(3,2)**
NET EARNINGS (LOSS) PER SHARE FULY DILUTED (in euros)	**(0,9)**	**(3,2)**

The net loss for the year 2022 amounts to €6.9 million, compared to a net loss of €22.7 million in 2021. The net loss per share is thus €0.9, compared to a net loss of €3.2 per share in 2021. The improvement comes mainly from the result for the year, which has improved significantly as a result of the increase in revenues and the exceptional profit from the sale of the building.

1.3.3.2. Balance sheet analysis

- Non-current assets

Non-current assets amounted to €4.4 million at the end of 2022, compared with €1.1 million in 2021.

As of December 31, 2021, in compliance with IFRS 5, €6.9 million of net assets have been reclassified as "held for sale" in a separate sub-heading after other current elements. Following the sale in March 2022, these assets were fully retired.

In addition, and still in application of IFRS 16, a valuation of the right of use of the new lease has been performed. The right of use is representative of the share of the value of the asset over which Adocia retains control through its lease agreement. As of the transaction date, the right of use is therefore valued at EUR 2.2 million (32% of the net book value of the assets sold). It is amortized over the term of the lease, i.e. 12 years.

- Current assets

Current assets amounted to €26.3 million on December 31st, 2022 compared to €22.1 million on December 31st, 2021, consisting of the following items:

- Cash and cash equivalents" increased from €15.1 million on December 31st, 2021 to €17.4 million at December 31st, 2022. The net increase in cash and cash equivalents of €2.3 million in 2022 is mainly due to the sale of the building, the increase in R&D expenses partially offset by the receipt of the milestone payment received from THDB on BC Lispro.
- Other current assets amounted to €8.2 million as of December 31st, 2022, and consisted in particular in the receivable related to the research tax credit (CIR) of €5.9 million. As of December 31st, 2021, this item amounted to €6.2 million, of which €4.6 million related to CIR.

- Current and non-current liabilities

Liabilities consisted mainly of four items presented on the balance sheet according to their maturity:

- "Trade payables" under current liabilities amount to €6.4 million compared to €3.8 million at the end of December 2021. The significative change in this item (+€2.6 million) reflects the schedule of clinical activities (external expenses) over the period, and year-end billing related to the progress of studies.
- The "financial debts" item totaling €33.2 million as of the end of December 2022, is stable compared to last year. This situation masks:
    - a decrease in debt related to the repayment of the IPF loan (€4.7 million), the repayment of the bank loans attached to the building (€4.4 million) and the conversion of the OC1023 convertible bonds (decrease in debt of €6.1 million),
    - offset by the increase of €6.6 million related to a new OC1124 financing transaction and the restatement of rent under IFRS 15 (€7.1 million).
- "Long-term provisions" mainly comprise provisions of retirement benefits, which totaled €1 million for fiscal year 2022 versus €1.5 million for fiscal year 2021.
- "Other liabilities" for 2022 included tax and social security liabilities which amounted to €2.1 million, down from the previous year, which included a provision for bonuses that was not renewed in 2022. As of December 31, 2022, other liabilities also included €0.8 million, versus €0.4 million in 2021, in deferred revenue related to the agreements signed with Tonghua Dongbao Pharmaceuticals Co. Ltd.

1.3.4. Cash, financing and equity

Readers are invited to review notes 9 and 10 to the consolidated financial statements prepared under IFRS for the fiscal years ended December 31, 2022, and December 31, 2021, which are presented in section 4.1.6 and Chapter 5 of this universal registration document.

1.3.4.1. Debt financing

Thanks to its research activities, the Company has benefited from reimbursable grants from Bpifrance and COFACE, without bearing any interest, for a total amount of €4.1 million.

As of December 31st, 2022, the outstanding amount of the loans receives from Bpifrance were €0.5 million and relates solely to the repayable advance of €0.8 million received in 2012 for the development of a formulation of fast-acting "human" insulin and the Phase 2a clinical study. In 2015, the Company noted the end of the program and proceeded with the reimbursements provided in the event of commercial failure of the program in 2017 and 2018. An expertise commissioned by Bpifrance was realized in 2020.

On January 16, 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the total technical failure of the program and declaring the abandonment of the remaining debt to be repaid, i.e. a total of 520,000 euros. As a result, the Company is fully released from its commitments to Bpifrance under its innovation support contract signed on April 25, 2012.

Bank loans were contracted in 2016 for €5.5 million to finance the purchase of the building where the research center and headquarters of the Company are located. Additional funding of €0.3 million was released in 2017. Between March and May 2019, the Company contracted a loan of €1.2 million to finance the renovation of two 450 m² areas for the Analytical department, one for offices, the other for laboratories. These loans have been entirely paid off as part of the building sale in March 2022 (see chapter 4 of the present document).

In 2019, the Company subscribed to a bond issue, with warrants, for a total of €15 million from IPF Fund II, through two tranches of €7.5 million each, on October 11th, 2019, and December 10th, 2019. This contract is detailed in paragraph 1.2.6.6 of the present universal registration document.

In August 2020, Adocia was granted a loan of €7 million from BNP, HSBC, LCL and Bpifrance Banks, in the form of a State -Guaranteed Loan (PGE). These loans are not subject to any payment during the first year. In June 2021, the Company chose to defer repayments for another year, the first capital repayments being due in August 2022 with an unchanged maturity in August 2026. This contract is detailed in paragraph 1.2.6.7 of the present universal registration document.

In **October 2021**, and again in **November 2022**, the Company issued bonds convertible into shares with a nominal value of one euro each (the "**OC**") for a total amount of 6 million euros net subscribed, for each transaction, by Vester Finance and two other European investors. These OC were issued at a price equal to 95% of their nominal value. The OC will not bear interest and may be converted into ordinary shares at the request of their holders, at any time and at a contractually defined variable subscription price per share (the "**Conversion Price**"). These two contracts are detailed in paragraphs 1.2.6.8 and 1.2.6.9 of this universal registration document.

As of December 31st, 2022, financial debt amounted to €33.2 million, with a less than a year component of €15.7 million.

1.3.4.2. Cash flows

In (€) thousands, Consolidated financial statements, IAS/IFRS	**FY 2022 (12 months)**	**FY 2021 (12 months)**
Net cash flow generated by operating activities	(14 995)	(19 234)
Net cash flow in connection with investment transactions	21 864	(361)
Net cash flow in connection with financing transactions	(4 611)	6 644
Changes in net cash	**2 259**	**(12 951)**
Cash and cash equivalents at the start of the year	15 163	28 114
Cash and cash equivalents at year-end	17 422	15 163

- Net cash flow from operations

For fiscal year 2022, net cash outflows related to operations amounted to €15 million compared to a net cash outflow of €19.2 million in the previous year. This decrease is related to the receipt of a milestone payment of $5 million received in May 2022 from Tonghua Dongbao following the launch of BC Lispro Phase 3 in China.

- Net cash flow from investments

The investment operations carried out in 2022 on the sale of the building led to a positive net cash flow of €21.9 million, compared to a negative cash flow of €0.4 million last year.

- Net cash flow from financing transactions

In 2022, the net cash flow from financing activities results from the repayment of all the loans contracted at the time of the purchase of the building (€4.4 million), the repayment of debt (IPF and PGE for an amount of €6.2 million) partially balanced by the obtaining of new financing through the issuance of bonds convertible into shares for €6 million.

1.3.4.3. Funding sources needed in the future

The financial statements of the company as of December 31, 2022 have been prepared on a going concern basis. As of December 31, 2022, the company had cash of 17.4 million euros.

In February 2023, the Company received €4.5 million from BNP Paribas Factor following the mobilization of its receivable related to the 2022 research tax credit (CIR). As a result, the Company had a cash position of 17 million euros at the end of February 2023.

This cash position allows it to finance its activities until September 2023. However, it no longer allows it to meet the commitments it has made to its lenders since the end of March 2023. The company is currently in discussions with its lenders to restructure its debt in order to extend its cash flow horizon and thus enable it to continue the discussions initiated in recent months.

The Company is in discussions with its lenders to restructure its debt in order to extend its cash horizon and thus enable it to pursue the discussions initiated in recent months.

Indeed, Adocia is actively pursuing several options which, if they were to materialize positively, would allow it to significantly strengthen its cash position.

The first option is to sign a partnership for one of the products in the portfolio. In this respect, the results obtained with M1Pram, described as exceptional, have been particularly appreciated by market players, as M1Pram is potentially the only drug with insulin that would make you lose weight. Discussions, initiated at the end of 2022 following clinical results, are ongoing with several potential partners, one of which is in advanced discussions.

The second option is to monetize with specialized companies the expected royalties on the BC Lispro product licensed to Tonghua Dongbao, for which $30 million in milestone payments are expected, with subsequent double-digit royalties on sales achieved by our partner in China. The product is currently in Phase 3 in China for commercialization in the world's largest insulin market. The company is in contact with several players in this field.

Finally, the Company is still considering going to market to finance its research.

In parallel, management is actively pursuing all of these options and continues to work with its principal lender to restructure the debt and thus have the time necessary to complete all of these objectives.

If none of these options were to succeed, and if no agreement were to be reached with its lenders other than the one proposed, the company's cash flow horizon would be reduced to the end of June 2023. This results in uncertainty about the company's going concern.

1.3.5. Foreseeable developments, future prospects and significant events after the end of the fiscal year

1.3.5.1. Trend information

See section 1.2 of this registration document which describes the epidemiological data for the pathologies targeted by the BioChaperone® technology platform, and, for certain pathologies, market trends and size.

1.3.5.2. Profit forecasts and estimates

The Company does not plan to make profit forecasts or estimates.

1.3.5.3. Significant change in the financial or trading position

Following the global health crisis, the Company's research and development activities have gradually returned to normal levels, with a work organization that includes more telecommuting. Nevertheless, containment measures and travel constraints continued to disrupt partnership research.

The main risk factors of this epidemic have been identified and detailed in section 1.4.1.3 of this Universal Registration Document. The materialization of these risks could have a downward impact on the level of the Company's forecasted expenses, as well as on the expected revenues from collaborations, which is difficult to quantify with precision at the date of this document.

1.4 Risk factors

The Group operates in a changing environment involving risks, some of which are beyond its control. Investors are invited to take into consideration all of the information contained in this Universal Registration Document, including the risk factors described in this chapter before deciding to acquire or subscribe for shares in the Company.

The Company has carried out a review of the risks which could have a significant unfavorable effect on the Company, its activity, its financial situation, its results, its prospects or on its capacity to achieve its objectives and which, in this context are important before making any investment decision.

The attention of potential investors is drawn to the fact that the list of risks presented below is not exhaustive in accordance with Article 16 of Regulation (EU) 2017/1129 of June 14, 2017, known as the Prospectus Regulation, pursuant to which only those risks that are specific to the Company and/or its securities and that are material for making an informed investment decision are mentioned in this Universal Registration Document.

Other unknown risks or uncertainties, the occurrence of which is not considered, as of the date of this Universal Registration Document, to be likely to have a material adverse effect, may exist and the occurrence of one or more of these risks is likely to have a material adverse effect on the Company, its business, its prospects, its ability to achieve its objectives, its financial situation, its cash flow or its results of operations.

These risks are grouped according to 4 categories, without hierarchy between them: business-related risks, financial risks, risks of dependence on third parties and regulatory and legal risks, it being specified that within each of among them, the most important risk factors are presented, according to the Company's assessment on the date of the Universal Registration Document, first. The occurrence of new events, either internal to the Company or external, is therefore likely to modify this order of importance in the future.

The section below presents the summary of the main risk factors identified by the Company and indicates for each of them, the probability of occurrence as well as their negative impact on the Company on the date of this reference document. The probability of occurrence is assessed on four levels ("Very likely", "Most likely", "Fairly likely" and "Unlikely") and the consequences in terms of negative impact are assessed on three levels ("High", " Medium "and" Low "). In each section below, the risk factors are presented in decreasing order of importance, according to the Company's assessment as of the date of this reference document. The occurrence of new events, either internal to the Company or external, is likely to modify this order of importance in the future.

Referen-ce	Risk factor	Occurrence probability	Impact
1.4.1	**Risks linked to the company's activity**		
1.4.1.1	The Company is dependent on its capacity to innovate and conclude partnership agreements	Most likely	high
1.4.1.2	Research and development programs are long, time consuming and expensive and may have an uncertain outcome	most likely	high
1.4.1.3	The spread of a Covid-19 pandemic can disrupt the activity of the Company, in particular the development of its research programs	most likely	high
1.4.1.4	The products resulting from the Company's research are positioned in competitive and rapidly changing markets	most likely	high
1.4.2	**Risks related to the financial position of the company**		
1.4.2.1	The company has a history of significant operating losses that could continue	most likely	high
1.4.2.2	The Company may need to strengthen its equity or to resort to additional financing in order to ensure its development	very likely	high
1.4.2.3	The Company is exposed to the risk of an increase in interest rates	unlikely	average
1.4.2.4	The market price of the Company's shares is likely to be affected by significant volatility	very likely	average
1.4.2.5	The Company risks being more exposed to currency risks	fairly likely	low
1.4.3	**Risks related to dependence on third parties**		
1.4.3.1	The marketing of the Company's product candidates depends on the actions taken by its partners, which are beyond the Company's control	likely	high
1.4.3.2	The Company sources from third parties to obtain specific proteins in sufficient quantity and quality	fairly likely	high
1.4.3.3	The Company is dependent on its subcontractors to carry out its preclinical, clinical activities and manufacture of clinical batches	fairly likely	average
1.4.4	**Regulatory and legal risks**		
1.4.4.1	The Company operates in an increasingly restrictive regulatory environment	most likely	high
1.4.4.2	The protection of the Company's patents and other intellectual property rights is uncertain and may be insufficient to protect it from its competitors.	most likely	high
1.4.4.3	Third parties could assert property rights over the inventions that the Company develops	fairly likely	average
1.4.4.4	The responsibility of the Company could be brought into play for product liability	unlikely	low
1.4.4.5	Following the pledge made for the benefit of IPF, the Company may not have its intellectual property	fairly likely	average
1.4.4.6	The use of chemicals and hazardous substances could lead to accidents	unlikely	low

1.4.1. Risks associated with the Company's activity

1.4.1.1. The Company is dependent on its capacity to innovate and conclude partnerships agreements.

The Company does not plan to develop or market therapeutic products from its research. The Company's main strategy is to develop innovative formulations for various therapeutic proteins and then to license the use thereof to major players in the pharmaceutical, biotechnology and medical devices industries for the development and marketing of therapeutic products.

As of the date of this universal registration document, the Company has licensed two of its products (BC Lispro and BC Combo) to a Chinese partner, the company Tonghua Dongbao, which continues their development, in particular clinical and regulatory, and which must then ensure the production and the marketing in China and in other territories as defined in the contract.

The Company is looking for a partner who could continue the clinical development and commercialize the BC Lispro product in territories that have not been granted to the Chinese partner, i.e. Europe, Japan and the United States. While the Company is making its best efforts to be creative and explore different possibilities, it is not certain that it will be able to find a commercial or financial partner to fund the continuation of its mature products.

The Company has developed a portfolio of products based on its BioChaperone® technology and focused on the treatment of diabetes, mainly based on insulin. Based on the experience and expertise of its teams, it seeks to enrich its portfolio of innovative products, in particular by working on combinations of hormones or by seeking to extend the application of its innovations outside of diabetes. Thus, in 2021, the Company announced that it had launched new research programs on cell therapy and oral delivery of protein. But these research programs aiming to identify new product candidates require substantial technical, financial and human resources. Research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development that would be attractive to potential partners, for a number of reasons, including:

- The research methodology used may not be successful in identifying potential product candidates; or
- Product candidates may, on further study or through clinical trials, show inadequate efficacy, harmful side effects, undifferentiated features or other characteristics suggesting that they are unlikely to be effective or safe products.

Therefore, it is not certain that the Company will be able to identify new product candidates through its internal research. The Company could also focus its efforts and its human and financial resources on product candidates who could prove unsuccessful.

Finally, the products developed by the Company may not be sufficiently reliable, effective, and innovative to attract major players in the pharmaceutical, biotechnology and medical device industry and convince them to conclude license and collaboration agreements relating to products and technologies of the Company.

If despite of all these efforts, the Company is unable to conclude license and collaboration partnerships for these innovative products, it may lack the necessary funding to continue the internal development of its leading products. Failure to enter into such agreements could further delay or even imped the development, manufacture and / or marketing of attractive leading products or any other product and have a significant adverse effect on the financial position and operational results of the Company, insofar as income from license agreements on candidate products could be delayed or even never materialize. In such a case, the Company could choose not to market, nor to continue the development of the leading products.

1.4.1.2. Research and development programs are lengthy, time-consuming and costly processes, the outcome of which remains uncertain

Research programs are designed to identify new product candidates and require substantial technical, financial, and human resources. Only a small minority of all research programs result in product candidates, and completion of preclinical studies does not guarantee that we will initiate additional studies or trials for our product candidates.

If a product candidate passes the preclinical development stage, the Company must then develop and design clinical trials to test its specific properties. In order to conduct clinical trials, the Company must first obtain the necessary authorizations to carry out these trials in the countries where it intends to market its product. The Company cannot predict how long it will take the regulatory authorities to review the trial protocol and approve the files submitted to them. For example, for the launch of Phase 3 clinical trials in China, Tonghua Dongbao, the Company's Chinese partner, filed an application with the CDE (Center for Drug Evaluation) in March 2021. However, the processing of the application was delayed by the internal reorganization of the Chinese regulatory agency, and the Company was not granted final approval until October, i.e., 8 months after the application is filed. The clinical trial could then start a few months later with the first patient treated in May 2022.

The completion of clinical trials will depend on various factors, such as the therapeutic indication in question, the size of the population affected, clinical trial design, qualification and initialization of clinical trial sites, availability of the investigational product, the proximity of patients to clinical test sites, the eligibility criteria for trials, recruitment rates and competition for the recruitment of patients, and compliance with and changes in regulatory requirements. This achievement is also sensitive to the global context.

Moreover, the Company cannot guarantee that clinical trials that are authorized will be completed within the planned timeframes. In addition, the data obtained from these clinical trials may be subject to differing interpretations, which may delay, restrict, or prevent obtaining regulatory authorization, in particular if the clinical data is deemed incomplete.

Lastly, at each stage of a product's progress through the clinical trials, there will be a significant risk of failure that may prevent continued development of a drug candidate, such as intolerance to the product, insufficient therapeutic benefits, and inability to meet prespecified primary endpoints or side effects. Even if the Company obtains positive

results from preclinical or early clinical studies, the Company may not achieve success in future studies. Furthermore, the Company, its relevant partners or the regulatory authorities may suspend or terminate clinical trials if they deem that the subjects participating in the trials are exposed to health risks.

The innovative therapeutic protein formulations that the Company currently provides and intends in the future to provide its current and future industrial partners for incorporation into their own products may also not prove to be sufficiently effective and/or have a sufficient safety profile to justify marketing them.

The inability of the Company and/or its partners to successfully complete the necessary clinical trials, including obtaining positive results, and meet certain other requirements for regulatory approval, could cause the development of the Company's research programs and technologies to be delayed or abandoned. As a result, the Company may never realize revenues from certain product candidates, despite significant investments.

The Company's medium and long-term business, financial position, income, expansion, and outlook could be materially impacted by the occurrence of one or more of these risks.

1.4.1.3. The spread of a Covid-19-type pandemic could disrupt the Company's business, in particular the development of its research programs

The Covid-19 pandemic that occurred in early 2020 has severely disrupted the global economy. While vaccinations campaigns adopted by the different countries have allowed a return to a near-normal situation in 2022, the health situation remains complex in some countries of the world.

If the Coronavirus were to spread again on a global level or if a new epidemic were to occur, the development of Society's research programs could be severely disrupted:

- On the one hand, by limiting the personnel who can travel to the Company's research site, and by disrupting the continuity of supplies of raw materials, consumables and protections necessary for the personnel to ensure the development of the Company's research programs; and
- On the other hand, by affecting the activity of the subcontractors on which the Company is dependent (see in this sense the risk described in section 1.4.3 of this document), and by generating in particular:
    - delays in the transmission and analysis of the results obtained on the completed preclinical and clinical studies;
    - difficulties in the continuation of clinical and preclinical studies launched by the Company or the delay or cancellation of new studies already planned, due in particular to a delay in the recruitment of patients;
    - a limitation of the human resources available for the conduct of these studies or, concerning preclinical studies, difficulties in supplying animals,
    - difficulties in convincing future partners of the effectiveness of its drug candidates in the absence of new clinical or preclinical results.
    - delays on the part of the administrative authorities in obtaining the authorizations necessary to launch the Company's clinical trials,
    - slowdowns in the necessary interactions with local authorities, ethics committees or other regulatory authorities due, in particular, to limitations in human resources or forced holidays of employees of said authorities, or the refusal of these administrative authorities, such as the FDA, ANSM or EMA, to accept data from clinical trials conducted in affected geographic areas;
    - changes in local regulations due to the measures taken with regard to the COVID-19 coronavirus epidemic or its variants, which could force the Company to modify the protocols and modalities of its clinical trials, which could thus result in unforeseen costs, or even in the interruption of these trials.

Furthermore, the collaboration between the Company and its partner in China could be impacted by difficulties or delays in the activities carried out by its partner to bring the licensed products of BC lispro and BC Combo to the market, within the deadlines initially provided.

In addition, the difficulties or even the inability for the employees, collaborators, or partners of the Company, taking into account travel restrictions, to travel in order to ensure the latest method transfers, technical assistance and

validation of regulatory advancements and clinics could also slow the development of the Company's research programs.

Similarly, given the containment measures, the Company could be penalized by a lack of visibility with the scientific and financial community due to the cancellation of international congresses and conferences.

Finally, this situation could make it more difficult for the Company to obtain, in due time, the additional funds necessary for its development (see section 1.4.2.2 of this universal registration document).

In conclusion, in a context of global health crisis, the Company cannot be assured that its research program, in particular the preclinical and clinical studies, can be implemented under the conditions and within the deadlines provided if the one or more of the risks mentioned above should materialize. The materialization of these risks could thus have a significant unfavorable effect on the activity of the Company, in particular by lowering the level of forecast expenditure, as well as expected income from collaborations, difficult to quantify with precision at the date of this Universal Registration Document.

1.4.1.4. The products resulting from the Company's research are positioned in competitive and rapidly changing markets

Research on products incorporating the Company's technologies is positioned in markets in which there are already therapeutic products, the use of which is sometimes very widespread. In addition, competing therapeutic products or technologies, whether existing, under development or even unknown to date, could, in the more or less near future, take significant market shares and limit the_ Company and its partners' capacity to market products incorporating the Company's technologies successfully.

The markets in which the Company and its current and future partners are present and intend to develop are experiencing, and should continue to experience, rapid and significant technological upheavals. In fact, the diabetes market in which the Company is positioning itself is undergoing strong change with the development of increasingly precise blood glucose monitoring (CGM) devices, with the use of Big data to measure patient behavior and the development of algorithms to assist in decision-making or pump monitoring. The Company must therefore integrate market research and technologies into its search for candidate products in order to license innovations that meet market needs.

Competitors of the Company and its current and future partners could develop new therapeutic products and innovative technologies that are more effective, more reliable and / or less expensive than those developed by the Company or its partners, which could make the products candidates and / or the Company's current or future technologies not competitive enough, obsolete, or unprofitable.

The Company's competitors could benefit from:

- considerably greater financial, technical and human resources than those available to the Company at each stage of the discovery, development, manufacturing and marketing processes;
- greater experience in the field of preclinical trials, in the conduct of clinical studies, in obtaining regulatory authorizations, in the marketing of drugs, in patent disputes and in the manufacture and marketing of pharmaceutical products;
- products already approved or in an advanced stage of development;
- recommendations or decisions regarding reimbursements which would be more favorable for products of comparable efficiency;
- stronger protection thanks to their patents;
- more innovative drug delivery technologies or devices; and or
- collaboration agreements with key players and major research organizations in the Company's target markets.

Furthermore, even if the leading products of the Company and its partners obtain the required regulatory authorizations, their acceptance by the targeted medical community is in no way guaranteed. The Company cannot guarantee that the marketing of products incorporating its technologies will take place, a fortiori, within the estimated deadlines, or that the medical community will give them a favorable reception or that its partners will deploy the resources necessary for the success of their marketing.

If the Company and its partners fail to market the product for lack of sufficient acceptance by the market or of the means implemented for the marketing or the resolution of other problems post-marketing, the Company and its partners will have devoted financial means, development resources and precious time to research programs that will not ultimately have produced commercially viable products. The activity of the Company, its operating results and its prospects could under these conditions be significantly affected.

1.4.2. Financial risks

1.4.2.1. The Company has a risk of significant operating losses that could persist

The Company has posted operating losses every year since its creation in 2005. As of December 31, 2022, its cumulative net losses presented under IFRS rules (including losses carried forward) were almost €101 million.

At the end of December 2021, the Company's shareholders' equity fell below half of the share capital and led to the presentation of a resolution to the shareholders' meeting held in June 2022 to decide on the continuation of operations. This resolution was approved.

Losses incurred by the Company are mainly due to internal and external research and development expenses, in particular in connection with the numerous in vivo and clinical trials conducted. As its research and development activities continue, the Company may experience additional operating losses in future years, which may be higher than in the past, in particular due to:

- increased research and development costs associated with the development of its projects as they progress (due, in particular, to the need to conduct clinical trials, without any guarantee as to the point at which such costs may be assumed by the partners with which the Company plans to enter into license agreements);
- stricter regulatory requirements governing the manufacturing of its products;
- a larger project portfolio; and
- expanded research and development activities and, perhaps, the acquisition of new technologies, products or licenses.

An increase in such expenses could have a material adverse impact on the Company and its business, financial position, income, expansion, and outlook.

To limit its operating losses or become profitable in the long term, the Company must manage to collect revenues which, at this stage, could be from two sources:

- Income related to the conclusion of license and collaboration agreements
  - The business model of the Company is based on the signing of partnerships which must generate income in the form of initial payments, milestone payments and then royalties on sales made by the partner.
  - The conclusion of a major license and collaboration contract with a partner can have a n immediate effect on the profitability of a given fiscal year.
  - Thus, the signing in 2018 of the partnership with the Chinese company Tonghua Dongbao was accompanied by the payment of an initial amount of $ 50 million and enabled the Company to generate a net profit and a positive change in cash flow on the fiscal year concerned. For more information on this partnership, see section 1.2.6.3 of the Universal Registered Document.
  - This type of income depends on our ability to enter into such agreements.
  - On the other hand, the next income expected under this contract are payments which depend on the achievement of scientific objectives (payment in stages) which do not depend solely on the actions of the Company, insofar as certain activities are carried out directly by the partner. If the project does not meet the planned objectives, the Company could therefore not receive all of the revenues provided for in the contract.
  - To ensure its financial profitability, and pending the potential income provided for in this contract, the Company must enter into other partnerships, which may not be achieved or may not be done under reasonable conditions.

- In addition, in France, the allocation of carryforward loss is capped at 1 million euros, increased by 50% of the fraction of profits exceeding this ceiling. The unused balance of the deficit remains transferable to the following years and is chargeable under the same conditions without limitation in time. It cannot be excluded that future tax developments in the area of corporate taxation will call into question, in whole or in part, the allocation of these previous deficits to future profits or limit them over time. Such a change would have a significant impact on the level of net losses displayed by the Company.

▪ Research tax credit

- To finance its activities, the Company benefits from certain tax advantages such as the Research Tax Credit ("Crédit d'Impôt Recherche" or "CIR" in French), which consists in the French State offering a tax credit to companies investing significantly in research and development. Research expenses eligible for the CIR include in particular salaries and wages, depreciation of research equipment, provision of subcontracted services to approved research organizations (public or private) and intellectual property costs.
- The Company has benefited from the research tax credit each year since its creation, which has been systematically reimbursed after the filing of the corresponding application given its status as a European SME. The loss of this status would no longer open the right to immediate reimbursement but to reimbursement at the end of the three-year period.
- Thus, in 2022, the Company received the sum of 4.6 million euros in reimbursement of the CIR declared as expenses generated in 2021.
- For 2022, the Company recorded an amount of CIR of 5.9 million euros which appears in its receivables. The Company has proceeded to mobilize its CIR receivable with BN Paribas. This request was accepted, and the Company received in February 2023 an amount of 4.5 million euros corresponding to 75% of its mobilized claim. An additional 15% was paid end of April 2023 upon receipt of the original certificate of receivable duly adjusted by the competent tax account (2574 SD form); the remaining 10% will be paid upon settlement by the tax authorities.
- Concerning 2022 and the years to come, a questioning by the tax administration of the methods of calculation of research and development expenses retained by the Company, or the loss of the profit of the CIR following a change of regulations or to a dispute from the tax administration cannot be totally excluded, even if the Company considers that it is in order with the requirements of documentation and eligibility of expenses. If such situations occur, it could have a material adverse effect on the results, financial condition, and prospects of the Company.

Failing to become profitable and to remain profitable, the Company risks seeing the stock market price of its shares decline, and its ability to raise funds, develop its activity, diversify its product offering or continue its altered operations.

1.4.2.2. The Company may need to strengthen its equity or resort to additional financing in order to ensure in particular its development.

Historically, the Company has financed its growth mainly by strengthening its equity base through capital increases.

At the end of 2019, the Company has used a financing of 15 million through a bond issue with warrants attached. This bond issue includes financial covenants and customary security interests, in particular the pledge of certain intellectual property rights.

In 2020, the Company obtained a state-guaranteed loan (PGE) of 7 million euros in the context of the health crisis linked to Covid-19.

In 2021, the Company carried out a financing operation by issuing new shares to Gérard Soula, for an amount of 1 million euros, and an issue of bonds convertible into shares at a variable price for a total amount of 6 million euros net.

In 2022, the Company carried out a new financing operation through the issuance of convertible bonds in the amount of 6 million subscribed by the same investors and with the same characteristics as the operation carried out in October 2021.

The Company will continue to have significant financing needs in the future for the development of its technologies and the pursuit of its strategy, but it may not be able to finance its own growth. In addition, the Company could find

itself obliged to repay all or part of its loans, convertible or non-convertible bonds and other debts, in particular in the event of an event of default under one or more of its financing agreements. Such events could require it to seek alternative sources of financing, by increasing its equity through a capital increase and/or taking out bank loans.

The Company may not be able to raise additional capital when it needs it, or it may not be available on financially acceptable terms to the Company. If the necessary funds are not available, the Company may have to:

- postpone, reduce or cancel research programs;
- obtain funds through partnership agreements which could force it to renounce rights to certain of its technologies or certain of its products;
- grant licenses on all or part of its portfolio to partners or third parties; or
- conclude new collaboration agreements which could be less favorable to it than those which it could have obtained in a different context.

In addition, to the extent that the Company raises capital by issuing new shares, the participation of its shareholders could be diluted, particularly in a context where the value of the Company's share has reached a historically low level, which could result in a potentially significant dilution of the current shareholders.

The Company is actively seeking partners for the mature projects in its portfolio and continues their development while nonetheless focusing its expenses on priority projects and activities.

The financial statements of the company as of December 31, 2022 have been prepared on a going concern basis. As of December 31, 2022, the company had cash of 17.4 million euros.

In February 2023, the Company received €4.5 million from BNP Paribas Factor following the mobilization of its receivable related to the 2022 research tax credit (CIR). As a result, the Company had a cash position of 17 million euros at the end of February 2023.

This cash position allows it to finance its activities until September 2023. However, it no longer allows it to meet the commitments it has made to its lenders since the end of March 2023. The company is currently in discussions with its lenders to restructure its debt in order to extend its cash flow horizon and thus enable it to continue the discussions initiated in recent months.

The Company is in discussions with its lenders to restructure its debt in order to extend its cash horizon and thus enable it to pursue the discussions initiated in recent months.

Indeed, Adocia is actively pursuing several options which, if they were to materialize positively, would allow it to significantly strengthen its cash position.

The first option is to sign a partnership for one of the products in the portfolio. In this respect, the results obtained with M1Pram, described as exceptional, have been particularly appreciated by market players, as M1Pram is potentially the only drug with insulin that would make you lose weight. Discussions, initiated at the end of 2022 following clinical results, are ongoing with several potential partners, one of which is in advanced discussions.

The second option is to monetize with specialized companies the expected royalties on the BC Lispro product licensed to Tonghua Dongbao, for which $30 million in milestone payments are expected, with subsequent double-digit royalties on sales achieved by our partner in China. The product is currently in Phase 3 in China for commercialization in the world's largest insulin market. The company is in contact with several players in this field.

Finally, the Company is still considering going to market to finance its research.

In parallel, management is actively pursuing all of these options and continues to work with its principal lender to restructure the debt and thus have the time necessary to complete all of these objectives.

If none of these options were to succeed, and if no agreement were to be reached with its lenders other than the one proposed, the company's cash flow horizon would be reduced to the end of June 2023. This results in uncertainty about the Company's going concern.

1.4.2.3. The company is exposed to an increase in interest rates

In 2019, the Company contracted a loan from IPF Fund II (IPF) for an amount of 15 million euros with an interest rate calculated on the Euribor + margin and a maturity of 5 years. Since the signing of the contract, taking into account a

negative Euribor, a floor at 0% has been applied. In 2022, with the return of inflation, interest rates have risen and the Company has been impacted since the billing of interest for the fourth quarter of 2022 with a Euribor of 1.16%.

In addition, the Company is exposed to variations in interest rates in the context of the management of its cash and cash equivalents. The Company's cash and cash equivalents amounted to 17.4 million euros as of December 31, 2022 and nearly 15.2 million euros as of December 31, 2021. This item is made up of term deposits, accounts paid at fixed rate and investments in monetary SICAVs. The Company's investment policy is based exclusively on liquid products without capital risk.

The Company strives to reduce the credit risk associated with its cash and cash equivalents by ensuring the quality of the financial institutions to which it entrusts its investments.

The Company is not guaranteed to benefit from the same rates when renewing its term accounts when they mature.

1.4.2.4. The price of the Company's shares is subject to significant volatility.

The price of the Company's shares is subject to significant volatility. Thus, on December 31, 2022 the Company's share price traded at 3.97 euros, compared to 8.10 euros on December 31, 2021. The average daily trading volume which was 15,724 shares traded per day in 2021 has increased in 2022 to 22,671 shares traded per day. With the financing operation through the issue of convertible bonds, the public float has increased in 2022 and was around 65.8% at the end of December 2022.

As of March 31, 2023, shares traded at 2.95 euros with an average volume of 21,677 shares traded since the beginning of the year, on lone with previous year volume.

In addition to the occurrence of the risks described herein, the market price of the Company's shares could be significantly affected by various factors that may impact the Company, its competitors, general economic conditions and the biotechnology sector. In particular, the following factors may have a significant impact on the share price:

- an unfavorable movement in market conditions specific to the Company's business sector;
- announcements by the Company, its competitors or other companies that engage in similar businesses and/or announcements concerning the biotechnology market, including announcements about the financial and operating performance or scientific results of such companies;
- changes, from one period to another, in the forecasts or outlook of the Company or its competitors;
- changes concerning patents or intellectual property rights of the Company or its competitors;
- announcements regarding results of the Company's clinical trials or other scientific developments;
- changes in the political, economic and monetary context, in particular unfavorable changes in the applicable regulatory environment in countries or markets specific to the Company's business sector or to the Company itself;
- announcements concerning changes to the Company's shareholder structure;
- announcements concerning the signature of new partnership agreements or the end of existing partnership agreements.

1.4.2.5. The Company risks being more exposed to currency risks

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's strategy is to enter into agreements denominated in euros, because its expenditures are also largely denominated in euros.

However, as a result of the agreement signed with Tonghua Dongbao Pharmaceuticals Co. Ltd in April 2018, a major part of the Company's revenues, such as the upfront payment received in connection with that agreement, were denominated in US dollars. As a result, the Company was exposed to risk in relation to fluctuations in the euro-US dollar exchange rate.

If the Company signs further licensing and collaboration agreements with US pharmaceutical companies, it may be exposed to additional euro-US dollar exchange rate risks.

The company cannot rule out the possibility that a significant increase in its activity may result in greater exposure to foreign exchange risk. The company will therefore again consider developing an appropriate policy to hedge these risks.

1.4.3. Risks associated with dependence on third parties

1.4.3.1. The commercialization of the Company's products depends on the actions taken by its partners which are beyond the Company's control

The Company is structurally dependent on the interest of its partners in its technology, as well as their diligence in pursuing the development of products incorporating its technology.

The current and future partners of the Company could also encounter difficulties in obtaining technical and clinical validations for products incorporating its technology. Delays or failures resulting therefrom could delay or even jeopardize the marketing of the products concerned.

The success of the Corporation's partnership agreements rests on the efforts and activities of its current and future partners, who benefit from a great latitude in determining the methods for pursuing planned activities, as well as the quality and nature of the efforts and means that will apply to partnership agreements. These partners may also be unable to successfully develop and market the Company's product candidates.

The Company cannot guarantee its ability to form and renew partnerships. Nor can it guarantee the scientific and/or commercial success of a partnership, nor have the assurance of receiving income on the basis of one of these agreements. For example, in December 2011, the Company entered into a first license and collaboration agreement with Eli Lilly for the development of a fast-acting analog insulin (BC lispro). In 2013, the Company and Eli Lilly decided to terminate the said license agreement. In 2014, in light of the clinical results obtained, Eli Lilly signed a new license agreement with Adocia, again for the formulation of a fast-acting analog insulin (BC Lispro). In January 2017, Eli Lilly announced its decision to end this collaboration.

The following factors are particularly likely to cause the collaborations established by the Company to fail:

- the partners may not use all the means necessary to obtain the expected results within the framework of the agreements concluded with the Company. Budget restrictions within these partners or priority given to other development programs, in particular, could delay or even prevent the validation of the potential of products incorporating the Company's technology, an essential step for the success of its commercial policy;
- conflicts could arise between the Company and some of its industrial partners. There is a risk that the Company's partners will conceive or seek to establish a commercial activity using technology that competes with that of the Company or all or part of the Company's technology, or decide to favor the internal development of products intended for markets in competition with the candidate products of the Company, which would be de facto competitors of the activity of the Company (refer to the paragraph on the risks linked to competition below);
- current or future partners could limit or even terminate their collaboration with the Company, which could lead to additional costs, delays and development difficulties, obtaining authorizations by regulatory authorities and successful marketing of product candidates of the Company, and have a significant unfavorable effect on its activity, its financial situation, its revenues, its development and its prospects. Such restrictions or stops could impede the Company in its efforts to attract new partners or seriously damage its image in the industry and the financial community. They could also cause a loss of expertise for the Company and even lead to the disclosure of important confidential information in the research and development system of the Company, even though the partners concerned would be contractually bound to an obligation of confidentiality towards it.

In addition, the Company derived a large part of its 2018 revenues from the license and collaboration agreement concluded with the Chinese company Tonghua Dongbao Pharmaceuticals Co. Ltd. Following the signature in April 2018 of two contracts relating to the development of an ultra-rapid formulation of insulin called BioChaperone Lispro and a formulation of slow and fast insulin called BioChaperone Combo, Adocia received a total initial amount of $ 50 million. Under the terms of this agreement, the Company was likely to receive (i) subsequent payments of up to $ 85 million (if the product successfully passed certain major clinical and regulatory phases) and (ii) royalties on sales. (for

more information on this partnership, see section 1.2.8.3 "Licenses granted by Adocia to Tonghua Dongbao Co. Ltd" above).

In May 2022, following the inclusion of the first patient in the BC lispro Phase 3 study, Adocia received from its Chinese partner a first milestone payment in the amount of $5 million in accordance with the terms of the partnership.

The Company cannot guarantee that collaboration with a partner will make it possible to reach the clinical and regulatory stages determining the payment of expected income. When Eli Lilly decided to terminate the contract in January 2017, the Company was faced with a difficult situation that forced it to review its development plan. Any decision by a future partner to terminate their agreement with the Company could jeopardize their business, operating results and prospects.

If the partnerships do not generate the benefits expected by the Company, its business, operating results, and prospects could be significantly affected.

1.4.3.2. The Company sources from third parties the supply of specific proteins in sufficient quality and quantity.

In connection with the progression of the Company's pipeline and the initiation of later stage clinical trials for BC Lispro U100, BC Combo and other product candidates, the Company will need to purchase greater quantities of the specific proteins required to develop its formulations to meet the needs of larger clinical trials. The Company may be unable to find suppliers able to supply the appropriate quantities and qualities of proteins at a competitive price, which could delay the start or completion of clinical trials.

In addition, the innovative therapeutic protein formulations that the Company develops require an association of polymers developed by the Company with specific proteins supplied by third parties. The Company's general policy is to diversify its supply sources and to identify at least two suppliers for each type of purchase. Nevertheless, for certain proteins, the various sources of supply are not interchangeable due to the specificities of each protein. Consistent with current practices in the Company's business sector, a single supply source is maintained for each protein. The Company has developed alternative solutions but implementing them could delay the development of its innovative formulations and generate additional costs.

Finally, within the framework of its partnership with the company Tonghua Dongbao, Adocia benefits from a supply contract for insulin lispro (API) and glargine (API) according to which it is expected that the Chinese company will produce and supply Adocia with insulin according to defined specifications and agreed quality standards. However, the Company does not control the ability of its partner to comply with European and American regulatory standards and to supply, within the required deadlines, quantities of products of sufficient quality.

As a result, the Company may not always have access to the specific proteins necessary for the future development of its projects, nor can it guarantee access thereto under acceptable terms.

The inability of the Company or its partners to obtain, on financially acceptable terms, or at all, one or more specific proteins of sufficient quality necessary for the development of its projects could have a material adverse impact on the Company's business, income, financial position, expansion, and outlook.

1.4.3.3. The Company is dependent on its subcontractors to carry out its preclinical and clinical activities, and the manufacture of clinical batches.

The Company relies on specialized healthcare institutions, including clinical research organizations and clinical investigators to conduct clinical trials of its product candidates, which are necessary to obtaining proof of concept in order to license the Company's technologies. Although the Company relies on these parties for high quality execution of the Company's clinical trials, the Company is unable to control all aspects of their activities.

If these third parties do not carry out their contractual duties or obligations or meet expected deadlines, if the third parties need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to failure to adhere to the Company's clinical protocols or good clinical practices or for other reasons, the Company's current or planned clinical studies may be extended, delayed or terminated.

Any extension, delay, or termination of any of the clinical trials would have a significant negative impact on the Company's business and would compromise the Company's ability to license or commercialize its product candidates.

Distance from or geographical distribution of the clinical or preclinical trial centers may also create operating and logistical difficulties, which may generate additional costs and delays.

1.4.4. Regulatory and legal risks

1.4.4.1. The protection of the Company's patents and other intellectual property rights is uncertain and may be insufficient to protect it against its competitors

To protect its innovative therapeutic protein formulations and technologies, the Company relies on the protection afforded by intellectual property rights, such as patents, patent applications, trademarks and trademark applications, as well as the protection afforded to its trade secrets and know-how by confidentiality agreements and other contracts. However, these means offer only limited protection and may not be successful in preventing unlawful use of the Company's products or technologies.

The patents and patent applications that the Company has filed and that aim to protect its technologies are recent and many are still being examined by patent authorities. These patents and patent applications afford protection that varies in duration from one country to another. For example, in France and in Europe, this duration is 20 years from the date patent applications are filed. The Company devotes significant financial and human resources to protecting its technologies, and employs means commonly used in the industry (such as filing additional results to expand one or more patent claims) to extend the protection of its technologies beyond application periods, although it cannot guarantee the results thereof.

The outcome of patent applications for biotechnology and pharmaceutical products are generally very uncertain, raising complex legal and scientific questions. The standards applied by patent offices to grant patents in different countries, or to define the subject and scope of admissible applications, are not always applied in a predictable or uniform manner and may be amended without warning. Neither the Company nor its partners can be assured that the Company was the first to claim a given invention among its current patent applications, nor that it or its partners were the first to submit applications to protect these inventions. The Company may therefore encounter difficulties in gaining approval for some of its current or future patent or trademark applications currently under examination or that may be examined in the future.

Furthermore, the fact that a patent or trademark is granted does not guarantee that it will be valid or enforceable. In fact, the Company's competitors could at any time successfully challenge the validity or enforceability of the Company's patents, patent applications, trademarks and trademark applications before the courts or in other proceedings, which, depending on the outcome of such disputes, may result in their scope being limited, their revocation or their circumvention by competitors. Consequently, the Company's rights under its patents, patent applications, trademarks and trademark applications may not afford the expected protection from competitors.

In addition, the Company may also in-license certain technologies, such as the DriveIn® technology which it has since abandoned. The patents licensed to the Company could be challenged, discovered to have been issued on the basis of insufficient and/or incorrect documentation or disclosure, or held to be unenforceable.

Therefore, the Company cannot guarantee with certainty that:

- the Company's patent and trademark registration applications undergoing examination will, in fact, result in patents and trademarks being granted; and
- the patents and trademarks granted to the Company will not be disputed or revoked;

If the Company fails to protect and maintain the intellectual property of its products or its candidate products, and to protect its know-how, it could lose its competitive advantage and be exposed to more intense competition likely to have a significant unfavorable effect on its business, operating results and prospects.

Furthermore, the Company cannot guarantee the adequate protection of its technologies and its innovative formulations of therapeutic proteins developed from its technologies, which are closely linked to its know-how and its trade secrets, against competitors or against risk of usurpation or circumvention. In fact, in the collaboration and research contracts that it concludes, the Company may be required to provide its contracting parties, in different forms, certain elements of its know-how, protected or not by patents, and in particular information, data or information regarding its research, technologies or products.

The Company seeks to limit the communication of key elements of its know-how to third parties to only the information strictly necessary for the collaboration it maintains with them and it ensures contractually that these third parties undertake not divert, use or communicate this information, in particular by means of confidentiality clauses. The Company cannot however guarantee that these third parties comply with these agreements, that it will be informed of a violation of these clauses, or that the compensation that it could possibly obtain will be sufficient with regard to the damage suffered.

In addition, these collaboration and research contracts expose the Company to the risk of seeing its contracting parties claim the benefit of intellectual property rights over its inventions, its knowledge, or its results. Finally, these agreements could give rise to intellectual property rights held in co-ownership or in exclusive operating concessions under conditions unfavorable to the Company.

Thus, the Company cannot guarantee with certainty that:

- its know-how and trade secrets will not be usurped or circumvented;
- its competitors have not already developed a technology or products similar to its own;
- the extent of the protection conferred by patents and trademarks is sufficient to protect it against competition and the patents and trademarks of third parties covering similar products or devices; and
- no contracting partner will claim the benefit of intellectual property rights over his inventions, his knowledge or his results.

The protection by the Company of its intellectual property rights represents a significant cost linked, in particular, to the costs of filing and maintaining patents and to the management of its other intellectual property rights. This cost could increase, especially if the Company is forced to take legal action to assert its rights. In addition to these costs, any legal action proving necessary for the purposes of enforcing the Company's intellectual property rights, protecting its or its know-how, or determining the validity and scope of its intellectual property rights, could have a significant unfavorable effect on the Company's income and financial position and not provide the protection sought.

Thus, the Company was engaged in legal proceedings against its former partner, the company Eli Lilly in order to defend its rights following the appropriation and misuse by Lilly of confidential information and discoveries belonging to Adocia, as well as for the violation by Lilly of several collaboration and confidentiality agreements. The Tribunal issued its decision in August 2019 and dismissed Adocia's request.

Similarly, monitoring unauthorized use of products and technologies is difficult, and the Company cannot be certain that it will be able to prevent unauthorized diversion or use of its products and technologies, especially in foreign countries where its rights would be less well protected.

1.4.4.2. The Company is operating in an increasingly restrictive regulatory environment

One of the most significant challenges faced by Adocia is to succeed, with the assistance of its partners, in developing products incorporating its technologies in an increasingly strict regulatory environment.

The statutory and regulatory provisions adopted by the ANSM*, European Commission, EMA*, FDA* and equivalent regulatory authorities in other countries govern research and development work, preclinical trials, clinical trials, the regulation of institutions, and the production and marketing of drugs.

The trend toward stricter statutory and regulatory supervision is worldwide, although requirements vary from one country to another. The health authorities, in particular the FDA and EMA, have imposed increasingly strict requirements to prove the effectiveness and safety of products, in particular with respect to the volume of data requested.

Accordingly, the authorization process is long and costly. It may last several years, and its outcome is unpredictable. Failure by a Company partner to obtain marketing authorization for one or more products incorporating its technologies or obtaining authorization once the deadlines have passed could significantly affect the Company's ability to generate income.

These delays in obtaining a regulatory authorization could:

- significantly impact the commercial exploitation of a product developed by the Company or its partners,

- impose costly procedures on the Company or its partners,
- reduce the advantages that the Company and its partners could have over their competition, and
- significantly impact the collection of revenues and royalties by the Company.

Under these conditions, several years could elapse before the product is made available to the end user, if necessary, mainly due to the time required for carrying out clinical trials, developing products and obtaining a marketing authorization.

Once the marketing authorization has been obtained, the Company still runs the risk of having the product approved for a less broad indication than that requested, or that the authorization includes restrictions on the use of the product, such as a "black-box" type mention or when the authorization is subsequently suspended, in the event, for example, of non-compliance with the manufacturing rules or discovery of an undesirable side effect in particular. All of these risks can have a substantial effect on the ability of the Company and its partners to generate revenue.

1.4.4.3. Third parties could assert property rights over the inventions that the Company develops

The Company may infringe or violate the intellectual property rights of others with technologies, product candidates or products that the Company or its partners seek to use, target, or develop and commercialize. These third parties could bring claims against the Company or the Company's collaborative partners, which could cause the Company to incur substantial expense, and if successful, could require the payment of substantial damages. The Company or its partners could be forced to cease or delay research, development, manufacturing or sales of the product or product candidate or technology that is the subject of the suit.

The Company cannot guarantee that there are no prior patents owned by third parties that may provide grounds for an infringement action against the Company.

In addition, the Company cannot guarantee that there are no prior third-party trademark rights that may provide grounds for an infringement action against it.

The Company's domain names could also be the subject of Uniform Dispute Resolution Policy (UDRP) proceedings or an infringement action brought by a third party claiming prior trademark rights. Therefore, the Company cannot guarantee with certainty that its products do not infringe patents or trademarks owned by third parties.

The realization of one or more of these risks could have a significant unfavorable effect on the activity of the Company, its financial situation, its results, its development, and its prospects.

1.4.4.4. Following the pledge granted to IPF, the Company may not have all of its intellectual property

In order to guarantee the repayment of the obligations subscribed by IPF on October 14, 2019, the Company has granted a pledge on some of its assets and in particular its intellectual property rights in France, Europe, United States of America and China (see paragraph 1.2.8.6 of this universal registration document).

In the event of non-compliance by the Company with the commitments made for the benefit of IPF, the latter could obtain the allocation of the pledged intellectual property rights.

The Company has the option of requesting the lifting of this pledge in the context of certain transactions and subject to certain conditions related to the cash position.

In the event that the Company does not meet the required conditions, and in the case of such a transfer of ownership, the ability of the Company to grant a license to the products covered by these intellectual property rights could be found. affected or delayed, which could therefore have a material adverse effect on the activity of the Company, its financial situation, its results, its development, and its prospects.

1.4.4.5. Risks associated with liability arising from products

The Company's business exposes it to potential liability, in particular to patients or healthy volunteers who take part or have taken part in clinical trials conducted under its direction, if they suffer side effects in connection with such trials, even when the instructions in the protocols have been followed.

The Company may also be liable in the event of commercial use of products incorporating its technologies. Criminal or civil actions could be filed or initiated against the Company by users (patients, practitioners, researchers and other healthcare or research professionals), the regulatory authorities, distributors or any other third party that uses or markets products incorporating its technologies.

Product liability claims may be expensive to defend and may result in judgments against the Company that are material. Although the Company has taken out specific insurance policies to cover the resulting financial risk (see section 1.4.5 of the registration document, "Insurance and risk coverage"), and believes that this coverage is appropriate for its business and stage of development, it cannot be certain that the insurance policies will be sufficient to cover all claims made against it. Product liability insurance is expensive, difficult to obtain, and may not be available in the future on acceptable terms. However, any such claims, regardless of merit, could be time-consuming and expensive to defend, could divert management's attention and resources, and could materially adversely affect the Company's reputation, business, results of operations and prospects.

1.4.4.6. The use of chemicals and hazardous substances could lead to accidents

The Company is subject to a set of environmental, health and safety laws and regulations. Biological research and development activities require the use of certain biological materials or hazardous chemicals, which produce waste which must be eliminated. The Company has contracted with a specialized company for the management and disposal of this waste.

Although the Company has adopted a policy adapted to this type of risk traditionally identified in biological research laboratories, it cannot exclude the risk of injury, accidental contamination or occupational diseases linked to the handling of chemical materials in its laboratories. In the event of an accident, the Company could be held liable and be forced to pay significant damages to the personnel concerned.

Likewise, the regulations currently in force could be subject to major changes leading to significant compliance costs borne by the Company.

The activity, financial situation, results, development, and prospects of the Company in the medium and long term could be significantly affected by the realization of one or more of these risks.

1.4.5. Insurance and risk coverage

The Company has adopted a policy to cover the main risks to which it is exposed, when possible, by taking out coverage amounts that it deems consistent with its cash consumption requirements.

For all of the insurance policies referred to above, the Company's total expenses remained stable in the fiscal years ended on December 31, 2022 and 2021.

The main insurance policies are:

- a "property damage" policy, which generally covers the risks of fire, explosion, lightning, electrical damage, special risks, IT risks, loss of goods in refrigerated chambers, goods in transit, theft, machinery breakdowns and loss of use;
- a "business liability" policy, which covers risks in connection with business operations for all damage, including bodily injury;
- a "key person" insurance policy that insures against the death of the chairman and chief executive officer due to illness or accident;
- a "directors' and officers' liability" insurance policy, which covers the liability of the company's senior managers if their liability is alleged in connection with the performance of their duties.

For all the policies, the Company and the insurer determine together the maximum coverage in adequacy with the specificities of the Company and in line with the practices of companies in a similar field of activity.

The Company's liability in connection with clinical trials is covered by specific policies whose rates and coverage amounts depend on the local laws applicable to the relevant clinical research center. The total amount of premiums and coverage taken out for these trials depends in particular on the number of trials, their location and the number of patients to be included in each trial.

The Company considers that these insurance policies adequately cover the insurable risks inherent to its business activities, and that its policy with respect to insurance is consistent with practices in its business sector. The company does not foresee any particular difficulty in maintaining adequate insurance levels in the future, subject to market conditions.

Nevertheless, the Company cannot guarantee that it will always be able to maintain or, if necessary, obtain similar insurance coverage at an acceptable cost, which may oblige it to take out more expensive insurance policies and/or to assume greater risks, in particular as its business activities expand.

1.4.6. Extraordinary events and disputes

During the 12-month period preceding the filing date of this Universal Registration Document, the company has not been involved in any administrative, criminal, judicial or arbitration proceedings that may have a material adverse impact on the company, its business, financial position, income or expansion and that is not reflected in its financial statements. Furthermore, to the company's knowledge, as of the date of this Universal Registration Document, the company is not threatened with any such proceedings.

To the Company's knowledge, no exceptional event arose during the same period that would generate additional risk or additional unplanned costs.

Social, environmental and societal information

2

Social, environmental, and societal information

Chapter 2

2 SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

2.1 Methodology note

This report uses indicators selected to represent the main economic, social, and environmental impacts of the Company's activities.

The social, environmental and safety indicators that were collected, calculated, and consolidated may be subject to inherent limits in terms of the practical modalities of collection and consolidation of this data.

The data presented covers all the Company's activities and all the group's employees, unless otherwise indicated.

2.1.1. Definition of labor indicators

Workforce: Number of employees on staff on December 31 of the year N, under permanent or fixed term contract (including work-study contracts). Contracts terminating on December 31 are not included in the workforce. This calculation is not prorated for part-time workers.

New hires: Number of employees hired under permanent or fixed term contract between January 1 and December 31 of the year N. This calculation is not prorated for part-time workers. Transitions from fixed term to permanent contracts are not included in new hires. A transition from a work-study to a fixed term or permanent contract is counted as a new hire.

Departures: Number of employees who left the company between January 1 and December 31 of the year N. This calculation is not prorated for part-time workers.

Absenteeism rate: The ratio of the number of days of absence due to illness, sick child or workplace accident to the number of theoretical days worked. This figure only covers the France scope.

Number of hours worked: This indicator only covers the Company's activities located in France from January 1 to December 31 of the year N. It corresponds to the number of hours of effective work. Interns are excluded from the calculation.

2.1.2. Definition of safety indicators

These indicators only cover the Group's activities located in France.

Frequency rate (FR): (number of workplace accidents and commuting accidents resulting in medical leave / hours worked) x 1,000,000.

Severity rate (SR): (number of days lost due to temporary disabilities as a result of a workplace accident or commuting accident / hours worked) x 1,000.

2.2 Social data

2.2.1. Group remuneration policy

2.2.1.1. Remuneration

The Company has to be competitive and attractive to attract and retain top talent. It therefore applies an ambitious remuneration policy, reflected in particular in a payroll of €6.7 million (French GAAP) for 2022.

Adocia supplements its remuneration policy with plans launched in 2008 to award free corporate shares and BSPCE founders' warrants. Initially intended for key Company managers (directors and service line heads), and then project managers, this policy was extended to technicians and managers at the expert and senior level in 2015. To mark certain occasions, such as the Company's 10th anniversary or the signing of a partnership, Adocia's management may decide to allocate free shares to all staff. This was the case in December 2015, June 2018 and December 2019.

In 2022, the Company continued its policy of internal promotions with the allocation of free shares to the employees concerned. In addition, a new general allocation plan was set up in December 2022: it concerns employees who arrived after the last general allocation plan and have not yet received any free shares. Some twenty employees are beneficiaries of this plan, and will receive these free shares provided they are still employed by the company at the end of a one-year period, i.e. in December 2023.

Adocia is evolving in a very competitive sector, and thus decided in 2020 to hire an external firm, Deloitte, to identify the strengths and limitations of its current policy in terms of compensation. The first mission consisted in carrying out a compensation benchmark internally (equity) and externally (competitiveness).

This study enabled the acknowledgement of Adocia's compensation policy as fair and competitive. In the general market, the study shows that basic wages at Adocia are well above the average. We note a loss of competitiveness when we integrate the variable bonuses, profit-sharing and if we consider the total compensation. Despite this, total compensation remains globally above the general market. In the healthcare labor market, the trend is the same.

Following the study and in line with the market practices, Adocia adapted its compensation policy to introduce more variable part (bonus) starting in 2021 and work on long-term variable.

2.2.1.2. Equity interests held by employees.

To the Company's knowledge, as of December 31, 2022, the Company's employees (including Olivier Soula) held 452 500 shares, i.e. 5.19% of equity and 7.5% of voting rights in the Company. The proportion of capital represented by the shares held by Company employees, including corporate officers, that are subject to collective management (PEE or FPCE accounts), calculated in accordance with Article L. 225-102 of the French Code of Commerce, was zero. The shares held by employees or corporate officers following free allocation as per Article L. 225-197 of the French Code of Commerce represented 1.9% of equity.

2.2.1.3. Employee savings

ADOCIA has implemented various employee savings schemes. Such schemes are instruments in the company's labor policy that can meet various objectives, such as strengthening the connection between employee performance and business results, retaining and motivating employees.

- Profit sharing (participation) implemented by an agreement signed December 11, 2013 between management and the employees represented by the Single Employee Representative Body. There was no profit sharing on December 31, 2022, given the fiscal loss registered for fiscal year 2022.
- A company savings plan (PEE) and collective retirement savings plan (PERCO) created on July 28, 2014 by agreement of management and the employees represented by the Single Employee Representative Body.
- The time savings account (CET) set up by an agreement signed June 30, 2014 between management and the employees represented by the Single Employee Representative Body.

The Company has not signed a profit sharing (*intéressement*) agreement to date.

2.2.2. Employment

The main objectives of Adocia's human resources policy are to:

- attract, retain and motivate the best talent to support the development of the company's ambitious and innovative projects;
- provide training opportunities to employees;
- promote internal mobility and promotions, so as to offer employees a broader scope of activities and enable them to gain new expertise.

2.2.3. Workforce

At the end of December 2022, the Company had 104 employees (full-time and part-time), of which 103 work in France in the parent company and one is based in the US subsidiary Adocia Inc. On December 31, 2022, the breakdown of the workforce by socio-professional categories and gender is as follows:

Workforce by socio-professional categories and gender	12/31/2022	12/31/2021
Executives	**56**	**59**
of which permanent contracts	53	58
Non executives	**48**	**53**
of which permanent contracts	43	45
of which temporary contracts	4	5
Workforce (number)	**104**	**112**
Workforce breakdown by gender M/F (in %)	**50/50**	**49/51**
Men (number)	52	55
Women (number)	52	57

At the end of December 2022, the company employed 37 researchers who hold a doctorate in science, medicine or pharmacy, or more than one-third of the total.

As of December 31, 2022, close to 75% of the workforce was assigned directly to research and development, with the remaining employees performing support functions, such as finance, administrative services, quality, security, and human resources. This ratio is stable compared to last year.

	31/12/2022	31/12/2021
R&D workforce	78	85
SG&A workforce	26	27
Total workforce	**104**	**112**

On December 31, 2022, the average employee age was 39 years (stable compared to 2021) and the breakdown of the workforce by age bracket was as follows:

Age pyramid 2021	Men	Women	Total	Percentage
Younger than 25 years old	2	5	**7**	**7%**
25 to 34 years old	14	20	**34**	**32%**
35 to 44 years old	19	13	**32**	**30%**
Older than 44 years old	17	14	**31**	**30%**

2.2.4. Personnel movements in 2022

The table below presents the evolution of the workforce from January 1 to December 31, 2022:

	12/31/2022	12/31/2021	12/31/2020
Number of hires	**26**	**20**	**19**
Number of Employee departures	**34**	**34**	**31**
Net increase of workforce	**-8**	**-14**	**-12**
Of which permanent contracts	-10	-15	-8
Of which short- term contracts for additional activity	+1	1	0
Of which short- term contracts for replacement	+2	-1	2
Of which work study contracts	-1	1	-6

The Company registered 34 departures during 2022, including:

- 9 departures at the end of fixed term contracts (including 5 work-study contracts)
- 7 amicable terminations by mutual consent
- 5 at the end of their trial periods
- 13 resignations

2022 is marked by a decrease in the number of resignations, but a slight increase in the number of trial period terminations and contractual terminations. In total, the number of departures in 2022 is stable compared to 2021, the latter already being a year in which the number of departures was in the high average. Since the sanitary crisis, Adocia seems to be confronted, on its own scale, with the changes that the work world is currently facing and with the unprecedented phenomenon of the "Great Resignation", which translates into resignations of employees seeking a better balance between their personal and professional lives.

2.2.5. Work organization

The employment contracts of the French employees are governed by that country's collective bargaining agreement for pharmaceutical industries.

Those employed by the Adocia Inc. subsidiary are governed by US law.

On July 22, 2010, the Company reached an agreement on the organization of working time with employee representatives, whose details were developed with a view to the agility and flexibility needed in the research field. This agreement was approved by the French National Joint Committee for the pharmaceutical industry on September 29, 2010.

Pursuant to this agreement, the working time of management-level employees (groups VI to IX of the pharmaceutical industries collective bargaining agreement classification) is counted in days and the working time of technicians (employees in groups I to V) is counted in hours. For the latter, effective working time is 36.15 hours per week, with allocation of compensatory days to result in an average working time of 35 hours per week.

In 2022, 13 employees worked part time. All these employees choose to work part time to deal with family responsibilities.

The main reasons for absences in 2022 were illness and maternity or paternity leaves.

The absenteeism rate was 3.24% in 2022 compared to 3.17% in 2020. The number of days of absence due to sickness, workplace accident and sick child for 2022 was 894 days, which was equivalent compared to last year (888 days).

Planned absences such as maternity leave or paternity leave are not included in this calculation.

A telework charter was signed in July 2022, allowing employees whose functions make it possible (mainly executives or technicians with administrative functions) to telework for a maximum of 40 days per year (and limited to one day per week). This possibility was very much expected by the employees, some of whom had become accustomed to teleworking on an ad hoc basis in the context of the health crisis. The charter was signed for an initial period of one year. The relevance of renewing it for a longer period will be studied at the end of the "test" year.

2.2.6. Labor relations

The Company decided to create a single employee representative body in 2013 after arriving at the legal thresholds in 2012. In November 2016, the single staff delegation was renewed.

Following the new legal provisions of article L2311-2 of the Labor Code and article 9 of Ordinance 2017-1386 of September 22, 2017, the company had the obligation to set up a Social and Economic Committee and before December 31, 2019.

In this context, the Management and the members of the current DUP have agreed to reduce the current mandates, as of December 31, 2019.

The elections for the new CSE were organized in advance, before the annual closure of the company, on December 05, 2019 and 12 members were elected (6 members, 6 alternates) including 5 women and 7 men.

At the end of 2022, due to the staff movements that have taken place since 2019, the CSE will be composed of 6 full members and 1 substitute (4 men and 3 women).

The company ensures that the rights and freedoms of the delegates to employee representative bodies are scrupulously respected, and that these delegates enjoy the same career prospects and training opportunities as other employees.

Management and the employee representative bodies jointly and freely decide the common measures to be taken to guarantee the development of a progressive, high quality industrial relations policy by maintaining ongoing and constructive labor-management dialogue.

The company complies with the fundamental conventions of the International Labor Organization on respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the abolition of child labor.

2.2.7. Health and safety

The Company has a Health, Safety and Environment department comprising three people. This department also relies on 16 individuals with occupational first aid training in the various departments of the Company. Individual and collective safety equipment has been installed and is inspected regularly. Evacuation drills are held according to a predetermined schedule. Fire safety equipment and electrical systems are inspected annually by certified organizations.

Since November 2016, the missions of the health, safety and working conditions committee have been assigned to the single employee representative body (CSE).

Quarterly meetings are held, which are attended by the Health and Safety department.

A workplace accident means any accident that is suffered due to or during work by any person who is a company employee or who is performing work for the company. Workplace accidents also include commuting accidents that occur in the course of ordinary travel by an employee between their home and workplace (round trip).

The Company registered 17 accidents during the year. In relation to the average workforce in 2022, the rate of workplace accidents per employee is 0.17 compared with 0.26 the previous year, remaining at a rate that is considered as low.

The frequency rate in 2022 was 0 and the severity rate were 0, due to the fact that no workplace accident with lost time were declared in 2022.

	31/12/2022	31/12/2021	31/12/2020
Frequency rate	0	35.24	22.54
Severity rate	0	0.15	0.19

No occupational or work-related illness was reported in 2022 or during the previous four fiscal years. An occupational illness means an illness due to a person's exposure to a risk in connection with his/her employment position. The company has not been informed of any permanent disability in this fiscal year or prior fiscal years.

The Company provides a medical examination for all of its workers, with different frequencies depending on the nature of the position: laboratory staff are examined at least once every two years. Being less exposed, administrative staff and some scientists are examined at least every five years as a result of not working in the laboratories.

To date, no agreement on occupational health and safety has been signed with the labor unions or employee representatives.

2.2.8. Training

Staff members have extensive training, and the company places particular importance on maintaining each employee's knowledge and expertise at a high level. Continuing education is primarily focused on scientific and technical training to develop the skills of laboratory staff (researchers and laboratory technicians) but it can also involve all staff on topics such as management, communication in English, the use of computer software, accounting and human resources training, training for new tools and materials, or regulatory monitoring.

A total of 1 518 hours of training were dispensed in 2022. The decrease in comparison to 2021 (-600 hours) is mainly due to the non-renewal of group training courses in English and Microsoft tools. Professional training, particularly in science, is not affected by this decrease.

Number of employees trained in 2022	Men	Women	Total
Executives	33	25	**58**
Non executives	18	15	**33**
Total workforce	**51**	**40**	**91**
Breakdown by gender (in %)	56%	44%	

Personnel in the Company as of 12/31/2022	Men	Women	Average number
Average number of training actions taken per employee in 2022	2.12	1.86	**1.99**
Average number of training hours per employee in 2022	17.33	12.20	**14.75**

To develop individual skills and maintain a high level of expertise, the company also encourages all researchers to attend international conferences and seminars. In 2022, Adocia participated in 14 conferences and scientific seminars (involving 22 participants).

2.2.9. Workplace equality

2.2.9.1. Measures taken to support gender equality

After consultation with the Single Employee Representative Body in December 2013, an action plan took effect on January 1, 2014, in accordance with Article L. 2242-5-1 of the French Labor Code and Decree no. 2011-822 of July 7, 2011 on the implementation of companies' gender equality obligations (Articles R. 2242-2 to R. 2242-8 of the French Labor Code).

This plan focuses primarily on three points:

- Workforce: The Company will continue to hire its employees on the basis of objective expertise criteria and individual merit, keeping in mind gender equality.
- Training: The Company will ensure that training, whether to develop each employee's business skills or to enable them to adapt to changes in the company, is accessible to and equal for both men and women.
- Compensation: The Company will continue its policy of compensating men and women equally.

The Company seeks to ensure that there is no discrimination in employment and career, via annual performance and skill reviews.

As of December 31, 2022, the breakdown of men and women in the workforce was perfectly balanced, with 52 women and 52 men.

2.2.9.2. Measures taken to support employment and integration of workers with disabilities

To promote the recruitment of workers with disabilities, the company has taken steps to such workers, in particular holding meetings with CAP Emploi, the French national placement network for people with disabilities. Despite these actions and the fact that all positions are open to people with disabilities, the company has received few applicants (an issue of skills not matching the position profile).

The Company utilizes supported employment agencies for workers with disabilities (ESAT) for its supply of stationery, maintenance and cleaning. Since 2017, the Company outsources to 2 companies in the supported employment sector: ELISE specialized in paper recycling, and ALGED which intervenes monthly for the cleaning of green spaces.

2.3 Environmental data

2.3.1. General environmental policy required by Article R225-105-1 of the French Code of Commerce

In light of its business (drug research and development) and its geographical location (laboratories located at a single site in Lyon), the Company considers that its environmental impact is low. No provisions or guarantees for environmental risks have been recognized to date. Its activities do not include industrial production or distribution, or significant discharges of effluents into the environment. Its activities do not require the use of the ground as a resource and employ few raw materials.

On February 21, 2016, the Company acquired the building located at 115, avenue Lacassagne, Lyon, in which its laboratories and offices are located. The building has a total surface area of 6,874 m² (excluding the basement) of which 1,375 m² was occupied by two companies to which Adocia had granted commercial leases until the end of 2019.

On June 28, 2017, the Company completed its installation on the site with the purchase of a storage building with delivery bay, with a total surface area of 2,092 m², of which 1,650 m² underground. Following this acquisition, the Company converted the former courtyard into a garden.

In 2018, the Company initiated the development of two floors of 450 m^2 each, previously unoccupied. One will be destined for offices and the other for laboratories for the Analysis Department. The works are carried out with a view to improving energy consumption with an interior insulation made with 45 cm of hemp, new exterior joinery and lighting provided by LED luminaires. The works were finalized in the first semester 2019.

In 2020, insulation work on part of the roof was carried out (500m² of the existing 1500m²).

The following factors are not discussed in this report because they were deemed irrelevant or because the Company does not have significant information in light of the quantities and interests at stake:

- Greenhouse gas emissions
- Adaptation to climate change
- Biodiversity
- Ground use
- Visual environmental impact of the business

The employee based in the subsidiary Adocia Inc. has a low environmental impact due to his activity, limited to business travel. This employee is permanently excluded from environmental indicators.

Despite the Company's low environmental impact, from the outset, it has focused on environmental protection and appointed two individuals to manage environmental aspects, one of whom, the HS manager, is a member of senior management. with the objective of piloting the environmental aspects.

The Company has made the treatment and recycling of chemical substances one of its priorities.

2.3.2. Pollution and waste management

The Company purchases chemicals that are used in research and development operations. However, given the Company's size, only limited quantities of chemicals are handled, all of which are carefully monitored. The traceability of chemicals is strictly ensured from the time they arrive (a register kept by each department tracks raw materials). After their use in research operations, waste is recovered and stored under specific conditions until it is collected by a specialized company.

The Company has no regulatory obligation to monitor solvents used or emissions of volatile organic compounds (VOC) for effluents linked to the use of volatile solvents used with extractors. The Company has appointed a service provider that specializes in removing and recycling chemical waste. Before collection, which takes place at least once per month, the Company stores its waste in appropriate containers in dedicated premises and in compliance with the relevant safety standards.

In 2022, the quantity of hazardous laboratory waste sent to a specific center (soiled packaging and glass, chemical waste) totaled 13.50 metric tons versus 25.04 in 2021. The Company considers that the quantity of waste that it discharges into the city of Lyon's wastewater treatment system is low, as most waste is recovered during handling. The Company emits no liquid effluent in wastewater.

Furthermore, the Company has initiated the following recycling actions:

- sorting of plastics and caps
- sorting of paper and cardboard
- sorting of ink cartridges
- sorting of coffee pods
- recycling of vials, and
- sorting of batteries.

In 2022, the quantity of paper and cardboard removed totaled approximately 631 kg compared to 2 891 tons in 2021. Sorting and packaging are undertaken by the company ELISE for recycling in the paper industry, which generated in average 12 hours of work for employees with disabilities in 2022 as compared to 54 hours in 2021. All staff are made aware of waste management and this resulted in better control of this position in 2022, in particular with the organization of a specific operation aimed at sorting and eliminating paper archives. The resources devoted to waste management issues are of two types:

- external resources, comprising purchases of specific containers and expenses associated with services subcontracted to specialized waste companies, amounting to €30.4 thousand in 2022 versus €37.3 thousand in 2021.
- internal resources, consisting of involving all employees in sorting waste and reducing energy consumption.

Training is regularly provided, in particular at the time employees are hired. Each new employee receives onboarding during which the Safety/Environment Department provides information on environmental practices that are implemented. During this training, employees are provided with a waste management procedure.

The Company has set up a shared space that includes refrigerators for meals. This favors meal brought from home rather than the establishment of a catering service, to limit food waste.

Since 2016, under the impetus of the employee representative body (DUP), the Company installed a composter for the organic waste employees create during their lunchtime meals. This initiative was carried out with the help of a local firm.

In 2019, a vegetable garden was also put in place and allows the employee to benefit from fruits and vegetables, which makes it possible to take advantage of a short circuit and reduce the specific packaging for the transport and conservation of these.

In terms of noise pollution, only the laboratories' fume chamber extractors are potential sources of noise. This equipment, which is installed on the roof, is fitted with a soundproofing casing. Accordingly, the Company deems that it has minimized the risk of noise pollution. Furthermore, the new system was put into place to fit out the analysis department benefits from a very low noise level and meets the installation and regulatory standards.

2.3.3. Environmental protection

2.3.3.1. Biodiversity

In June 2022, Adocia installed 4 hives housing 80,000 bees.

These bees are key pollinators that help reproduce flowering plants, which are crucial to the food chain by providing food for animals and humans. In addition, they are important indicators of environmental health and their decline is often linked to factors such as pollution, pesticides and habitat fragmentation. By installing these hives, our company is helping to preserve these important pollinators and protect the environment.

2.3.3.2. Energy Sobriety

In a context marked by the acceleration of climate change, the energy transition is more than ever a strong priority within our company.

Adocia has therefore implemented an energy conservation plan to reduce its electricity consumption by 10% by 2024. The Company is also committed to the tertiary sector decree (Elan law) aimed at reducing its consumption by 60% by 2050. A working group of committed ambassadors has been set up. It will be led by the company's Health, Safety and Environment department and will be responsible for proposing actions to reduce its energy impact. All employees will be informed of the best practices to be implemented.

2.3.4. Sustainable use of resources

The Company is attentive to management of its water and energy consumption.

2.3.4.1. Water

The company's consumption of municipal water is mainly for sanitary purposes and consumption.

The Company also uses water for its research activities, and in particular for cleaning its laboratory equipment. Water is thus used to supply the washing machines and sinks installed in the various laboratories and shared spaces in the Company. It is discharged after use in conventional drainage systems. For some of its activities, the Company also consumes water for the production of distilled water.

Until 2015, the Company purchased bottled water for the staff to drink. Since 2016, to reduce its environmental impact, drinking fountains are available in the cafeteria, considerably reducing the use of water bottles and hence plastic waste. As a result, the quantities purchased are negligible and are no longer monitored. Running water consumption is calculated from actual consumption based on invoices. Lastly, certain research operations require purified water, which the Company purchases in canisters.

Consumption in M³	31/12/2022	31/12/2021	31/12/2020
Current consumption water (*)	**3 373**	**2 251**	**3 024**

(*) prorated to the surface occupied by the Company

In 2022, following the receipt of the annual water consumption statement, and the observation of the strong increase in consumption, an investigation was quickly launched to identify the sources of this increase. The investigation revealed a bad adjustment on a laboratory equipment. A corrective action was immediately carried out and should allow a return to a situation close to that of 2021.

2.3.4.2. Electricity

With respect to energy, the Company consumes electricity only.

Since November 2019, we have significantly reduced our electricity bill due to the departure of the tenants we had and who occupied approximately 1200m².

Consommation 1n kWh	**31/12/2022**	31/12/2021	31/12/2020	**31/12/2019**
Electricity total (*)	**937 241**	844 539	904 954	**1 223 023**

(*) prorated to the surface occupied by the Company

This decrease of the consumption is due also to the works implemented in the Analytical service as follows:

- Insulation of the walls,
- Performance of the CVC system
- Down regulation of the CVC system when the site is empty
- Led lighting with motion detection and light detection.

The Company has set up a consumption monitoring program and, at the end of each day, has a person check and turn off electrical equipment that has been left on and adjust the temperature of heating and cooling systems. Motion detectors that turn off lights automatically, have been installed in some locations. The Company also adopted and is gradually implementing a plan to replace older light bulbs with new generation of low consumption bulbs.

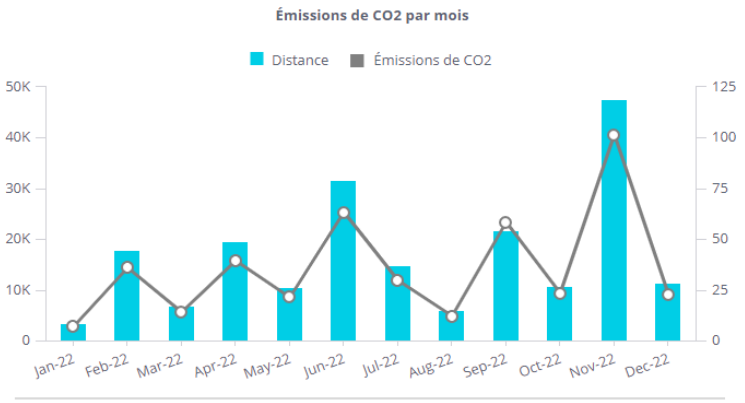
2

2.3.4.3. Climate change

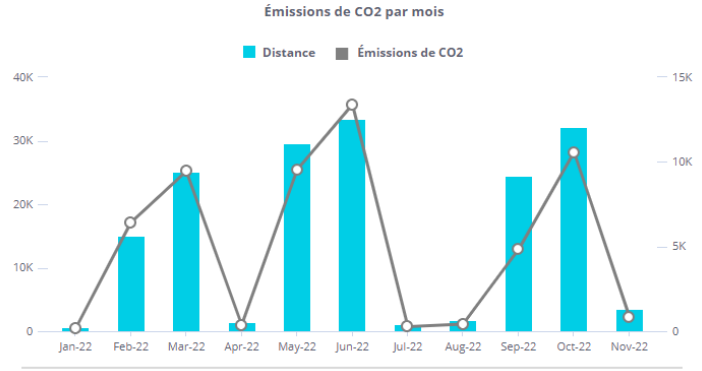
After an initial analysis, the Company estimated that its greenhouse gas emissions are mainly related to its purchases of raw materials and consumables. Starting in 2021, given the sanitary crisis, business travel was very low and emissions related to business travel very limited. In 2022, our travel provider reported a Co^2 emission of 56.3 kg/km for business travel by plane and 428,5 kg/km by train, always, down from 2019 (the baseline year prior to Covid, which had a Co^2 emission of 1,376 tons).

Given the elements above, the Company's impacts were judged too minimal to justify recognition of provisions or guarantees for environmental risks.

For the train:



For the plane:



2.4 Social data: information on social responsibility in favor of sustainable development

2.4.1. Territorial, economic and social impact of business

Because of its activity (drug research and development), the Company considers that its environmental impact is low. The activities of the Company generate no particular noise or visual pollution for its employees or for neighboring residents.

Adocia has been based in Lyon since its creation and endeavors to be active and involved in its local area. In 15 years, the company hired over 130 people, most of them coming from the Lyon area. The company's ongoing policy is to recruit and train young people. Each year, the company accepts workers under apprenticeship or work-training contracts (4 at the end of December 2022) and a certain number of trainees (7 during 2022). The Company is therefore attractive to and offers professional prospects for scientists, researchers, and technicians in the life sciences.

In 2022, the Company's payroll expenses, and social security contributions accounted for nearly 33% of operating expenses.

2.4.2. Relations with its shareholders and investors

The Company's financial communication is intended to guarantee access to complete, transparent and clear information for all. To this end, the Company publishes a number of documents for its shareholders to explain its strategy, research being conducted, and the results obtained.

These documents are accessible on the Company's website in the Investors section, in French and in English. An email address (contactinvestisseurs@adocia.com) is also available for investors.

The Company also complies with its obligations as a listed company. It disseminates annual information supplemented by periodic information and press releases to the financial community and more generally to the public. It also organizes regular telephone conferences to comment on its results and answer questions from shareholders.

In 2022, the Company took part in conferences to meet its institutional investors at trade shows in France and abroad, both in person and remotely. Minority shareholders were also able to meet and discuss the Company's progress in 2022 with Management on several occasions: the Annual General Meeting, held in person in Paris, and at meetings for shareholders and investors in Paris (Investor Access in April and October 2022).

2.4.3. Subcontracting and suppliers

The Company appoints external suppliers to perform a significant portion of its activities, in particular, activities that require specific accreditations (Good Laboratory or Manufacturing Practices), particular facilities (animal housing unit) or organizations specialized in conducting clinical trials, known as contract research organizations (CROs). These external expenses account for 30% in average of the Company's total expenses.

The supplier selection process complies with pharmaceutical regulations and takes into account criteria such as proximity, excellence and research ethics. Due to its size and the corresponding social and environmental stakes, the Company does not audit its suppliers on CSR issues.

At the local level, the Company has created partnerships with the Lyon Veterinary School and Namsa for conducting its preclinical studies. The main service provider, Namsa, as well as ICB (dependent on the veterinary school of lyon) are AAALAC accredited.

These two organizations comply with ethics legislation and have an animal welfare structure, an independent ethics committee and socialization and enrichment programs for the two models used by the company (dog and pig). They also have programs for animal outplacement to comply with the 3Rs rule when study conditions permit.

The Company also uses the services of numerous consulting firms in the region (patents, finance, lawyers).

2.4.4. Fair practices

The Company has set up mechanisms to prevent risks of corruption. Separating tasks associated with payments is one of the means put in place for avoiding possible errors or misappropriation.

Concerning the choice of suppliers, comparative bids are requested above a certain expenditure threshold. As part of its research and development activities, the company is obliged to comply with current standards (Good Laboratory Practice, Good Manufacturing Practice), as well as with the regulations adopted by public health protection agencies, such as the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) in the United States.

The Company has been listed on the regulated Euronext stock exchange in Paris since February 2012. Accordingly, purchases and sales of securities and, in particular, bonus shares and business founders' stock warrants (BSPCE), are subject to strict rules.

Adocia has adopted a corporate disclosure policy and a code of ethics, which are in compliance with AMF recommendation no. 2010-07 of November 3, 2010, as well as the MiddleNext guide, which set forth and explain the rules applicable to privileged information and the duties owed by insiders.

2.4.5. Public health issues

Health and consumer safety is at the core of the Company's business: developing innovative medicines for everyone, all over the world.

The Company develops drugs based on therapeutic molecules that have already been approved. Using its proprietary BioChaperone technology, it improves the effectiveness of such molecules, thereby simplifying and expanding their therapeutic use, while improving patients' quality of life.

In a worldwide pharmacological and economic context marked by the adoption of policies designed to control health costs, the products that Adocia develops may improve the effectiveness of therapeutic molecules, while reducing the dosage, number of applications and/or duration of treatment.

Lastly, despite the fact that the demand for pharmaceutical products in emerging countries is expanding, access to healthcare and drugs remains problematic, even critical, in certain countries. The World Health Organization estimates that over 80% of the deaths due to chronic pathologies occur in low- or medium-income countries. By offering pharmaceutical products destined to become best-in-class and at lower prices than existing products, Adocia's strategy seems particularly suited to meet the mass needs of these emerging countries.

Given the stage of development of its entire project portfolio, no drug containing BioChaperone technology developed by the Company has been marketed to date.

The development of the Company's projects is strictly regulated. Thus, for studies using animal models (preclinical development) and studies using human participants (clinical development), it submits its dossiers to various approval committees: regulatory affairs authorities (e.g. Bfarm for clinical studies in Germany) and ethics committees.

2.4.6. Actions taken to promote human rights

The Company endeavors to comply with prevailing regulations and is not aware of any specific issues in this regard.

The information concerning labor issues required by Article R. 225-105-1 of the French Commercial Code is provided in sections 2.2 and 2.3 of this universal registration document.

3

Corporate governance

Corporate governance

Chapter 3

3 CORPORATE GOVERNANCE

REPORT ON THE CORPORATE GOVERNMENT

The present report of the board on the corporate governance was adopted by the board during the session of March 14, 2023.

3.1 Governance Code

Until October 24, 2011, the Company was incorporated as a *société par actions simplifiée* (simplified joint stock company). At the time of its initial public offering, the Company was converted, on October 24, 2011, into a *société anonyme* (corporation) with a Board of Directors and adopted new governance rules. Shareholders appointed a six-member Board of Directors, five of whom had been members of the Board of Directors of the Company in its previous form as a *société par actions simplifiée*.

The Board of Directors, at its meeting of October 24, 2011, adopted its own Rules of Procedure which specify, *inter alia*, the role and composition of the Board, the principles of conduct and the obligations of members of the Company's Board of Directors, and the operating procedures of the Board of Directors and its committees, as well as the rules for determining the compensation received by their members. The Board's Rules of Procedure can be accessed on the Company's website (www.adocia.fr).

To structure its governance, the Company has chosen to refer to the corporate governance code for small and midcaps as per the revision published in September 2021 by MiddleNext (the "MidleNext Code"). The Company has assessed its compliance with the new provisions of the Middlenext Code and the first actions to be taken have been identified. This work will continue in 2023.

Code MiddleNext Recommendations	Compliance
Supervisory power	
R1 – Board members' ethics	Yes (3.1.3.4)
R2 – Conflicts of Interest	Yes (3.1.5)
R3 – Board composition – Presence of independent members	Yes (3.1.2)
R4 - Information for Board members	Yes (3.1.2.4)
R5- Board member training	To be planned [1]
R6 – Organization of Board and committee meetings	Yes (3.1.4)
R7 – Establishment of committees	Yes (3.1.4.3)[2]
R8 - Establishment of a specialized committee on corporate social/societal and environmental responsibility (CSR)	To be planned[3]
R9- Establishment of internal rules of procedure for the Board	Yes (3.1.4.2)
R10 – Choice of each Board member	Yes (3.1.3.5)
R11 – Length of terms of Board members	Yes (3.1.3.3)
R12 – Compensation f Board members for their duties	Yes (3.2)
R13 – Implementation of an evaluation of the Board's work	Yes (3.1.4.2)
R14 – Shareholder relations	Yes (3.1.4.2)
Executive Branch Powers	
R15 - Diversity and equity policy within the company	Yes (3.2.1.3.8)
R16 Definition and transparency regarding compensation of executive directors/corporate officers	Yes (3.1.3.4.2)
R17 – Executive succession plan	Yes (3.1.4.2)
R18 – Concurrent holding of an employment contract and corporate officer status	Yes
R19 – Severance pay	N/A, no severance pay provided
R20 – Supplmentary pension schemes	N/A, no supplementary pension schemes provided

R21 - Stock-options and free share grants	Yes
R22 – Review of critical issues	Yes

(1) The internal rules of the Board of Directors will be amended at a forthcoming Board meeting to provide for a three-year training plan for directors.

(2) At this stage, and due to the low exposition of the Company, it has been decided to postpone the set-up of a specialized committee on corporate social responsibility (CSR), while continuing actions in order reduce environmental impacts.

3.1.1. Methods of corporate governance

Mr. Gérard Soula is currently Chairman of the Board of Directors and Chief Executive Officer. As Chairman, he is responsible for organizing and directing the work of the Board of Directors, reporting on this to the Shareholders' Meeting, and for ensuring the proper functioning of the Company's bodies. As Chief Executive Officer, he is responsible for the executive management of the Company, represents the Company in its relations with third parties, and has the powers granted to him by law to act in all circumstances on the Company's behalf.

Mr. Olivier Soula is Deputy General Manager and has the same powers as the Chief Executive Officer with regard to third parties.

A brief description of the main provisions of the Company's Articles of Incorporation and Bylaws and its Rules of Procedure governing its specialized committees is provided in this registration document, in section 5.3 'Articles of Incorporation' and section 3.1.4 'Operation of the governing and management bodies'.

At the Board of Directors meeting on December 14, 2022, and with a view to the renewal of Mr. Gérard Soula's term of office as director in May 2023, a new governance structure was proposed and adopted. The Board of Directors thus intends to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer, at its meeting to be held immediately after the Company's annual general meeting to be held on May 11, 2023.

3.1.2. Members of the Board of Directors

As of the filing date of this universal registration document, the members of the Company's Board of Directors are:

Name	Office	Main functions within the Company	Main functions outside the Company	Starting and ending dates of terms of office
Mr. Gérard Soula	Chairman of the Board of Directors	Chairman and Chief Executive Officer	None	Appointed director by the shareholders' meeting held on October 24, 2011. Renewed by the combined shareholders' meeting of May 28, 2020 for a term of three years which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2022. Renewed as chairman and chief executive officer by the board of directors' meeting held on May 20, 2021 for the duration of his term of office as director.
Mr. Olivier Soula	Deputy Chief Executive Officer, Director	R&D Director VP	None	Appointed director by the shareholders' meeting held on October 24, 2011. Renewed by the combined shareholders' meeting of June 28, 2022 for a term of three years which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2024. Renewed as deputy chief executive officer by the board of directors' meeting held on June 28, 2022 for the duration of his term of office as director.
Ms. Ekaterina Smirnyagina	Independent Director	Chairwoman of the Remuneration Committee	Senior Partner, Life Sciences at Oxford	Appointed director by the shareholders' meeting held on June 18, 2013.

Name	Office	Main functions within the Company	Main functions outside the Company	Starting and ending dates of terms of office
			Science Enterprises	Renewed by the shareholders' meeting of June 28, 2022 for a term of three years which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2024.
Dr. Katherine Bowdish	Independent Director	-	Chairman and Chief Executive Officer of Pics Therapeutics, Inc.	Appointed independent director by the shareholders' meeting held on May 20, 2021 for a three-year term which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2023.
Dr. Claudia Mitchell	Independent Director	Member of the Compensation Committee and the Audit Committee	Senior Vice-President Strategy-Portfolio at Astellas Pharma	Appointed independent director by the shareholders' meeting held on May 20, 2021 for a three-year term which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2023.
Mr. Stéphane Boissel	Independent Director	Chairman of the Audit Committee	Chairman of the Board and Chief Executive Officer of Sparing Vision	Appointed independent director by the shareholders' meeting held on May 20, 2021 for a three-year term which will expire at the conclusion of the shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2023.
Mr. Mads Dall	Independent Director	-	Chairman and Chief Executive Officer of Dall & Company Aps	Co-opted by the Board of Directors on December 14, 2022, following the resignation of Bpifrance Investissement from its directorship, for the remainder of the latter's term of office, i.e. until the close of the General Meeting called to approve the financial statements for the year ending December 31, 2022.

On June 28, 2022, Bpifrance Investissement informed Adocia of its replacement of Mr. Laurent Arthaud as its permanent representative on the Board of Directors of Adocia by Mr. Olivier Martinez.

On December 1, 2022, Bpifrance Investissement informed Adocia of its resignation as a member of the Board of Directors.

In accordance with the provisions of Article L. 225-24 of the French Commercial Code, the Board of Directors, at its meeting of December 14, 2022, decided to co-opt Mr. Mads Dall as a director to replace Bpifrance Investissement, for the remainder of the latter's term of office, i.e., until the end of the ordinary annual general meeting of shareholders to be held in 2023 to approve the financial statements for the year ended December 31, 2022. It is specified that this cooptation will be subject to ratification by the general meeting of shareholders of the Company convened on May 11, 2023.

3.1.2.1. Business address

The business address of the Chairman and Chief Executive Officer and of the Deputy General Manager is the address of Company's registered office.

The business addresses of the other directors are:

- Ms. Ekaterina Smirnyagina, c/o Oxford Science Entrerprises, 46 Woodstock Rd, Oxford OX2 6HT, United-Kingdom.
- Ms. Claudia Mitchell, c/o Savantia AG, 45 Rotfluhstrasse, Zollikon, 8702, Switzerland;
- Ms. Katherine Bowdish, c/o Pics Therapeutics, 22 Strathmore Rd, Natick, 01760, Massachusetts;
- Mr. Stéphane Boissel, c/o SparingVision, 5/7 avenue Percier, CS40230, 75008 Paris ; and
- Mr. Mads Dall, c/o Ruthsvej 13, 2900 Hellerup, Danemark.

3.1.2.2. Other corporate offices currently held by the Directors

Name	Office held	Company
Gérard Soula	Director	Glowbl
Olivier Soula	Chairman of the Board of Directors	Glowbl
Ekaterina Smirnyagina	Director	Oxford Nanoimaging Ltd
	Director	SpyBiotech Ltd
Katherine Bowdish	President and Chief Executive Officer	Pics Therapeutics, Inc. (USA)
Claudia Mitchell	Chairman of the Board	Reaction
	President and Chief Executive Officer	Savantia AG
	Director	Coave Therapeutics
Stéphane Boissel	Chairman of the Board and Chief Executive Officer	Sparing Vision
	Director	Eg427
Mads Dall	President and Chief Executive Officer	Istar Medical SA
	Director	Beta Bionics Inc., Irvine
	Director	Esther & Martin Dalls Foundation

In line with recommendation no. 1 of the MiddleNext Code, executive directors do not hold more than two other offices, including in foreign companies.

3.1.2.3. Other corporate offices, now expired, held by the directors during the last five fiscal years

Name	Office held	Company
Ms. Ekaterina Smirnyagina	Director	Mirobio Ltd
	Director	Confotherapeutics NV (Belgique)
	Director	Invest Europe
	Director	Istar Medical
	Director	HalioDx
Dr. Katherine Bowdish	Board observer	Dice Molecules (USA)
	Vice-President of the Board	Warp Drive Bio (USA)
	Director	Portal Instrument Inc. (USA)
	Director	Thermalin Inc. (USA)
Dr. Claudia Mitchell	Director	Universal Cells
	Director	Chambre de Commerce Internationale France Japon
	Director, Executive Committee Member	Alliance for regenerative Medecine
	Director	Chambre de Commerce Franco-Americaine

Mr. Stéphane Boissel	Chief Executive Officer	TxCell
	Chairman of the Board	Elsalys Biotech
Mr. Mads Dall	Business Manager	Beta Bionics Inc.
	Director	Eyenuk Inc.

3.1.2.4. Biographies of the directors

Gérard Soula PhD, 78 years old, holds a doctorate in organic chemistry and is a graduate of IAE (Aix Marseille).

He founded Flamel Technologies (1990), a company listed on NASDAQ that specializes in drug delivery. He held the positions of chairman and chief executive officer and research director in the Company until June 2005. When he left Flamel Technologies, the Company employed 250 persons and had a market valuation of $500 million. Flamel Technologies' success was largely due to the performances of its Micropump and Medusa platforms.

Gérard Soula has lengthy experience in negotiating licensing agreements for technological innovations with major biopharmaceutical groups (Novo Nordisk, Bristol Myers Squibb, GlaxoSmithKline, etc.).

Olivier Soula PhD, 53 years old, holds a doctorate in polymer physical chemistry, and is a graduate of ENSIC Mulhouse. He also obtained an MBA from IAE in Lyon.

He began his career with Flamel Technologies, where he stayed for eight years and was *inter alia* nanotechnologies research manager. He directed the development of Medusa, a therapeutic protein sustained release platform, and successfully conducted clinical studies for three such projects. He is co-holder of over 40 patents.

Ekaterina Smirnyagina, 56 years old, holds a doctorate in cellular and molecular biology.

After having completed her training by obtaining a master's degree in biochemistry and attending Stanford Medical School, she began her career with the Biotechnology Business Development Council. She then worked for Alta Partners, an investment fund company in San Francisco that specializes in the health field, from 2002 to 2012, and within the investment fund Capricorn Venture Partners in Belgium from 2012 to 2021. Since September 2021, she has led the life sciences business at Oxford Science Enterprises in the UK.

Stéphane Boissel, 55 years old, is currently Chairman and CEO of Sparing Vision, a genomic medicine company in ophthalmology.

He was previously Executive Vice President of Corporate Strategy at Sangamo Therapeutics, based in San Francisco (USA). He joined Sangamo Therapeutics on the back of the acquisition by the latter of TxCell SA, a CAR-Treg company he was the CEO of. He is a seasoned biotech professional with over 25 years of leadership experience across corporate finance, strategy and business development. He completed his undergraduate work in management and finance at the University of Lyon and Paris-Dauphine in France and received his MBA from the University of Chicago (IL, USA).

Katherine Bowdish, 66 years old, is the President & CEO of PIC Therapeutics, a venture-backed precision-medicine company focused in oncology.

From 2013 to 2020, she worked for Sanofi to establish and lead Sanofi Sunrise, a venture investment/company co-creation and partnering vehicle focused on advancing pioneering science of strategic interest to Sanofi. Following a 5-year span leading Sunrise, Kathy accepted the role of Vice President and Head of R&D Strategy.Prior to Sanofi, she co-founded or led several early-stage life science companies focused on biological therapies. Past positions include Co-founder, President & CEO, Anaphore; President, Alexion Antibody Technologies and Senior Vice President, Alexion Pharmaceuticals; Founder, CEO & CSO, Prolifaron, prior to its acquisition by Alexion. She holds a Ph.D. in molecular genetics from Columbia University College of Physicians and Surgeons in the City of New York, and a B.S. degree in biology from the College of William and Mary.

Claudia Mitchell, 51 years old, is the Senior VP, Head of Portfolio Strategy, at Astellas Pharma.

Claudia Mitchell is now CEO of Savantia AG, a cell and gene therapy consulting firm. She was for 3 years Senior Vice President, Portfolio Strategy at Astellas Pharma. Claudia was CEO and co-founder of Universal Cells, a Seattle-based biotechnology company, until the company was acquired by Astellas. Claudia Mitchell previously co-founded Halo-Bio RNAi Therapeutics and served as its Chief Scientific Officer. She received the EY Life Sciences Entrepreneur of

the Year Award for the Pacific Northwest region in 2018. In addition to being a biotech entrepreneur, Claudia Mitchell has also held positions in the nonprofit sector and academia. She has worked as a program director for the LGMD2I Research Fund, a nonprofit family foundation. Claudia has held a position as a statutory researcher at the French National Institute for Medical Research (INSERM).

Mads Dall, 60 years old, is the President & CEO and founder of Dall & Company, a strategic business development company based in Copenhagen, Denmark, working with clients worldwide, primarily in the life sciences. Mads has extensive international experience in the diabetes industry and has worked in the US, Europe and Asia with pharmaceutical, biotech and medtech companies in executive, advisory and board positions. Previously, he held the positions of: Commercial Director at Beta Bionics; Executive Vice President at CeQur; Senior Partner at Asia Base and Vice President at Novo Nordisk.

3.1.3. Retained principles for composition of the Board

3.1.3.1. Gender balance

Three of the Board's seven members are women, which is consistent with the Law of January 27, 2011 on the gender balance on boards, as the difference in terms of the number of male and female board members is not greater than two.

3.1.3.2. Independent directors

In accordance with its Rules of Procedure, the Board of Directors has decided to apply the definition of independence proposed in the MiddleNext Code's recommendation no. 3 "Composition of the Board", which requires satisfaction of the following five criteria:

the director is not an employee or executive corporate officer of the Company, nor an employee or executive corporate officer of a company in its group, and must not have held such a position within the last five years;

- be neither an employee or executive officer of the Company, nor an employee or executive officer of one of the companies in his group and have not been in the past five years
- the director is not, and must not have been within the last two years, in a significant business relationship with the Company or its group (client, supplier, competitor, service provider, creditor, banker, etc.);
- the director is not a reference shareholder of the Company and does not hold a significant percentage of its voting rights;
- the director does not have close family ties with a corporate officer or reference shareholder of the Company; and
- the director has not been an auditor of the Company within the last six years.

The Board of Directors considered that four of its members, namely Ms. Ekaterina Smirnyagina, Ms. Katherine Bowdish, Ms. Claudia Mitchell, Mr. Stéphane Boissel and Mr. Mads Dall, met all of these criteria and therefore qualified as independent members of the Board of Directors.

Annually, the Board of Directors reviews the situation of its members with respect to the above criteria on a case-by-case basis.

3.1.3.3. Term of office

Members of the Board of Directors are appointed by an Ordinary General Shareholders' Meeting for a three-year term of office. In line with recommendation no.9 of the MiddleNext Code a first staggered renewal of the directors was carried out last year following the resolutions adopted by the General Meeting held in June 2017.

3.1.3.4. Rules of Conduct

The Rules of Procedure, the Code of Conduct and the Financial Reporting Charter have been approved by the Board of Directors. These documents set out the rules to be followed by Board members, in line with recommendation no. 1 of the MiddleNext Code.

3.1.3.5. Choice of Directors

When a Director is appointed or reappointed, information on his or her experience, skills and offices held is published in the universal registration document and presented to the Shareholders' Meeting. This information is also published on the Company website, in line with recommendation no. 10 of the MiddleNext Code. A separate resolution is put to the shareholders for the appointment or reappointment of each individual Director. These persons have gained expertise and management experience in the various salaried and management positions they have previously held (see section 3.1.2.4 “Biographies of the directors”).

There are no family ties between the persons listed above, except in the case of Messrs. Gérard Soula and Olivier Soula, who are both members of the Board of Directors.

Furthermore, to the best of the Company’s knowledge as of the date of this reference document, no member of the Board of Directors:

- has been convicted of fraud during the past five years;
- has been associated in his/her capacity as corporate officer or director with any bankruptcy, receivership or liquidation during the past five years;
- has not been called into question or be penalized by official public sanction pronounced by statutory or regulatory authorities (including designated professional bodies); and
- has been deprived by a court of the right to exercise the function of member of an administrative, management or supervisory body of an issuer or to intervene in the management or the conduct of the affairs of a transmitter.

There are no service contracts between the members of the Company’s Board of Directors or officers and the Company.

3.1.4. Governance and organization of the Board

3.1.4.1. Conditions for the preparation and organization of the Board

The board of directors has its own Rules of Procedure, in line with the MiddleNext Code’s recommendation no. 9. This document was approved by the Board of Directors at its meeting of October 24, 2011 and amended by the Board of Directors at its meeting of March 7, 2017. It is available on the Company's website. An update is planned for 2023 during an upcoming meeting of the board in order to provide a three-year training plan for directors, in compliance with recommendation no.5 of the MiddleNext Code.

In line with recommendation no. 2, the article of the Rules of Procedure on the prevention of conflicts of interest entitled "Disclosure Obligation" requires Directors to inform the other Board members whenever they are in a conflict-of-interest situation, so that it can be ascertained whether the Director should refrain from voting and/or may take part in deliberations.

In addition, the Rules of Procedure explain the regulations in force concerning the disclosure and use of privileged information, and state that the directors must refrain from carrying out transactions in the Company’s shares if they hold privileged information. Each Board of Directors member is required to report to the Company and to the AMF any transactions in the Company’s shares that they carry out directly or indirectly.

Prior to each meeting of the Board of Directors, and in accordance with the Rules of Procedure, the agenda for the meeting and the preparatory documents are sent to the Board members in a timely manner, informing them of the agenda and the matters which the Board will be asked to consider. In line with recommendation no. 4 of the MiddleNext Code, Directors will regularly receive key information concerning the Company that may have an impact on its commitments and financial situation, outside of scheduled Board meetings and whenever justified by events

affecting the Company. They may request explanations or additional information and, more generally, request access to any information they consider relevant.

3.1.4.2. Functioning of the Board of Directors

The board of directors operates (notices of meetings, meetings, quorum, information for Directors) in compliance with the applicable laws and the Company's Articles of Incorporation and Bylaws, as set out in its Rules of Procedure.

The board of directors is responsible for determining the Company's business strategy and overseeing its implementation. Subject to the powers expressly granted to shareholders' meetings and within the limit of the corporate purpose, it considers all issues relating to the Company's operations and makes decisions on matters affecting the Company. It also appoints the Chairman of the board, the Chief Executive Officer and the Deputy General Managers, and determines their compensation. Its duties also include closing of the financial statements and consolidated financial statements, convening shareholders' meetings, and determining the agenda of any meeting and the wording of the resolutions. Lastly, it carries out those checks and controls it considers appropriate and authorizes agreements falling within the scope of Article L. 225-38 *et seq.* of the French Commercial Code (*Code de commerce*).

During the past fiscal year, the Company's board of Directors held eight meetings, on March 15, April 14, June 7, June 28, September 12, September 16, September 27 and December 14, 2022. The Chairman of the board chaired all eight meetings, and the attendance rate was 92%.

The following main points were addressed at the meetings:

- updates on Company financing;
- opportunity to a complementary financing and potential alternatives (decision to issue bonds convertible into shares to certain financial investors);
- current negotiations with potential partners;
- progress reports on projects and main results;
- financial matters: quarterly reviews, 2022-2023 two-year plan, examination and closure of 2021 corporate financial statements and consolidated financial statements, presentation and approval of 2023 budget;
- convocation of the General Shareholders' Meeting: agenda and text of resolutions.
- items relating to compensation, governance, review of the composition of the Audit Committee, determination of compensation for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for fiscal year 2022, the compensation policy for non-executive directors, allocation of free shares to employees of the Company, determination of compensation allocated for a Corporate Director; and
- recognition of increases in the Company's capital resulting from the definitive acquisition of bonus shares, the exercise of warrants to subscribe for business creator shares and the conversion of bonds convertible into shares.

In 2022, in line with recommendation no. 17 of the MiddleNext Code, discussions have taken place within the Compensation Committee on the succession plan for the Company's executives. Actions have been identified to ensure a successful succession and identify key people in the organization, and support them in their development to ensure the succession of Olivier Soula in his current position of R&D director towards CEO. On December 14, 2022, the Board of Directors unanimously decided to approve the envisaged change consisting in a separation of the functions of Chairman of the board from those of Chief Executive Officer, to be performed in the future by Mr. Gérard Soula and Mr. Olivier Soula respectively.

At its meeting on April 19, 2023, and upon recommendation of the Compensation Committee, the Board of Directors unanimously approved the compensation policy defined for 2023.

This new governance will be implemented by the Board of Directors, which will meet immediately after the next Annual General Meeting of the Company, which will be called in particular to renew Mr. Gérard Soula's term of office as director.

Documents were sent to the directors prior to each meeting, to enable them to prepare for the meeting. Minutes are drawn up summarizing the deliberations at each Board meeting.

In fiscal year 2017, the Board carried out a self-assessment of its composition, organization, and operating procedures by sending and commenting on the questionnaire sent to the Board members. Another self-assessment is planned in the upcoming months.

Lastly, it is noted that, following recommendation no. 14, despite a context still marked at the beginning of the year by the sanitary crisis, Management has given minority shareholders the opportunity to meet with them and discuss the Company's progress in 2022, on several occasions: the annual general meeting held in person in Paris on June 28, 2022, and at the shareholders' and investors' meetings in Paris (Investor Access in April 2022 and October 2022). The Board of Directors also pays particular attention to the votes cast by all its shareholders, in particular the majority of minority shareholders. Thus, at its meeting on April 14, 2022, the Board analyzed the negative votes cast on the various resolutions presented at the previous General Meeting.

3.1.4.3. Organization of committees

In line with recommendation no. 7 of the MiddleNext Code, the Board of Directors decided:

- to set up two specialized committees: the Audit Committee and the Compensation Committee
- that the Chairman of the Audit Committee and the Compensation Committee is entrusted to an independent director.

▪ Audit Committee

The Board of Directors of the Company, in its previous form as a *société par actions*, set up an Audit Committee. The Board of Directors of the Company, in its new form as a *société anonyme*, decided at its meeting of October 24, 2011 to maintain the existing Audit Committee.

The Audit Committee, which is independent from the Company's executive management team, is responsible for assisting the Board of Directors and verifying the fairness of the financial statements, the quality of internal control, the relevance of the information provided and the proper performance by the auditors of their duties.

The Audit Committee is composed of at least two members appointed by the Board of Directors. The term of office of the Audit Committee members is concurrent with their term of office as members of the Board of Directors. Members of the Audit Committee are chosen from among the members of the Board of Directors and, to the extent possible, two-thirds are independent members, including one with specific financial or accounting expertise; all members have a minimum level of expertise in finance and accounting.

As of the date of this universal document regsitration, the members of the Audit Committee are:

- Mr. Stéphane Boissel, independent member with financial and accounting expertise, and
- Ms. Claudia Mitchell, Director.

Mr. Stéphane Boissel has chaired this committee since May 20, 2021. Mr. Stéphane Boissel is the member of the Board "with specific financial or accounting skills", due to his experience of more than 20 years in the pharmaceutical industry and the general management and financial management positions he held at Innate Pharma, Transgene and TxCell, and his role as Chairman and Chief Executive Officer at Sparing Vision.

Mrs. Claudia Mitchell was appointed as Director by the Board of Directors on December 14, 2022 to replace Mr. Olivier Martinez, permanent representative of Bpifrance Investissement, who resigned from his position as Director.

The Audit Committee met twice during fiscal year 2022, on April 11 and on September 8, 2022.

The Audit Committee's duties include:

- monitoring the process for preparing financial information;
- ensuring the effectiveness of the internal control and risk management systems;
- ensuring that the statutory auditors perform their duties with respect to the legal certification of the annual financial statements and, if applicable, the consolidated financial statements;
- making recommendations on the statutory auditors proposed for appointment to general shareholders' meetings, and reviewing the terms of their compensation;
- ensuring the independence of the statutory auditors;

- examining the conditions under which derivatives are used;
- regularly reviewing the status of major disputes; and
- in general, providing advice and making appropriate recommendations in connection with the above matters.

The Audit Committee's rules of procedure, which were adopted on October 24, 2011 after having been approved by the Board of Directors, describe the duties of the Audit Committee and its operating procedures, in particular the minimum number of meetings per year. These rules of procedure also state that the committee may interview any member of the Company's Board of Directors and conduct any internal or external audits on any matter it deems to come within the scope of its duties. If it does so, the Audit Committee chair must give prior notice to the Board of Directors. In particular, the Audit Committee may interview any person involved in preparing or verifying the financial statements (the Chief Financial Officer, the Administrative and Financial Manager and the principal financial managers). The committee has the right to directly, independently and confidentially consult with the statutory auditors.

Compensation Committee

The Board of Directors of the Company, in its previous form as a *société par actions simplifiée*, set up a Compensation Committee in June 2008. The Board of Directors of the Company, in its new form as a *société anonyme*, decided at its meeting of October 24, 2011 to maintain the existing Committee.

The Compensation Committee is responsible *inter alia* for examining the compensation policy proposed by Executive Management for the Company's executive corporate officers and employees. It presents its recommendations and proposals concerning said (fixed, variable, and exceptional) compensation to the Board of Directors. It validates the targets set for the award of long-term incentives (bonus shares, , stock options, and BSA stock warrants) and assesses performance at year-end.

The Compensation Committee is composed of at least two members appointed by the Board of Directors; no member of the Board of Directors serving in a management capacity within the Company may be a member of this committee. The term of office of each Compensation Committee member is concurrent with his/her term of office as a member of the Board of Directors.

As of the date of this universal document registration, the members of the Compensation Committee are:

- Ms. Ekaterina Smirnyagina, independent member, and
- Ms. Claudia Mitchell, Director.

Ms. Ekaterina Smirnyagina chairs this committee.

Claudia Mitchell was appointed member of the Compensation Committee by the Board of Directors on December 14, 2022, replacing Olivier Martinez, permanent representative of Bpifrance Investissement, who resigned from his position as Director.

The Committee met once in 2022: on November 23, 2022.

The Compensation Committee's duties include:

- reviewing the main objectives proposed by executive management with respect to compensation of Company managers who are not corporate officers, including bonus share plans and stock subscription or purchase options;
- reviewing the compensation of Company managers who are not corporate officers, including bonus share plans and stock subscription or purchase options, retirement and insurance plans and non-cash benefits;
- submitting recommendations and proposals to the Board of Directors concerning:
- the compensation, retirement and insurance plans, non-cash benefits, and other financial rights, including severance pay, of members of the Board of Directors. The committee proposes compensation amounts and structures, in particular the rules for calculating the variable component of compensation, taking into account the Company's strategies, objectives and performance, as well as market practices, and bonus share plans, stock subscription or purchase options, and any other similar incentive plan, in particular benefits granted to specific members of the Board of Directors;

- reviewing the total amount allotted to the members of the Board of Directors as remuneration fees on the board and its committees and its distribution among the members of the Board of Directors, as well as the requirements for obtaining reimbursement of expenses that Board members may incur,
- preparing and submitting to the Board of Directors any reports that may be required by the Rules of Procedure;
- ensure and prepare the conditions for a successful succession plan; and
- preparing any other compensation-related recommendations that may be requested by the Board of Directors.

In general, the Compensation Committee provides advice and makes appropriate recommendations in connection with the above matters.

The Compensation Committee meets at least twice a year, in accordance with a schedule set by the chair, pursuant to an agenda prepared by its chair and sent to the Compensation Committee members at least seven days before the date of the meeting. The committee may also meet at the request of its chair, two of its members, or the Board of Directors.

Non-executive Board of Directors members, who are not Compensation Committee members may attend the committee's meetings without restriction.

The chairman of the Company's Board of Directors, if he is not a committee member, may be invited to attend committee meetings. The committee may request that the chairman submit proposals to it. The chairman is not entitled to vote and may not be present during discussions concerning his personal situation.

The Compensation Committee may request the chairman of the Board of Directors to provide it with the assistance of any senior manager of the Company whose expertise may facilitate dealing with a matter of business on the agenda. The Compensation Committee chair or the meeting chair informs all persons who attend meetings that they are bound by a duty of confidentiality.

The Compensation Committee chair ensures that the reports on its work that it presents to the Board of Directors provide complete information to the board, thus facilitating its decision-making process.

The annual report includes a presentation of the committee's work during the past fiscal year.

In particular, the Compensation Committee reviews the draft Company report on executive compensation.

3.1.5. Conflicts of interest at the level of the governing and management

The Chairman and the directors are direct or indirect shareholders of the Company (see section 5.4 "Major Shareholders").

There are no related-party agreements.

To the Company's knowledge, none of the Company's directors or officers was appointed pursuant to any contract or agreement with shareholders, customers, suppliers or other parties.

To the Company's knowledge, as of the filing date of this reference document, none of the persons listed in section 3.1.2 "Members of the Board of Directors" of this reference document has agreed to any restriction on the disposal of their equity interest in the Company.

To the Company's knowledge, there is no actual or potential conflict of interest between the obligations towards the Company and the private interests and/or other obligations of the persons who are members of the Company's governance and management bodies or members of the executive management team, as listed in section 3.1.2 "Members of the Board of Directors" above.

3.1.6. Modalities of participation in the general meeting of shareholders or provision of the articles of association that provides for such modalities

There are no specific provisions for the participation of shareholders to the shareholders' meeting other than those provided for in article 19 of the bylaws (see chapter 5.3.1 of this universal registration document).

3.1.7. Information that is likely to have an impact in the event of a public offering

Pursuant to Article L.22-10-11 of the French Commercial Code, the points likely to have an impact in the event of a public offer are specified below:

- Shareholder structure of the Company: See Chapter 5 of this universal registration document.
- Restrictions imposed by the Articles of Incorporation and Bylaws on exercising voting rights and share transfers or similar clauses of which the Company is aware, as required by Article L. 233-11 of the French Commercial Code: none.
- Direct or indirect equity stakes in the Company of which the Company is aware, as required by Articles L. 233-7 and L. 233-12 of the French Commercial Code: see Chapter 5 of this reference document.
- List of holders of any securities with special control rights and a description of such rights
- The Company is not aware of the existence of any special control rights.
- Control mechanisms included in any employee share plan in which the control rights are not exercised by the employees.
- The Company has not set up any employee share plan that may contain control mechanisms in which the control rights are not exercised by the employees.
- Shareholder agreements of which the Company is aware that may impose restrictions on share transfers and exercising voting rights: none.
- Rules governing the appointment and replacement of Board of Directors members and amendments to the Articles of Incorporation and Bylaws.
- The rules governing these matters are set out in the Articles of Incorporation and Bylaws and are in compliance with the law.
- Powers of the Board of Directors, in particular the power to issue or redeem shares.
- The general shareholders' meeting held on June 28, 2022 renewed the authority granted to the Board of Directors to carry out :
    - for a period of 18 months as of the date of the meeting, a share buy-back program, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code and market practices accepted by the AMF (see sections 5.4.1, 5.4.2 and 5.1.4 of this universal registration document) and,
    - issue shares by capital increasing under the conditions defined below in paragraph 3.1.8.
- Agreements entered into by the Company that will be amended or terminated in the event of a change of control of the Company: none.
- Agreements that provide for compensation to members of the Board of Directors or employees if they resign or are terminated without just cause or if their employment ends due to a takeover bid: none.

3.1.8. Summary table of valid delegations granted by the shareholders' general meeting in matters of capital increase

Nature of the delegation or the authorization	Expiration date	Ceiling (nominal value)	Modalities of price fixing	Dates and modalities that may be used by the board of directors
Date of the annual shareholder's meeting: May 20, 2021				
Delegation of authority to be granted to the Board of Directors to increase capital by issuing common shares and/or equity securities without a preemptive subscription right for shareholders and offer to the public apart from the offers referred to in paragraph 1° of Article L. 411-2 of the Commercial Code (17th resolution)	26 months July 19 2023	137,000 € (1)	(2)	The board did not use this authorization
Delegation of authority to be granted to the Board to increase capital by issuing common shares and/or equity securities without a preemptive subscription right for shareholders to be issued in regard to paragraph 1° of Article L. 411-2 of the French Monetary and Financial Code and offer to the public (18th resolution)	26 months July 19 2023	137,000 € (1)	(2)	The board did not use this authorization
Authorization for the Board of Directors, in the event of the issue of shares or any other securities giving access to the capital, without shareholders' pre-emptive subscription rights, to set the issue price within the limit of 10% of the share capital and within the limits set by the annual shareholder's meeting (19th resolution)	26 months July 19 2024	within the limit of 10% of the capital (1)	(3)	The board did not use this authorization
Delegation of authority granted to the Board of Directors to increase capital by issuing common shares with or without a preemptive subscription right (22nd resolution)	26 months July 19 2023	15% of the initial issuance (1) (4)	Same price as the initial issuance	The board did not use this authorization
Delegation of authority granted to the Board of Directors to issue common shares and/or equity securities as part of a public offer comprising an exchange component initiated by the company (23rd resolution)	26 months July 19 2023	68,000€ (1)	n/a	The board did not use this authorization
Delegation of authority to the Board of Directors for the purpose of issuing ordinary shares of the Company or securities giving access by any means, immediately and/or in the future, to ordinary shares of the Company, up to a limit of 10% of the share capital, to remunerate contributions in kind of equity securities or securities giving access to the share capital of third-party companies outside a public exchange offer (24th resolution)	26 months July 19 2023	68,000€ in a limit of 10% of the capital per year (1)	n/a	The board did not use this authorization
Delegation of authority granted to the Board of Directors to grant options to subscribe for or purchase Company shares (27th resolution)	38 months July 19 2024	200,000 shares (5)	(6)	The board did not use this authorization
Delegation of authority granted to the Board of Directors to increase the share capital through the capitalization of share premiums, profits or other amounts (29th resolution)	26 months July 19 2023	100,000€	n/a	The board did not use this authorization
Date of the annual shareholder's meeting: June 28, 2022				
Authorization to the Board of Directors to reduce the share capital by cancelling shares within the framework of the authorization for the Company to buy back its own shares (16th resolution)	18 months Dec. 27, 2023	within the limit of 10% of the capital	n/a	The board did not use this authorization
Delegation of authority to be granted to the Board of Directors to increase the share capital immediately or in the future by issuing ordinary shares and/or securities with preferential subscription rights for shareholders (17th resolution)	26 months Aug. 27, 2024	385,000€ (6)	n/a	The board did not use this authorization

Nature of the delegation or the authorization	Expiration date	Ceiling (nominal value)	Modalities of price fixing	Dates and modalities that may be used by the board of directors
Delegation of authority to be granted to the Board of Directors to increase the share capital, immediately or in the future, through the issue of ordinary shares and/or securities with cancellation of shareholders' preferential subscription rights, for the benefit of categories of persons meeting specific characteristics (investors active in the healthcare or biotechnology sectors) (18th resolution)	18 months Dec. 27, 2023	144,000€ (1)	(4)	By a decision dated September 12, 2022, acting on a delegation of powers from the Board of Directors, the Board made use of this delegation and decided to issue 6,568,422 convertible bonds (OC1124) in favor of 3 European investors, representing a loan of a total amount of 6,240,000.90€, convertible into a maximum number of 1,440,000 shares representing a capital increase of a maximum nominal amount of 144,000€
Delegation of authority to be granted to the Board of Directors to increase the share capital immediately or in the future by issuing ordinary shares and/or securities without shareholders' pre-emptive subscription rights for the benefit of categories of persons meeting specific characteristics (strategic or financial partners) (19th resolution)	18 months Dec. 27, 2023	144,000€ (1)	(4)	The board did not use this authorization
Delegation of authority to be granted to the Board of Directors to increase the capital by issuing ordinary shares or any other securities giving access to the capital, without pre-emptive subscription rights, for the benefit of a category of persons meeting specified characteristics in the context of an equity or bond financing agreement (22nd resolution)	18 months Dec. 27, 2023	144,000€ (1)	(4)	The board did not use this authorization
Delegation of authority to be granted to the Board of Directors for the purpose of issuing and granting warrants to a category of persons meeting specified characteristics (members and non-voting members of the Board of Directors of the Company, persons linked by a service or consultancy contract to the Company or to one of its subsidiaries, members of any committee) (23rd resolution)	18 months Dec. 27, 2023	200,000 warrants giving right to 200,000 shares (5)	n/a	The board did not use this authorization
Authorization for the Board of Directors to grant existing or new shares at no cost (24th resolution)	38 months Aug. 27, 2025	200,000 shares and up to 10% of the capital at the time of grant (5)	n/a	The board made use of this authorization by granting 27,600 AGAs on December 14, 2022

(1) These amounts are not cumulative. The maximum aggregate ceiling for capital increases in nominal value is set at 300,000€. The total nominal amount of the issues of debt securities may not exceed 50,000,000€.

(2) The issue price will be set by the Board of Directors, in accordance with the provisions of Articles L. 22-10-52 and R. 22-10-32 of the Commercial Code (as an indication at the date of this universal registration document, the issue price of the shares must be at least equal to the weighted average of the prices of the last three stock exchange sessions preceding the beginning of the offer, possibly reduced by the discount authorized by the legislation (i.e., currently 10%)) and corrected in case of difference in the date of enjoyment, it being specified that the issue price of the securities giving access to the capital will be such that the amount received immediately by the Company, plus the amount that may be received subsequently by it, is, for each share issued as a result of the issue of these securities, at least equal to the issue price defined above.

(3) Within the limit of 10% of the Company's capital stock (as it exists on the date of the transaction) per 12-month period, the Board of Directors may derogate from the conditions for setting the price provided for above and set the issue price of the ordinary shares and/or securities giving immediate or future access to the capital issued, in accordance with the following terms and conditions:

- the issue price of the ordinary shares shall be at least equal to the weighted average of the prices for the last three trading sessions preceding its setting, possibly reduced by a maximum discount of 20%, it being recalled that it may not in any event be less than the par value of a share in the Company on the date of issue of the shares concerned, it being specified that in the event of the issue of securities giving access to the capital, the issue price of the shares likely to result from their exercise their conversion or exchange may be set, at the discretion of the Board of Directors, by reference to a calculation formula defined by the Board and applicable after the issue of the said securities (for example on their exercise, conversion or exchange), in which case the maximum discount referred to above may be assessed, if the Board deems it appropriate, on the date of application of the said formula (and not on the date on which the issue price is set), and

- the issue price of the securities giving access to the capital shall be such that the amount received immediately by the Company, plus any amount that may be received subsequently by the Company, shall be, for each share issued as a result of the issue of such securities, at least equal to the issue price defined in the paragraph above.

(4) The issue price of the shares shall 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, less a maximum discount of 20%, if applicable, taking into account the date from which the shares carry dividend rights; it being specified that (i) in the event of the issue of securities giving access to the capital, the issue price of the shares likely to result from their exercise, conversion or exchange may, where appropriate, be set, at the discretion of the Board of Directors, by reference to a calculation formula defined by the latter and applicable after the issue of the said securities (for example when they are exercised, converted or exchanged), in which case the above-mentioned maximum discount may be assessed, if the Board deems this appropriate, (ii) the issue price of the securities giving access to the capital, if any, issued under this resolution shall be such that the amount received immediately by the Company, if any, plus the amount that may be received by the Company upon exercise or conversion of such securities, shall be, for each share issued as a result of the issue of such securities, at least equal to the minimum amount referred to above.

(5) The number of shares that may be allocated will be deducted from the ceiling of 250,000 shares referred to in the twentieth r esolution of the General Meeting of May 17, 2028, it being specified that the sum of (i) the shares that may be issued or acquired on the exercise of options allocated, (ii) the shares that may be allocated free of charge, (iii) the shares that may be issued on the exercise of warrants to subscribe for business creator shares and (iv) the shares that may be issued on the exercise of warrants to subscribe for shares, shall not exceed 250. 000 shares, it being specified that the additional amount of shares to be issued to preserve the rights of holders of securities and other rights giving access to shares, in accordance with the applicable contractual provisions, shall be added to this ceiling.

(6) The maximum aggregate ceiling authorized for this capital increase in nominal value is set at 210,000€. The total nominal amount of issues of securities representing claims on the Company giving access to the Company's capital may not exceed 50,000,000€.

3.2 Compensation and benefits received by officers and directors

3.2.1. Compensation paid to corporate officers

All tables are made in reference to MiddleNext Code. Templates mentioned in appendix 2 of the AMF Recommendations n° 2021-02 are presented below.

3

3.2.1.1. Breakdown of compensation, stock options and bonus shares granted to each corporate officer

It is specified that all remunerations are in accordance with the remuneration policy approved by the shareholders in the *ex ante* vote.

In € thousands IFRS	FY 2022	FY 2021
Gérard Soula - Chairman and Chief Executive Officer		
Compensation due in respect of the year[1]	370 620	487 043
Value of the multi-yearly variables compensation granted during the year	none	none
Value of the BSPCE founders' warrants granted during the year[2]	none	none
Value of the bonus shares granted during the year[2]	none	none
Value of the other long term compensation plans	none	none
TOTAL	**370 620**	**487 043**

[1] including benefits in kind (see section 3.2.1.2 "Summary table of the remuneration of each executive director" below).
[2] For more details, see section 3.2.1.3 "Stock Compensation Details (AGA, BSPCE, BSA and SO)" below

In € thousands IFRS	FY 2022	FY 2021
Olivier Soula - Deputy Chief Executive Officer		
Compensation due in respect of the year[1]	278 629	344 043
Value of the multi-yearly variables compensation granted during the year	none	none
Value of the share subscription or purchase options granted during the year[2]	none	none
Value of the bonus shares granted during the year[2]	none	none
Value of the other long term compensation plans	none	none
TOTAL	**278 629**	**344 043**

[1] It is specified that all of the compensation elements paid to Mr. Olivier Soula are paid under his employment contract and in his capacity as R&D director. (see section 3.2.1.2 "Summary table of the remuneration of each executive director" below).

[2]) For more details, see section 3.2.1.3 "Stock Compensation Details (AGA, BSPCE, BSA and SO)" below.

3.2.1.2. Breakdown of compensation paid to each corporate officer

The tables below show the compensation owed to the executive corporate officers for the fiscal years ended December 31, 2022 and December 31, 2021, as well as the compensation such persons received during those same fiscal years.

In € thousands IFRS	FY 2022		FY 2021	
Gérard Soula - Chairman and Chief Executive Officer	Amounts owed (1)	Amounts paid (2)	Amounts owed (1)	Amounts paid (2)
Fixed compensation	364 130	364 130	364 130	364 130
Variable yearly compensation *	none	115 000	115 000	none
Variable multi year compensation*	none	none	none	none
Extraordinary compensation	none	none	none	none
Directors' fees	none	none	none	none
Non-cash benefits *	6 490	6 490	7 913	7 913
TOTAL	**370 620**	**485 620**	**487 043**	**372 043**

In € thousands IFRS	FY 2022		FY 2021	
Olivier Soula - Deputy Chief Executive Officer	Amounts owed (1)	Amounts paid (2)	Amounts owed (1)	Amounts paid (2)
Fixed compensation (including paid vacation)	278 629	278 629	279 043	279 043
Variable yearly compensation *	none	65 000	65 000	none
Variable multiyear compensation	none	none	none	none
Extraordinary compensation *	none	none	none	none
Invention premium	none	none	2 500	2 500
Directors' fees	none	none	none	none
Non-cash benefits *	none	none	none	none
TOTAL	**278 629**	**343 629**	**344 043**	**279 043**

(1) Amounts owed for the fiscal year (2) Amounts paid during the fiscal year

(*) The compensation of each corporate officer is determined by the Board of Directors upon the recommendation of the Compensation Committee. It includes a fixed component, a variable component and an extraordinary component:

- The fixed component is the officer's reference compensation. It compensates his/her responsibilities, experience and technical and managerial skills.
- The variable component is tied to performance. It is based on the fixed salary and achievement of all the predetermined qualitative objectives, which may relate to signing license agreements, developing partnerships, launching clinical trials, signing feasibility contracts, cash levels and, more generally, the development and the growth of the Company.
- The extraordinary component rewards exceptional achievements that have a significant positive impact on the Company's development.

M. Gérard Soula benefits from a single benefit in kind corresponding to a company car.

It is being specified that all the elements of remuneration paid to Mr. Olivier Soula are under the terms of his employment contract and as R&D director.

3.2.1.3. Details of the compensations in the form of shares

- BSPCE, BSA or SO granted to each executive corporate officer during the fiscal years 2022 and 2021 to each executive corporate officer

No profit-sharing instruments were granted to any of the Company's executive directors during fiscal years 2022 and 2021.

- BSA or BSPCE or SO exercised during the fiscal years 2022 and 2021 by each executive corporate officer

None.

- Bonus shares granted to each executive corporate officer during the fiscal years 2022 and 2021

None.

- Bonus shares that have become available to each corporate officer during the fiscal years 2022 and 2021

None.

3.2.1.4. History of BSA stock warrants awarded to each corporate officer

	Plan 2015 Managers	**Plan 2016** Managers		**Plan 2018 N°2.2**	**Plan 2019 n°2.2**
Date of the board meeting	12/16/2015	03/15/2016		05/17/2018	12/10/2019
Total Number of free granted shares	5 000	8 000	12 000	150	400
Beneficiary	Olivier Soula	Olivier Soula	Olivier Soula	Olivier Soula	Olivier Soula
Date of the definite acquisition of the shares	12/16/2016	2 000 : 03/15/2017 2 000 : 03/15/2018 2 000 : 03/15/2019 2 000 : 03/15/2020	03/15/2018 if achievement of performance criteria	05/17/2020	12/10/2020
Retention period end date	12/16/2017	2 000 : 15/03/2018 2 000 : 15/03/2019 2 000 : 15/03/2020 2 000 : 15/03/2021	15/03/2018	05/17/2020	12/10/2021
Number of shares acquired at the end of the financial year	5 000	8 000	4 000	150	400
Cumulative number of canceled or lapsed shares	none	None	8 000		
Free shares granted during the acquisition at the end of the financial year	0	0	0	0	0

- History of Warrants, BSPCE and/or SO founders' warrants awarded to each corporate officer

At the date of the present document, only BSPCE were attributed to each corporate officer.

	Plan 2014 Managers	BSPCE Managers 2015	BSPCE Managers 2016	BSPCE Managers 2017
AGM date	06/24/2014	12/11/2015	12/11/2015	12/11/2015
Board date	09/25/2014	16/12/2015	15/03/2016	08/09/2017
Nber of BSPCE authorized	100 000	40 000	40 000	150 000

Nber of BSPCE issued	100 000	40 000	40 000	150 000
Total nber of shares that can be susbcribed	100 000	40 000	40 000	150 000
Of which by Gérard Soula	*20 000*	*40 000*	*40 000*	*75 000*
Of which by Olivier Soula	*45 000*	-	-	*75 000*
Staring date of exercice	achievement of performance criteria validated by the Board on 12/23/2014	achievement of performance criteria validated by the Board on 12/16/2015	achievement of performance criteria validated by the Board on 12/13/2016	achievement of performance criteria defined for 3 years
Expiry date	09/24/2024	12/16/2025	03/15/2026	09/08/2027
Issuance price	free	free	free	free
Exercise price (euros)	34.99	74.60	61.73	16.00
Conditions of exercice	Immediate vesting as soon as the criteria are met	Immediate vesting as soon as the criteria are met	Immediate vesting as soon as the criteria are met	Immediate vesting as soon as the criteria are met
Nber of shares subscribe at the end of year	0	0	0	0
Most recent date of subscription				
Nber of BSPCE caduc or cancelled	35 000	0	16 000	100 000
Most recent date of cancellation of BSPCE subscribed	october-19		december-16	december-20
BSPCE remaining at the end of the year	65 000	40 000	24 000	50 000
Total nber of shares that can be subscribed at 12/31/2021	65 000	40 000	24 000	50 000
Maximum total number of shares that may be subscribed upon exercise of all outstanding BSPCEs as of December 31, 2020, assuming fulfillment of all conditions for the exercise of said BSPCEs)	65 000	40 000	24 000	50 000

▪ History of compensation and other benefits awarded to executive corporate officers

Executive corporate officers	Employment contract		Supplemental retirement plan		Severance pay or benefits that will or may be due in the event the officer's position is terminated or changed		Payments in consideration for a covenant not to compete	
	Yes	No	Yes	No	Yes	No	Yes	No
Gérard Soula Chairman and chief executive officer		X		X		X		X
Term of office starting date	First appointment by the board of directors' meeting of October 24, 2011, renewed by the combined general meeting of June 24, 2014 and of June 27, 2017, then May 28, 2020.							
Term of office end date	Ordinary general shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2022							
Olivier Soula Deputy chief executive officer	X			X		X		X
Term of office starting date	First appointment by the board of directors' meeting of December 19, 2012, renewed by the combined general meeting of June 24, 2014, of June 27, 2017, and May 16, 2019.							
Term of office end date	Ordinary general shareholders' meeting convened to vote on the financial statements for the fiscal year ending December 31, 2024							

▪ Equity ratio between the level of compensation of the two executive corporate officers and the average and median compensation of the employees of the Company

The Company complies with the provisions of Article L. 225-37-4 6° of the French Commercial Code relating to the diversity policy applied to members of the Board of Directors with regard to criteria such as age, gender or professional qualifications and experience. Consequently, the Company's directors come from a variety of

backgrounds, both in terms of geographical origin (France, United States, Japan) and experience. They range in age from 50 to 65, with an average age of 58.

The Board of Directors ensures diversity of expertise and age not only among its members, but also within the Company. The Company's policy takes particular care to ensure gender balance, both overall (52 women and 52 men as of December 31, 2022) and at each level of the company (Management Committee, Operational Committee and appointments to senior and/or expert positions).

The table below shows the evolution of the equity ratios: In accordance with the terms of the article n ° 2019-486 of the French commercial Code the equity ratios were calculated on the basis of fixed, variable and exceptional compensation paid within of the Company during the fiscal years mentioned:

		2022 Year	2021 Year	2020 Year	2019 Year	2018 Year
Gérard Soula CEO	Ratio with average compensation	8,0	6,3	6,0	6,0	9,4
	Ratio with median compensation	9,4	7,3	6,9	6,9	11,0
	Ratio with Minimum Growth Wage (SMIC) of the year in question	24,3	19,4	19,7	19,6	32,4
Olivier Soula Deputy General Director	Ratio with average compensation	5,7	4,8	4,7	4,8	6,4
	Ratio with median compensation	6,8	5,6	5,4	5,5	7,6
	Ratio with Minimum Growth Wage (SMIC) of the year in question	17,4	14,9	15,4	15,6	22,3

In accordance with the provisions of article L. 22-10-9 of the French Commercial Code, the equity ratios between the level of compensation of the two executive directors and the average and median compensation of the Company's employees have been calculated on the basis of the fixed, variable and exceptional compensation paid within the Company during the years mentioned.

Remuneration is reconstituted on a full-time equivalent annual basis when the persons concerned were not present throughout the year.

The following table presents the Company's results and operating revenues for the last five years under IFRS:

	2022 Year	2021 Year	2020 Year	2019 Year	2018 Year
Operating incomes	17 361	6 055	6 833	8 134	53 390
Net result	(6 368)	(22 390)	(21 942)	(18 603)	(7 615)
Shareholder's equity	(12 970)	(13 815)	6 334	28 040	45 848

The Company believes that the financial performance indicators alone do not reflect the Company's performance over the last five years.

Indeed, the performance of a biotechnology company at this stage of development does not lie in financial aggregates.

The Company's revenues are not stable, insofar as they are impacted by milestone payments received from partners, which can fluctuate from one year to the next, depending on the progress of the projects.

In addition, the Company is currently making a structural loss.

The progress of the Company's portfolio of drug candidates appears to be a more appropriate performance indicator. The clinical results obtained in 2022 on the M1Pram project, for example, have not had any impact on the Company's financial indicators, although they are major and exceptional and are likely to generate a future partnership.

3.2.2. Amounts that the Company has provisioned for payment of pensions, retirement allowances and other benefits to corporate officers

As of December 31, 2022, the Company recognized provisions of 131.900€ for the payment of retirement benefits to Olivier Soula. (see note 11 appearing in appendix to the consolidated accounts established according to IFRS standards of the Company appearing chapter 4.1 of this document of universal registration) With the exception of the above, the Company has not provisioned sums for the purpose of payment of pensions, retirement and other benefits for the benefit of its members of the management and the board of directors.

The Company has not granted Mr. Soula any hiring or termination bonuses.

3.2.3. Compensation policy for corporate officers

3.2.3.1. Compensation policy for corporate officers for the 2023 fiscal year

In accordance with Article L.22-10-8of the French Commercial Code, the Board of Directors will submit for approval by the shareholders' meeting to be held on May 11,2023 to approve, in particular, the financial statements for the 2022 fiscal year and the compensation policy for the corporate officers for fiscal year 2023 described below.

These principles and criteria, which were determined by the Board of Directors during the sessions of the board as of December 14, 2022 and April 19, 2023, on the basis of recommendations by the Compensation Committee, are set out below.

The changes made to this policy compared with the one approved by the General Meeting of Shareholders on June 28, 2022 concern the compensation that would be granted to the Chairman of the Board of Directors, on the one hand, and to the Chief Executive Officer, on the other, in the context of the separation of these two functions following the Annual General Meeting.

- For the members of the Board, excluding the Chief Executive Officer and the Deputy General Manager

The members of the board of directors can receive:

- remunerations for specific missions which could be entrusted to them by the board of directors and would be the subject of regulated agreements which would be submitted to the vote of the general meeting of shareholders. The amount of this compensation will be set by the board of directors according to the nature of the specific mission entrusted to the administrator;
- a global annual fixed sum set by the general meeting of shareholders. The board of directors determines (within the limit of the envelope voted by the general meeting) the amount due to each director according to the principles described below, it being specified that only independent directors receive compensation:
    - participation in the Board of Directors or one of its committees: lump sum of 6,000 euros per meeting for a physical presence and 50% or 3,000 euros for a telephone or virtual participation.
    - Chairing a committee: lump sum of 10,000 euros per meeting for a physical presence 50% or 5,000 euros for a telephone or virtual participation.

  The maximum amount of total compensation allocated annually to directors was set by the combined general meeting of May 20, 2021 at 250,000 euros.

Directors may also be reimbursed for their reasonable travel expenses for each effective attendance at Board meetings, upon presentation of an expense report.

Finally, directors who are not employees or managers of the Company or one of its subsidiaries could be offered the option of subscribing, at market conditions, to share subscription warrants whose price issue date will be determined on the day of issue of the vouchers according to their characteristics, with the help of an independent expert.

In accordance with article L. 22-10-8 of the French Commercial Code, the above principles and amounts will be submitted for shareholder approval at the Company's annual general meeting to be held on May 11, 2023 (ex-ante

vote), with the payment of any variable and exceptional components remaining subject to shareholder approval at the Company's annual general meeting to be held to approve the Company's financial statements for the year ended 2023 (ex-post vote).

- For Mr. Gérard Soula,

As Chairman and CEO:

Compensation components	Principles	Determination criteria
Fixed compensation	The chairman and chief executive officer receives fixed compensation, paid by the Company on a monthly basis in accordance with the Company's practice in this regard.	The annual gross amount of this fixed compensation is set at 364,130€ for 2023 (same amount than for 2022)
Variable compensation	The chairman and chief executive officer receives variable compensation that may equal 75% of his fixed compensation.	This variable compensation is based on defined qualitative objectives, which may be tied to signing licensing agreements, developing collaborations, launching clinical trials, signing feasibility contracts, cash levels and, more generally, the development and growth of the Company. Whether these objectives are met will be determined by the board of directors.
Exceptional Bonus	The chairman and chief executive officer may be awarded one or more exceptional bonuses.	The Board of Directors may decide to grant one or more exceptional bonuses to remunerate any particular performance having a major impact on the Company's development to which he has contributed.
Exceptional compensation for a mission or mandate	The chairman and chief executive officer may receive one or more payments for special assignments	As is the case for all directors, the Board of Directors may grant the Chairman and Chief Executive Officer exceptional compensation for special assignments or mandates entrusted to him.
Non-cash benefits	The chairman and chief executive officer is provided with a company car.	
Supplemental retirement plan	None	None

The Chairman and Chief Executive Officer may also receive stock options and/or bonus shares, subject to continued employment and performance conditions.

This compensation policy remains unchanged from that approved by the Company's shareholders for fiscal year 2022.

As a Chairman of the Board of Directors:

The Board of Directors intends to separate the functions of Chairman and Chief Executive Officer of the Company following the Company's annual general meeting to be held on May 11, 2023 to approve the financial statements for the year 2022.

In the event of dissociation, the compensation policy for the Chairman of the Board of Directors would be as follows:

Compensation elements	Principles	Determination criteria
Fixed compensation	The chairman receives fixed compensation, paid by the Company on a monthly basis in accordance with the Company's practice in this regard.	The annual gross amount of this fixed compensation is set at 160,000€ for 2023
Exceptional Bonus	The chairman may be awarded one or more exceptional bonuses in exceptional circumstances.	The Board of Directors may decide to grant one or more exceptional bonuses to remunerate any particular performance having a major impact on the Company's development to which he has contributed. In particular, the Board of Directors is considering granting one or more exceptional bonuses to the Chairman in the event of the signature of commercial partnerships or other similar licensing agreements concerning M1pram, Adoshell Islet or AdOral to which he would have contributed (the amount of these bonuses would depend on the economic criteria from which the Company would benefit under the agreement or agreements in question)
Exceptional compensation for a mission or mandate	The chairman may receive one or more payments for special assignments	As is the case for all directors, the Board of Directors may grant the Chairman exceptional compensation for special assignments or mandates entrusted to him.
Non-cash benefits	The chairman and chief executive officer is provided with a company car.	
Supplemental retirement plan	None	None

In addition, under certain conditions, the Chairman may be granted stock options and/or free shares subject to attendance and/or performance conditions.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the above principles and amounts will be submitted for shareholder approval at the Company's annual general meeting to be held on May 11, 2023 (ex ante vote), with the payment of any variable and exceptional components remaining subject to shareholder approval at the Company's annual general meeting to be held to approve the financial statements of the Company for the fiscal year ended 2023 (ex post vote).

- For Mr. Olivier Soula

As Deputy General Manager:

It is being specified that all the elements of remuneration paid to Mr. Olivier Soula are under the terms of his employment contract as R&D director.

Compensation components	Principles	Determination criteria
Fixed compensation	The deputy chief executive officer receives fixed compensation under his employment contract	The annual gross amount of this fixed compensation is set at €277,797 (impact of paid vacation excluded) for 2023, without any change compared to 2022.
Variable compensation	The deputy chief executive officer receives variable compensation that may equal 60% of his fixed compensation.	This variable compensation is based on defined qualitative objectives, which may be tied to signing licensing agreements, developing collaborations, launching clinical trials, signing feasibility contracts, cash levels and, more generally, the development and growth of the Company. Whether these objectives are met will be determined by the board of directors.
Exceptional compensation	The deputy chief executive officer may be awarded one or more exceptional compensations.	This exceptional compensation is intended to compensate a specific performance that has a major impact on the Company's development.
Non-cash benefits	None	None
Supplemental retirement plan	None	None
Patent bonus	The deputy chief executive officer may be awarded bonuses on patents for which he is named as inventor	

The Deputy General Manager may also receive BSPCE founders' warrants, stock options and/or bonus shares, subject to continued employment and/or performance conditions, under certain conditions.

This compensation policy remains unchanged from that approved by the Company's shareholders for fiscal year 2022.

As Chief Executive Officer:

As from the separation of the functions of Chairman and Chief Executive Officer of the Company, the remuneration policy of the Chief Executive Officer would be as follows:

Compensation components	Principles	Determination criteria
Fixed compensation	The deputy chief executive officer receives fixed compensation under his employment contract	The annual gross amount of this fixed compensation is set at €300,000
Variable compensation	The deputy chief executive officer receives variable compensation that may equal 60% of his fixed compensation.	This variable compensation is based on defined qualitative objectives, which may be tied to signing licensing agreements, developing collaborations, launching clinical trials, signing feasibility contracts, cash levels and, more generally, the development and growth of the Company. Whether these objectives are met will be determined by the board of directors.
Exceptional compensation	The deputy chief executive officer may be awarded one or more exceptional compensations.	This exceptional compensation is intended to compensate a specific performance that has a major impact on the Company's development.
Non-cash benefits	The chief executive officer is provided with a company car	
Supplemental retirement plan	None	None
Indemnities or benefits due or likely to be due as a result of the termination or change of duties	The general manager may receive an indemnity for the termination or change of duties	The Chief Executive Officer will receive an indemnity in the event of termination of his duties under certain conditions described below.

he Chief Executive Officer will receive severance pay in the event of:

- dismissal or non-renewal of his or her term of office as Chief Executive Officer for a reason other than serious or gross misconduct within the meaning of the case law of the Social Division of the Cour de Cassation, and except, as regards renewal, if this has been refused by the officer in question, and
- resignation, within six months of a change of control of the Company within the meaning of Article L. 233-3 of the French Commercial Code, due to a significant reduction in his duties and responsibilities, a reduction in his compensation (including fixed and variable compensation, benefits in kind, or severance pay) or a change in his place of work to another country, in each case without his consent.

This indemnity will be equal to (i) an amount corresponding to one year's fixed compensation at the time of his departure, (ii) plus the maximum amount of variable compensation he could have received during the year of his departure (taking into account for this calculation all performance conditions met), and (iii) minus, if applicable, any other legal or contractual indemnity (in particular under an employment contract or a non-competition clause) paid to him in connection with his departure

In addition, under certain conditions, the Chief Executive Officer may be granted stock options and/or free shares subject to attendance and/or performance conditions.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the above principles and amounts will be submitted for shareholder approval at the Company's annual general meeting to be held on May 11, 2023 *(ex ante vote)*, with the payment of any variable and exceptional components remaining subject to shareholder approval at the Company's annual general meeting to be held to approve the financial statements of the Company for the fiscal year ended 2023 *(ex post vote)*.

3.2.3.2. Approval of compensation owed or awarded to the Chairman and Chief Executive Officer and the Deputy General Manager for the 2022 fiscal year (ex-post vote)

In accordance with Article L22-10-34 , sub-section II of the French Commercial Code, at the general shareholders' meeting called to vote on the financial statements for the 2021 fiscal year, the shareholders will be asked to approve the fixed, variable and extraordinary compensation awarded or to be awarded for the 2021 fiscal year to the Chairman and Chief Executive Officer and the Deputy General Manager in connection with said offices, as determined by the Board of Directors in accordance with the principles and criteria approved by the shareholders at the Company shareholders' meeting of June 28, 2022 in the tenth and eleventh resolutions, will be submitted to the approval of the shareholders' meeting that will be held on May 11, 2023, in order to validate the financial statements for the fiscal year 2022.

3.2.4. Compensation and benefits of non- executive corporate officers

3.2.4.1. Compensation held by the non-executive corporate officers

The maximum amount of compensation allocated annually to directors was set by the combined general meeting of May 20, 2021 at 250,000 euros.

The Board of Directors of the Company decided to grant directors' fees only to independent directors.

The amount of compensation paid to some members of the board on 2022 and owed for the 2021 fiscal year, was calculated in accordance with the compensation policy agreed by the board and approved by the general shareholders' meeting of May 20, 2021, and paid according to the scale contained in Article 3.2.3.1 above).

Travel expenses are reimbursed for each actual presence on presentation of an expense report.

The amounts thus paid to non-executive corporate officers were as follows:

Non- executive corporate officers	**sums paid during fiscal year 2022**	**sums paid during fiscal year 2021**
Bpifrance Investissement (**) **represented by Mr. Olivier Martinez** – Board Administrator		

Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	-	-
Other compensation	-	-
Mrs. Dominique Takizawa - Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*) – Resignation on April 2021	-	10 000
Other compensation	-	-
Mrs. Ekaterina Smirnyagina - Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	26 000	29 500
Other compensation	-	
Mrs. Katherine Bowdish - Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	24 000	18 000
Other compensation	-	
Mrs. Claudia Mitchell - Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	27 000	13 500
Other compensation	-	
Mr. Stephane Boissel - Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	31 000	32 500
Other compensation	-	-
Mr. Mads Dall – Board Administrator		
Compensation for activities on the board and its committees (Article L. 225-45 of the Code of Commerce) (*)	-	-
Other compensation	-	-
TOTAL	**108 000**	**103 5000**

(*) These amounts will be paid after approval by the General Meeting to be held in 2023.
(**) Bpifrance Investissement was represented by Laurent Arthaud until June 28, 2022, then by Olivier Martinez until December 2022. No compensation was paid for the exercise of their mandate.

3.2.4.2. BSA granted to non-executive corporate officers

	BSA 12-2013		BSA 05_2021		
AGM date	18/06/2013	18/06/2013	20/05/2021	20/05/2021	20/05/2021
Board date	13/12/2013	13/12/2013	20/05/2021	20/05/2021	20/05/2021
Number of BSA authorized	10 000	10 000	4 500	4 500	4 500
Number of BSA issued	10 000	10 000	4 500	4 500	1 215
Number of new shares that can be subscribed	10 000	10 000	4 500	4500	1 215
Name of the beneficiary	Dominique Takizawa	Ekaterina Smirnyagina	Stéphane Boissel	Katherine Bowdish	Claudia Mitchell
Staring point of the exercise	01/01/2014	01/01/2014	20/05/2021	20/05/2021	20/05/2021
Expiry date	13/12/2023	13/12/2023	19/05/2031	19/05/2031	19/05/2031
Issuance price (euros)	0.588	0.588	2.87	2.87	2.87
Exercise price (euros)	5.88	5.88	8.93	8.93	8.93
Conditions of exercise	Immediate vesting January 1rst, 2014	Vesting on 3 years starting January 1rst, 2014	Vesting on 3 years starting May 20, 2021	Vesting on 3 years starting May 20, 2021	Vesting on 3 years starting May 20, 2021
Number of shares subscribe at the end of year	0	0	0	0	0
Number of BSA expired or cancelled	0	0	0	0	0
BSA remaining at the end of the year	10 000	10 000	4 500	4 500	1 215
Maximum total number of shares that may be subscribed	10 000	10 000	1 500	1 500	450

3.2.4.3. BSPCE and BSA granted and SO granted to the first 10 employees who are not corporate officers, powers and options exercised by them

No BSPCEs, BSAs or SOs were granted to non-executive employees during fiscal year 2022.

Options for subscription or purchase of shares granted to the first ten employees who are not corporate officers and options exercised by them	Total number of options allocated / shares subscribed or purchased	Weighted average price (euros)	Plan SO 2018 n°2	Plan SO 2019
Total number of options accumulated at the start of the financial year	21 000	16.57	20 000	1 000
Stock subscription options granted during the financial year	-	-	-	-
Options exercised during the fiscal year	-	-	-	-
Total number of options canceled during the fiscal year	-	-	-	-
Total number of options accumulated at the end of the financial fiscal year	21 000	16.57	20 000	1 000

BSPCE granted to the first ten employees who are not corporate officers and options exercised by them	Total number of options allocated / shares subscribed or purchased	Weighted average price (euros)	Plan BSPCE 2013	Plan BSPCE 2014
Total number of options accumulated at the start of the financial year	51 000	10.56	42 700	8 400
Stock subscription options granted during the financial year				
Options exercised during the fiscal year	2 800	5.76	2 800	none
Total number of options canceled during the fiscal year	2 800	34.99		2 800
Total number of options accumulated at the end of the financial fiscal year	45 500	9.36	39 900	5 600

3.2.5. Summary of the operations of the directors and of the persons mentioned in article L.621-18-2 of the Monetary and Financial Code on the securities of the Company carried out during the past financial year

None.

3.3 Risk management and internal control procedures implemented by the Company

When preparing this part of the report, the Company followed the guide on implementation of the reference framework on internal control adapted for midcaps and small-caps published by the AMF on July 22, 2010.

3.3.1. General risk management principles

3.3.1.1. Definition

Adocia continues to formalize its risk management system. The Company's work initially focused on management of the financial risks, with the creation of a number of official written procedures and the introduction of key control points.

The Company aims to extend this process to all risks and risk factors that may impact on the Company's activities and processes, via a documented risk mapping process, and to subsequently formalize its risk control procedures.

3.3.1.2. Goals of risk management

Adocia has adopted the definition of risk management proposed by the French financial regulator, the AMF[66], which states that risk management is a management tool of the Company that helps:

- create and protect the Company's value, assets and reputation;
- secure decision-making and the Company's processes to attain its objectives;
- achieve consistency between the Company's actions and its values; and
- ensure that the Company's employees have a shared vision of the main risks.

3.3.1.3. Components of the risk management system

The risk factors the Company has identified to date are detailed in section 1.4 of the universal reference document.

3.3.2. Coordination of risk management with internal control

Risk management aims to identify and analyze the main risks and risk factors that could affect the Company's activities, processes and objectives and define the resources to be used to keep these risks at an acceptable level, in particular by implementing the preventive measures and controls that are part of the internal control system.

At the same time, the internal control system relies on risk management to identify the main risks that need to be controlled. The Company has always had an internal control system, which it has continued to develop, while the formalization of the risk management system is more recent. The Company is now committed to an initiative to coordinate the two systems, which aims to identify the control procedures to be addressed in the key processes of the Company that are likely to be affected by risks qualified as "major".

3.3.3. General principles of internal control

3.3.3.1. Definition

Adocia has adopted the definition of internal control proposed by the AMF[67], which states that internal control is a system that the Company implements in order to ensure:

- compliance with laws and regulations;
- implementation of the instructions and directions given by Executive Management;
- proper functioning of the Company's internal processes;
- reliability of financial information; and
- in general that helps it to control its activities, improve the efficiency of its operations and use its resources efficiently.

The internal control system helps to prevent and control risks that the objectives set by the Company are not achieved, and therefore plays a key role in the conduct and management of its business activities.

Over the course of the fiscal year, Adocia continued to implement an internal control process aimed at "internally ensuring the relevance and reliability of the information used in and disseminated in the course of the Company's activities".

[66] Implementation guide for the reference framework on internal control adapted for midcaps and small-caps and updated on July 22, 2010

[67] Implementation guide for the reference framework on internal control adapted for midcaps and small-caps and updated on July 22, 2010

3.3.3.2. Components of internal control and stakeholders

- Organization

The internal control system is based on a clear organization of responsibilities, standards, resources, and procedures implemented. In addition, the Company has always had a quality assurance system. The processes for all business segments are described in procedures (*Standard Operating Procedures, or SOPs)*, work instructions, notices and forms. These written documents describe the conduct of business, define the resources and responsibilities of the stakeholders, specify the Company's know-how and provide specific instructions on how to carry out a particular operation.

All of the Company's stakeholders are involved in the internal control system.

- Project management and business monitoring procedures.

The Company has set up a specific organization to monitor projects and ensure that the objectives set by Executive Management are met within the specified time frames and budgets. For each project it develops, the Company names a project leader who reports to the R&D director and who may seek out the expertise of the different departments within the Company, in order to complete the work defined by Executive Management. He or she is responsible for defining the research programs, validating the objectives with Executive Management, ensuring they are achieved on schedule and coordinating with any partners.

- Operational process procedures

All documentation relating to the quality system is saved to a dedicated intranet in order to maximize access to the documents and their ongoing adaptation to changes in the business (document lifecycle management). The objective is the continual improvement in the quality of the Company's or the group's business processes, for operational, management, and support processes alike.

The quality assurance system covers the following areas:

- quality assurance, health and safety, operational risk management;
- administrative, legal, social, and financial matters, including internal control. The intention is to also include communications and rules relating to the Company's listing on Euronext;
- pharmaceutical, pre-clinical and clinical research and development.

With respect to information systems, procedures that have been incorporated into the quality system define the rules relating to access to and the protection and storage of information. An IT Charter has also been put in place.

3.3.3.3. Financial reporting procedures

The Company has set up the following organization to limit its financial management risks:

- The Company's Executive Management and, more specifically, the employees of the Finance Department are tasked with improving internal control and incorporating the recommendations of the external auditors and the Audit Committee;
- The Company maintains an internal separation between the production and oversight of the financial statements and brings in independent experts to value complex accounting items;
- If necessary, a chartered accountant is asked to verify the half-yearly and annual work for the corporate financial statements and the financial statements presented under IFRS;
- Payroll management is outsourced to an independent specialized firm.

- Oversight of internal control, regular reviews

The Company's Executive Management has put in place specific internal control procedures that consist of regular reviews of key information for each activity. For each of the areas listed below, information deemed material for the corresponding activities has been identified and selected. It must reflect the reality of the activity and be used to track this activity both quantitatively and qualitatively, including compliance with the standards that govern it. This key information must be verifiable and documented. It should be updated every month by the people who conduct the work. This system covers the following areas:

- information about Research and Development projects (pre-clinical, clinical, pharmaceutical);
- financial reporting and transactions involving the capital;
- the Company's legal aspects, regulatory aspects and intellectual property;
- communication of accounting and financial information, as well as scientific and corporate information;
- quality and information systems;
- human resources and payroll.

These reviews are first conducted by the Company's Management Committee, which is composed of the Chairman and Chief Executive Officer, the R&D director, the Chief Financial Officer, and the Business Development director. This committee meets at least once a week. If needed, it reviews data using the "Weekly Flash" report. The purpose of these reviews is to ensure that information on each of the separate areas truly and fairly reflects the Group's activities and situation.

The Operations Committee (COMOP) also reviews the key information for each activity. It meets every month and is made up of the members of the Management Committee and all of the Company's department heads.

In general, all of the Company's accounting options are defined by the Chief Financial Officer, discussed with Executive Management and the Statutory Auditors and then presented to the Audit Committee and discussed. This ensures that the Company's practices are fully compliant with French and international (IFRS) standards and that the financial statements are presented in a consistent manner.

At the end of each year, the Chief Financial Officer prepares a detailed budget for the following fiscal year, which is then approved by Executive Management. This budget is presented to the Board of Directors. At the end of each quarter, the accounting teams prepare the closing of the Group companies' individual financial statements.

The budget reviews conducted with all operational managers ensure an analytical validation of the entries and a review of all expenditures, and the Chief Financial Officer prepares a report for Executive Management and the directors. This report is presented and discussed periodically at the meetings of the Board of Directors.

However, it should be noted that the internal control system implemented by the Company cannot provide an absolute guarantee that its objectives will be met.

- Internal control stakeholders

All of the Company's stakeholders, governance bodies and employees are involved in the internal control system.

Since the Company's creation, Executive Management has played a leading role in defining and implementing the internal control system and subsequently in risk management.

3.3.4. Limitations on risk management and internal control and areas of improvement

The Company will continue to move forward with its risk management system and to improve its monitoring of the identified action plans. At the same time, the Company will work to update its internal control system in order to reflect changes in its internal organization and its business, and the closer coordination with the risk management process.

Annual financial statements as of December 31, 2022

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Annual financial statements as of December 31, 2022

Chapter 4

4 ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

4.1 Consolidated Financial Statements

4.1.1. Consolidated Balance Sheet, IFRS

4.1.1.1. Assets, IFRS

In (€) thousands	Notes	FY 2022 (12 months)	FY 2021 (12 months)
Current assets		**26 260**	**22 084**
Inventories	5	137	517
Trade and similar receivables	6	467	207
Other current assets	7	8 234	6 197
Cash and cash equivalents	8	17 422	15 163
Goodwill amortization		0	0
Non-current assets		**4 353**	**1 073**
Other intangible assets	1	32	3
Land	2	0	0
Land development	2	(0)	0
Buildings and constructions	2	2 050	0
Laboratory equipment	2	310	325
Other property, plant and equipment	2	492	642
Non-current financial assets	3	1 469	102
Assets classified as held for sale	2	0	6 897
TOTAL ASSETS		**30 613**	**30 054**

4.1.1.2. Liabilities and Equity, IFRS

In (€) thousands	Notes	FY 2022 (12 months)	FY 2021 (12 months)
Current liabilities		**25 077**	**23 754**
Short-term financial debt	10	15 671	16 194
Trade and similar payables	12	6 414	3 835
Other current liabilities	12	2 992	3 724
Non-current liabilities		**18 506**	**20 115**
Long-term financial debt	10	17 539	18 285
Long-term provisions	11	967	1 521
Other non-current liabilities	13	0	309
Equity	**9**	**(12 970)**	**(13 815)**
Share capital		873	727
Share premium		86 123	80 562
Group translation gains and losses		26	1
Group reserves		(93 090)	(72 351)
Group net profit/loss		(6 901)	(22 754)
TOTAL LIABILITIES		**30 613**	**30 054**

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4.1.2. Consolidated Income Statement, IFRS

In (€) thousands	Notes	FY 2022 (12 months)	FY 2021 (12 months)
Operating revenue		**17 361**	**6 055**
Revenue	15	11 447	1 444
Grants, research tax credits and others	16	5 914	4 611
Operating expenses excluding additions and reversals	**14**	**(29 761)**	**(24 262)**
Additions to and reversals of depreciation, amortization and provisions	**19**	**(496)**	**(1 158)**
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES		**(12 896)**	**(19 366)**
Other operating revenue and expenses	2	11 199	0
OPERATING INCOME	**14**	**(1 698)**	**(19 366)**
Financial income		573	220
Financial expense		(5 300)	(3 608)
FINANCIAL INCOME (LOSS)	**20**	**(4 727)**	**(3 388)**
PROFIT (LOSS) BEFORE TAX		**(6 425)**	**(22 754)**
Tax expense	21	(476)	0
NET PROFIT (LOSS)		**(6 901)**	**(22 754)**
Base earnings per share (€)	22	(0,9)	(3,2)
Diluted earnings per share (€)	22	(0,9)	(3,2)
GROUP NET PROFIT (LOSS)		**(6 901)**	**(22 754)**
Actuarial adjustments on defined pension liabilities	11	533	363
Unclassified elements in the Group net profit (loss)		**533**	363
TOTAL PROFIT (LOSS) FOR THE YEAR		**(6 368)**	**(22 390)**

4.1.3. Statement of Changes in Equity, IFRS

In (€) thousands	Nomber of Shares	Amount	Paid-in cappital	Reserve	Other comprehensive income (OCI)	Net profit (loss)	Total equity
BALANCE AT 12/31/2021	**7 270 956**	**727**	**80 562**	**(72 839)**	**489**	**(22 754)**	**(13 815)**
Profit for the year 2022						(6 901)	(6 901)
Gain (losses) on actuarial adjustments on defined pension liabilities				0	533		533
Comprehensive income for the period				**0**	**533**	**(6 901)**	**(6 368)**
Translation adjustment				26			26
Allocation of profit for the year 2020				(22 754)		22 754	0
Increase in capital	0	0					0
Increase in capital cost							0
Exercise of equity instruments (OCA 1023 / OCA 1124)	1 437 936	144	5 334	1 516			6 993
Exercise of equity instruments (warrants)	17 425	1,7	(1,7)				0
Share-based payment				131			131
Liquidity Contract - Elimination of treasury shares			229	(166)			63
Others				0			0
Total shareholder relations	**1 455 361**	**146**	**5 561**	**(21 247)**		**22 754**	**7 214**
BALANCE AT 12/31/2022	**8 726 317**	**873**	**86 123**	**(94 086)**	**1 022**	**(6 901)**	**(12 970)**

4.1.4. Cash Flow Statement, IFRS

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Net profit	(6 901)	(22 754)
Net depreciation, amortization & provisions (excl. current assets)	496	1 158
Capital gains and losses on non-current assets	(16 560)	27
Calculated income and expenses	13 045	4 791
Tax paid	0	0
Cash flow from operations before cost of net financial debt and tax	**(9 921)**	**(16 777)**
Cost of gross financial debt	(4 702)	(3 303)
Change in deferred revenues	**141**	**(451)**
Change in working capital requirement (including employee benefits)	**(514)**	**1 297**
NET CASH FLOW RELATED TO OPERATING ACTIVITES	**(14 995)**	**(19 234)**
Acquisitions of property, plant and equipment & intangible assets	(153)	(361)
Disposals of property, plant and equipment & intangible assets	23 320	0
Acquisitions of non-current financial assets	(1 303)	0
Disposals of non-current financial assets	0	0
Other cash flows related to investing activities	(0)	0
NET CASH FLOW RELATED TO INVESTING ACTIVITES	**21 864**	**(361)**
Capital increase	0	1 042
New loans and reimbursable advances	6 000	6 000
Repayments of loans and reimbursable advances	(10 611)	(398)
Other cash flows related to financing activities	0	0
NET CASH FLOW RELATED TO FINANCING ACTIVITES	**(4 611)**	**6 644**
CHANGE IN NET CASH AND EQUIVALENTS	**2 259**	**(12 951)**
Opening cash	15 163	28 114
Closing cash	17 422	15 163

(*) Sale of the building on 28 March 2022 with a cash impact of €18.9m. The sale price of €23.3m was reduced by the repayment of €4.4m of related debt. The net book value of all the assets sold was €6.8m (i.e. a capital gain of €16.6m).

4.1.4.1. Detailed Analysis of WCR

In (€) thousands	Change 2022 / 2021
Inventories	381
Trade and similar receivables	(260)
Other receivables and advances	(1 343)
Pre-paid expenses / other receivables	(694)
Trade and similar payables	2 592
Other debt	(1 189)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(514)**

Components of consolidated net cash and cash equivalents analyzed by type and reconciliation with the balance sheet:

In (€) thousands	Exercice 2022 (12 mois)	Exercice 2021 (12 mois)
Short-term investment securities (due in < 3 months)	4 132	4 104
Cash on hand	13 289	11 059
NET CASH AND CASH EQUIVALENTS	**17 422**	**15 163**

4.1.5. Notes to the Consolidated Financial Statements

Unless specified otherwise, the amounts indicated in these notes are in thousands of euros.

4.1.5.1. Information about the company

Adocia is 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.

It has a high level of expertise in the field of insulin. The proprietary technology platform, called BioChaperone®, aims to improve the efficacy of therapeutic proteins and their ease of use for patients.

Adocia is a limited company (société anonyme) under French law created on December 22, 2005.

The company has been listed on NYSE Euronext (compartment B) since February 20, 2012.

It has a wholly owned subsidiary (Adocia Inc.) established in March 2015 which aims to represent the company in the US.

The financial statements under IFRS for the period from January 1 to December 31, 2022, are presented on a consolidated basis for Adocia and its subsidiary (Adocia Inc.), the whole being called "the Company". The financial statements were approved by the Board of Directors on March 14, 2023 and authorized for publication.

4.1.5.2. Main events of 2022

The year 2022 was marked by progress on our flagship products, which attracted the interest of potential partners with a view to establishing licensing agreements for our specialty products. At the same time, Adocia has established *in vivo* proofs of concept on its AdOral®, AdoShell® and AdoGel® technology platforms. The business team is looking for partnerships on these three technology platforms.

Major clinical progress and deployment of technological platforms

- BioChaperone® Lispro: start of Phase 3 in China

In May 2022, Adocia announced the dosing of the first patient in the Phase 3 program of BioChaperone® Lispro with its partner Tonghua Dongbao. This large-scale program will include 1,300 people with Type 1 or Type 2 diabetes in 100 clinical research centers in China. This major development milestone has triggered a $5 million payment from Tonghua Dongbao to Adocia. Additional payments of up to $30 million are contingent upon the achievement of future development milestones until market authorization. Royalty payments on future sales of Tonghua Dongbao are also planned.

In parallel, a Phase 1 study was completed in December 2022 and the preparatory work for the Phase 3 studies in the United States and Europe has been finalized, with positive opinions received from the FDA and the EMA. The company is searching for a partner capable of financing the pivotal program until marketing authorization is obtained for these territories.

- M1Pram: exceptional clinical results obtained in Phase 2

Adocia has intensified the clinical development of its two candidates, M1Pram and BioChaperone LisPram, which are positioned for the auto-injector pen and pump markets respectively. These fixed-dose combinations of insulin and amylin analogues are expected to provide improved medical benefits compared to rapid insulins administered alone by achieving weight loss in obese or overweight diabetic patients. In the United States, 65% of Type 1 diabetic patients and 85% of Type 2 diabetic patients are overweight or obese[68][69].

The results of the Phase 2 study (CT041) with M1Pram autoinjector pen were disclosed on June 21, 2022[70]. The primary endpoint was met, with a weight loss in overweight people (BMI > 25 kg/m²) with Type 1 diabetes demonstrated over 4 months compared to Humalog® (-2.13 kg). The treatment was well tolerated, and good overall glycemic control was maintained. Better appetite control was expressed in the patient satisfaction survey (82.4% with M1Pram vs. 43.2% with Humalog®). In a post-hoc analysis, M1Pram showed exceptional weight loss in the subpopulation of obese patients (BMI >30 kg/m²). Weight loss was -5.56 kg in the M1Pram group versus -0.57 kg in the Humalog group (p=0.03) at 16 weeks of treatment, and weight loss did not plateau at the end of the study. These results were presented at EASD 2022.

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In parallel, a proof-of-concept study in humans was initiated with BioChaperone LisPram. This combination was specifically designed for automated pump administration using an algorithm. The clinical part of this study, conducted in collaboration with Dr. Ahmad Haidar of McGill University (Canada), has been completed and results are expected in the first quarter of 2023.

- AdoShell® Islets: first preclinical proof-of-concept for the treatment of Type 1 diabetes by cell therapy

The function of AdoShell® Islets is to maintain the secretory activity of transplanted pancreatic cells, while protecting them from the immune system. In September 2022, Adocia announced the first preclinical proof of concept for AdoShell Islets for the treatment of Type 1 diabetes by cell therapy. AdoShell Islets restored glycemic control in immunocompetent diabetic animals, without insulin or immunosuppressants, until the end of the 132-day trial. These results were presented at the PODD 2022 cell therapy session in Boston in October 2022. A new series of trials on diabetic rats confirm these very promising results with 80 days of glycemic control (study still in progress). Studies are also underway on pig models, in order to prepare the first in human clinical trials. An academic collaboration has been established with several teams, including Inserm with Professor François Pattou, a world-recognized specialist in islet transplantation.

New proprietary technology platforms opening up promising markets

- AdOral®: oral delivery of peptides to replace injections

Adocia has developed a technology that can enable the oral delivery of peptides, which would make it possible to switch from injectable to oral forms. In addition to improving patient quality of life and compliance, oral forms of peptides may be of interest for product life cycle management and would avoid the difficulties associated with large-scale production of sterile injectables. Initial preclinical results have shown an increase in the absorption efficiency of peptides by the digestive tract. A first application to semaglutide, a GLP-1 receptor agonist used in the treatment of diabetes and obesity, has validated this technology in preclinical studies by demonstrating improved bioavailability. This technological platform opens up numerous applications in various therapeutic areas.

- AdoGel®: a technology for the long-term delivery of peptides and small molecules

AdoGel has been designed to enable the long-term delivery of therapeutic solutions, in order to compensate for repeated drug administration and improve compliance. Designed for release from one month to several years, AdoGel also avoids an initial concentration peak and improves the time in the therapeutic window.

A first application to a contraceptive treatment has demonstrated in vivo a release without initial burst and a zero-order release profile up to 6 months.

These three technological platforms invented by Adocia open up numerous potential applications in various therapeutic areas.

Change in the governance

[68] Conway et al, Diabetes Med 2010 April; 27(4):398-404. BMI>25, Data for 2004-2007 period.

[69] Epidemiology of Obesity and Diabetes and Their Cardiovascular Complications.

[70] Press Release, June 21, 2022, ADOCIA announces that the Phase 2 trial with M1Pram has achieved its primary objective of weight loss in overweight individuals with type 1 diabetes.

At the beginning of December 2022, the Company was informed that Bpifrance Investissement had resigned from its position as director. Bpifrance Investissement was represented by Mr. Olivier Martinez who had been a member of Adocia's Board of Directors since BioAm's investment in 2007.

The Board of Directors meeting held on December 14, 2022 appointed Mr. Mads Dall as a provisional director, replacing Bpifrance Investissement for the remaining term of the latter's mandate, i.e. until the General Meeting to be held in May 2023. Mr. Mads Dall is internationally recognized for his expertise in the field of diabetes. He had a long career at Novo Nordisk which included development of the commercial activities in China.

4.1.5.3. Accounting methods and principles used to draw up the financial statements

▪ Accounting standards

In accordance with EU Regulation 1606/2002 of July 19, 2002, on international standards, the company's consolidated financial statements for the period ended December 31, 2022 were prepared according to the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union as of the reporting date.

These standards are available on the European Commission website at the following address:

https://ec.europa.eu/info/index_fr

They include the international accounting standards (IAS and IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

The accounting principles used are the same as those used for the preparation of the consolidated IFRS financial statements for the year ended December 31, 2021, except for the implementation of new standards, amendments to standards and interpretation adopted by the European Union whose implementation was mandatory for the Company as of January 1, 2022:

Standards, standard amendments, and interpretations applicable from fiscal year opening on January 1, 2022

- Amendments to IAS 16: Property, Plant and Equipment— Proceeds before Intended Use, issued by the IASB in May 2020;
- Annual Improvements to IFRS- 2018-2020 (amendments to IFRS 9, IFRS 16, IFRS1 and IAS 41 issued by the IASB in May 2020);
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract, issued by the IASB in May 2020.
- Amendment to IFRS 3, reference to the conceptual framework

These new texts applied by the European Union do not have a significant impact on the Company's financial statements.

Standards, standard amendments, and interpretations not yet applied by the Company

There are no significant standards, amendments, and interpretations, applied or not yet applied by the EU, coming into effect after June 30, 2022, of which early implementation would have been possible.

Standards, amendments, and interpretations applied by IASB that will come into effect after fiscal years opened from January 1, 2022, and that are currently in the process of being adopted by the EU, are as follows:

- Amendments to IAS 1 - classification of liabilities as current or non-current, published by IASB in January and July 2020 (b),
- Amendments to IAS 1 - disclosure of accounting methods, published by IASB in February 2021 (a),
- Amendments to IAS 8 - definition of accounting estimates, published by IASB in February 2021 (a),
- Amendments to IAS 12 - deferred taxes related to assets and liabilities arising from a single transaction (a),
- IFRS 17 – insurance contract (a),
- Amendments to IFRS 17 - Insurance Contracts: Initial application of IFRS 17 and IFRS 9 - comparative information (a)

(a) applicable to fiscal years beginning after January 1, 2023.
(b) applicable to fiscal years beginning after January 1, 2024.

The Company is currently assessing the consequential impacts of the first application of these new texts. It does not anticipate any significant impact on its financial statements.

- Application of the IAS 32 standard for the loan contract signed with IPF Fund II

On October 3, 2019, the Company's board of directors, acting under delegation from the general meeting of shareholders of May 16, 2019, authorized the issue of a bond loan with attached warrants (BSA) for a maximum amount of €15 million. The loan was subscribed with IPF Partners through two tranches of €7.5 million each, respectively on October 11, 2019, and December 10, 2019.

The bonds issued by the Company contain a contractual commitment to pay principal and interest repayments in the form of cash flows. In accordance with IAS 32, these bonds are considered as financial liabilities and must be recognized as debt at the date of each drawdown.

The exercise price of the warrants is contractually fixed at €8.57. It may, however, be revised downwards in the event of a new share issue at a lower price. The warrants issued will therefore be settled by the exchange of a variable number of shares for a fixed amount of cash (€1,125,000 per tranche) and are qualified, in accordance with IAS 32, as derivative liabilities.

The valuation of these warrants on the subscription date was entrusted to an independent actuary. In view of this valuation and the expenses incurred by the Company and directly related to this bond issue, an effective interest rate calculation (EIR) was performed and will be used, at each balance sheet date, to discount the amount of the debt recognized in the Company's consolidated financial statements.

In July 2020, in a context marked by the Covid-19 pandemic, the Company obtained a debt restructuring with a new deferral of payment of the maturities of 12 additional months, with the final maturity dates of the two tranches remaining unchanged.

In consideration for this arrangement, the Company's Board of Directors granted a total of 35,005 share warrants (BSAs) to the IPF Fund II SCA SICAV FIAR fund free of charge, under terms and conditions similar to those of the BSAs granted to IPF Fund II SCA SICAV FIAR under the main agreement, with an exercise price of the BSAs of €7.70. The fair value of the warrants has been recognized in P&L as of December 31, 2022.

- IFRS 9 application for the recognition of the State-guaranteed loan (PGE) contracts

In August 2020, a €7 million non-dilutive financing was approved by BNP, HSBC, LCL and Bpifrance in the form of a state-guaranteed bank loan (PGE).

These bank loans are guaranteed by the French government up to 90% of the due amounts and are not subject to payment in the first year. In June 2021, the Company chose to differ payment for another year, the first reimbursements in cash being planned for August 2022 with an unchanged maturity in August 2026.

- IAS 32 and IFRS 9 application for the accounting of the bond issue contract signed with Vester Finance

On October 26, 2021, the company made a financing of €6 million euros net through the issuance of 6,568,422 bonds convertible into shares with a par value of one euro each (the "OC1023") subscribed by Vester Finance and two other European investors. As of December 31, 2022, a large proportion of these bonds had been converted (6,405,132 bonds or 98% of the total amount issued).

On December 1, 2022, the Company again issued 6,568,422 bonds convertible into shares with a par value of one euro each (the "OC1124 ") for a total amount of €6 million net subscribed by Vester Finance and two other European investors. As of December 31, 2022, a portion of these bonds had been converted (240,000 bonds or 4% of the total amount issued) and gave rise to the issue of 88,561 shares.

The balance of the bonds (OC1023 & OC1124) has been recorded as debt and measured at fair value in its entirety in compliance with IFRS 9 and IAS 32.

- Leasing (including lease financing)

According to IFRS 16 (“Leases”), an asset held under a finance lease is recorded as an asset and a liability (in the same amount) on the balance sheet at the lower of the fair value of the asset and the sum of the discounted payments.

These assets are depreciated according to the same methods and rules described above in the previous section. The corresponding liabilities are recorded on the balance sheet and repaid in an amount equal to the theoretical amortization of loans whose characteristics are comparable to those of the lease agreements.

As of December 31, 2022, leasing contracts and the leaseback contract (sale of the building) fall within the scope of IFRS 16. The accounting impact of IFRS on the leaseback contract is detailed below. As the accounting treatment for finance leases is identical to that applied under IAS 17, the application of IFRS 16 has no impact on the Company's consolidated financial statements.

IFRS 5 and IFRS 16 application to the sale and leaseback transaction

In a favourable real estate context, Adocia carried out a sale and leaseback transaction on 28 March 2022 of the building at 115 avenue Lacassagne (Lyon). The sale of the building for EUR 23.3 million enabled Adocia to support its growth while securing its occupancy at its historic site. This is a long-term lease contract for 12 years (renewable for a further 9 years) with no purchase option. The sale of the building resulted in a net cash inflow of EUR 18.9 million (after repayment of loans).

As of December 31, 2021, in accordance with IFRS 5, the net book value of the assets (€6.9m) had been reclassified as "held for sale" under current items, in a separate sub-heading. Following the sale in March 2022, these assets have been written off in full.

As the operation was a sale within the meaning of IFRS 15 (full ownership of the property and no option or buy-back commitment), the specific provisions of IFRS 16 on sale and leaseback apply.

In a first step, the value of the lease debt was determined. This debt amounts to EUR 7.6 million on March 28, 2022 and corresponds to the discounting of the rental payments over 12 years using a discount rate of 10% per annum, i.e. a ratio of 32% between the rental debt and the sale price (EUR 23.3 million).

The lease debt will then be amortised according to an IFRS 16 schedule over the twelve years of the lease contract.

In addition, and still in application of IFRS 16, a valuation of the right of use of the new lease has been performed. The right of use is representative of the share of the value of the asset over which Adocia retains control through its lease agreement. As of the transaction date, the right of use is therefore valued at EUR 2.2 million (32% of the net book value of the assets sold).

The right of use will also be amortised pro rata temporis over the term of the contract (12 years).

The capital gain on the sale was recognised in the amount of EUR 11.2 million, which constitutes the rights transferred to the purchaser-lessor.

As of March 28, 2022, the capital gain on disposal was recognised in other operating income (non-current).

The IFRS 16 restatements at Decembre 31, 2022 notably involve taking into account the impact on net income (neutralisation of rental income, recognition of depreciation and interest expenses). As a reminder, the fixed annual rent is 1 million euros.

- **Basis for preparation of the financial statements**

Since the creation of the Adocia Inc. subsidiary in March 2015, the Company has published consolidated financial statements. The methods used for consolidation and translation of the financial statements are specified below (Consolidation methods).

The company's financial statements were prepared based on the historical cost principle, with the exception of certain categories of assets and liabilities according to the rules set out in the IFRS. The relevant categories are indicated in the following notes.

The financial statements of the company as at December 31, 2022 have been prepared on a going concern basis.

As of December 31, 2022, the Company has a cash position of €17.4 million, which will enable it to finance its activities until September 2023, but which will not enable it to meet its commitments to lenders from the end of March 2023.

In February 2023, the Company received €4.5 million from BNP Paribas Factor following the mobilization of its receivable related to the 2022 research tax credit (CIR). As a result, the Company had a cash position of 17 million euros at the end of February 2023.

The Company is in discussions with its lenders to restructure its debt in order to extend its cash horizon and thus enable it to pursue the discussions initiated in recent months.

Indeed, Adocia is actively pursuing several options which, if they were to materialize positively, would allow it to significantly strengthen its cash position.

The first option is to sign a partnership for one of the products in the portfolio. In this respect, the results obtained with M1Pram, described as exceptional, have been particularly appreciated by market players, as M1Pram is potentially the only drug with insulin that would make you lose weight. Discussions, initiated at the end of 2022 following clinical results, are ongoing with several potential partners, one of which is in advanced discussions.

The second option is to monetize with specialized companies the expected royalties on the BC Lispro product licensed to Tonghua Dongbao, for which $30 million in milestone payments are expected, with subsequent double-digit royalties on sales achieved by our partner in China. The product is currently in Phase 3 in China for commercialization in the world's largest insulin market. The company is in contact with several players in this field.

Finally, the Company is still considering going to market to finance its research.

In parallel, management is actively pursuing all of these options and continues to work with its principal lender to restructure the debt and thus have the time necessary to complete all of these objectives.

If none of these options were to succeed, and if no agreement were to be reached with its lenders other than the one proposed, the company's cash flow horizon would be reduced to the end of June 2023. This results in uncertainty about the Company's going concern.

To prepare the financial statements in accordance with IFRS, some estimates, judgments and assumptions have been made by the Company's management, which may have affected the amounts shown for the assets, liabilities, and contingent liabilities as of the date of preparation of the financial statements, and the amounts shown for income and expenses during the year.

These estimates are based on the going concern assumption and on the information available at the time they were made. They are assessed continuously based on past experience and various other factors deemed reasonable which form the basis of the estimates of the carrying amount of the assets and liabilities. The estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual results may differ significantly from these estimates based on different assumptions or conditions.

In preparing its annual financial statements, the main judgments made by Management and the main assumptions used are the same as those used to prepare the financial statements for the fiscal year ended December 31, 2021. These assumptions fall within IFRS 16 (sale and lease back transaction), IFRS 2 (« Share-based payment »), IFRS 15 (« Revenue from contracts with customers ») and IAS 32 & IFRS 9 (treatment of convertible bonds).

- ### Consolidation principles

The consolidated financial statements include the financial statements of all the fully consolidated subsidiaries that Adocia directly or indirectly controls. In accordance with IFRS 10, control is determined on the basis of three criteria: power, exposure to variable returns and the relationship between power and these returns.

In March 2015, the company created a wholly owned subsidiary called Adocia Inc., which was fully consolidated at the end of December 2020.

The addition of the Adocia Inc. subsidiary to the scope of consolidation was effective on the date of creation. Income and expenses are recorded in the consolidated income statement from the date of creation.

All transactions between the Adocia Inc. subsidiary and the company and internal results within the consolidated group are eliminated.

The company's financial statements are prepared in euros, which is the presentation currency and functional currency of the parent company and its subsidiary.

The method used by the company is that of the closing rate. This method entails translating the balance sheet items at the closing rate and the income items at the average rate for the year; the translation differences, both on the opening balance sheet items and on the income statement, are included in equity under "Translation differences".

▪ Current/non-current distinction

The balance sheet presentation used by the company makes a distinction between current and non-current assets and liabilities.

This distinction is made based on the following rules:

- assets and liabilities that fall within the scope of the company's operating working capital requirement are classified as "current».
- assets and liabilities that are not part of the company's normal operations are presented as "current" or "non-current" based on whether their due date is more or less than one year.

▪ Intangible assets

Research and development

In accordance with IAS 38, internal research costs are recognized as expenses as soon as they are incurred. Development costs are capitalized if and only if the following criteria are met:

- technical feasibility needed to complete the development project is established,
- the company intends to complete the project,
- the company is able to use the intangible asset,
- the company is able to demonstrate the probability that the asset will generate future economic benefits,
- the company has the technical, financial and other resources to complete the project, and
- the development costs are measured reliably.

Patents

The costs incurred prior to filing and obtaining patents are capitalized by the company under the same conditions as those applicable to capitalizing development costs.

Other intangible assets

Intangible assets acquired separately by the company are recognized at historical cost and those acquired through a business combination are recognized at fair value.

Concessions, licenses, and software are amortized over the expected useful life (three to five years depending on the type of software).

▪ Property, plant, and equipment

Property, plant, and equipment are recognized at their original cost. They are then measured at cost less any accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis according to the estimated useful life of the assets and, if applicable, the residual values:

Type of asset	Useful life
Land development	10 years
Buildings	20 years
Fixtures and facilities	3 to 10 years
Laboratory equipment	3 to 5 years
Furniture, office equipment	5 years

Land is not depreciated.

An item of property, plant and equipment is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (difference between the net proceeds and carrying amount of the asset) is included in the income statement for the year in which derecognition occurs.

The residual values, useful lives and depreciation methods of assets are reviewed and, if necessary, adjusted at each year-end closing. Such adjustments are treated as changes in estimate.

The depreciation of property, plant and equipment is recognized in profit or loss under depreciation and amortization.

- Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial amount of time to prepare for its intended use or sale are included in the cost of the asset. All other borrowing costs are recorded as financial expenses for the fiscal year in which they are incurred. Borrowing costs include interest and other costs that an entity incurs to borrow funds.

- Recoverable amount of non-current assets

Assets with an indefinite useful life are not depreciated and are subject to an annual impairment test. Depreciated assets are subject to an impairment test whenever there is an internal or external indicator that an asset may be impaired.

Impairment testing entails comparing the net carrying amount of the tested asset to its recoverable amount. The test is performed at the cash generating unit level, which is the smallest group of assets that includes the asset and whose continuous use generates cash inflows that are largely independent of those generated by other assets or groups of assets.

Impairment is recorded in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Fair value less costs of disposal is the amount that can be obtained from the sale of an asset in an arm's length transaction between well-informed, consenting parties, less costs of disposal.

Value in use is the present value of the estimated future cash flows expected to be derived from the continuous use of an asset and from its disposal at the end of its useful life. Value in use is determined according to cash flow projections generally made on the basis of five-year budgets or forecasts. For periods after five years, cash flows are extrapolated using a steady or declining growth rate and discounted at long-term after-tax market rates that reflect market estimates of the time value of money and the risks specific to the asset. The terminal value is determined based on the discounting to infinity of the last cash flow of the test.

As of December 31, 2022, there were no internal or external impairment indicators for any non-current assets.

- Basis of measurement of inventories

Inventories are recognized at the lower of cost and net realizable value. They may be impaired if the expiration date has passed and/or if the project to which they refer was discontinued by the company and considered a failure. The cost of inventories is determined using the first-in first-out method.

- Financial assets

Financial assets are classified into four categories based on their type and the intention of holding them:

- Held-to-maturity investments,
- Financial assets at fair value through profit or loss,
- Loans and receivables,
- Available-for-sale financial assets.

With the exception of assets at fair value through profit or loss, all financial assets are initially recognized at cost, which corresponds to the fair value of the price paid plus acquisition costs.

All regular way purchases and sales of financial assets are recognized on the settlement date.

Held-to-maturity investments

Held-to-maturity investments are financial assets which the company intends and is able to hold to maturity. After their initial recognition, these assets are measured at amortized cost, using the effective interest method, less the amount of any impairment.

Financial assets at fair value through profit or loss:

This category represents assets held for trading, i.e. assets acquired by the company for the purpose of selling them in the short term. They are measured at fair value and changes in fair value are recorded in profit or loss. Certain assets can also be voluntarily classified in this category.

Loans and receivables:

Non-current financial assets include advances and guarantee deposits given to third parties. Advances and guarantee deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized at amortized cost using the effective interest method. Gains and losses are recorded in profit or loss when the loans and receivables are derecognized or impaired.

Available-for-sale financial assets:

This category includes all other financial assets. They are measured at fair value and changes in fair value are recorded in profit or loss until the asset is sold, cashed in or disposed of in any other way or until it is shown that the asset has been impaired in a prolonged and significant manner. In such cases, the profit or loss, recognized until then in equity, is transferred to profit or loss.

Available-for-sale financial assets are tested for impairment when impairment indicators exist.

When the available-for-sale financial asset is an equity instrument, impairment is final. Subsequent increases in fair value are recognized directly in equity.

When the available-for-sale financial asset is a debt instrument, any subsequent increase is recorded in profit or loss in an amount equal to the impairment loss previously recorded in profit or loss.

Purchases and sales of financial assets are generally recognized on the trade date.

The only financial assets measured at fair value are cash and cash equivalents, which include short-term investment securities (money market mutual funds in euros) quoted in an active market. They therefore constitute level 1 financial assets at fair value.

Cash reserve of the liquidity agreement:

The cash reserve related to the liquidity agreement for the buyback of the company's own shares is recorded as non-current financial assets.

- ### Cash and cash equivalents

Cash and short-term deposits recorded on the balance sheet include bank balances, cash on hand and short-term deposits with an initial maturity of less than three months.

Cash equivalents are held for trading purposes, readily convertible to a known cash amount and subject to an insignificant risk of change in value. They are measured at fair value and changes in value are recorded in financial income/expense.

For the purposes of the cash flow statement, net cash includes cash and cash equivalents as defined above, net of bank overdraft facilities. In the balance sheet, bank overdrafts are shown in current financial liabilities.

- ### Repayable advances

The company has received a certain amount of government assistance in the form of repayable advances.

Repayable advances are recognized as “Long-term financial debt" or “Short-term financial debt" depending on their due date. In case of failure to repay the grant, the debt write-off is recognized in "Grants, government financing and tax credits".

These advances were recognized in accordance with IAS 39: as financial advances granted at interest rates below the market rates, the difference between the applied rate and the market rate is valuated according to IAS 20, if the impacts are material.

- Equity

Classification in equity depends on the specific analysis of the characteristics of each instrument issued. Ordinary shares and preferred shares have therefore been classified as equity instruments.

The incidental costs directly attributable to the issue of shares or stock options are accounted for as a deduction from equity, net of tax.

Treasury shares held by the company under a liquidity agreement are recognized at their acquisition cost as a reduction in equity. The gain or loss on disposal of these treasury shares is also recognized directly in equity.

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- Share-based payments

In accordance with IFRS 2, benefits granted to certain employees in the form of share-based payments are measured at the fair value of the instruments granted.

This payment can take the form of equity-settled instruments or cash-settled instruments.

The company has introduced several equity-settled payment plans.

For example, stock options are granted to senior managers, certain company employees and other private individuals (independent directors and consultants).

The company uses the Black-Scholes model to measure the fair value of these options. This model takes into account the features of the plan (strike price, exercise period), market data on the grant date (risk-free interest rate, volatility, expected dividends) and grantee behavior assumptions. Changes in value subsequent to the grant date have no impact on this initial measurement.

The value of the options is based on their expected term. This value is recorded as payroll expense or external charges as follows: the fair value of the options granted is determined on the grant date and recognized in profit or loss over the vesting period (period between the grant date and the plan maturity date).

For bonus shares, the fair value is also determined based on the features of the plan, market data on the grant date and an assumption of continued employment at the end of the vesting period. If the plan does not specify vesting conditions, the expense is recognized in full when the plan is granted; otherwise, the expense is recorded over the vesting period based on the conditions being met.

- Provisions

Provisions are recorded when the company has a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation, and the amount of the obligation can be measured reliably. If the company expects the full or partial reimbursement of the provision (for example under an insurance policy), the reimbursement is recognized as a separate asset, but only if the reimbursement is virtually certain. The expense related to the provision is shown in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision related to the passage of time is recognized as a borrowing cost.

Provisions correspond to risks and charges that are specifically identified. They are classified as non-current or current liabilities based on their nature, purpose, and duration.

- Social commitments

In accordance with IAS 19R, retirement plans, similar payments and other employee benefits that are considered defined benefit plans (plan in which the company agrees to guarantee a defined amount or benefit level) are recorded in the balance sheet based on an actuarial assessment of the obligations on the closing date, reduced by the fair value of the plan assets. These calculations mainly include:

- an assumption related to the benefit payment date;
- a financial discount rate;

- an inflation rate;
- assumptions related to salary increases, employee turnover rate and mortality rate.

The main actuarial assumptions made on December 31, 2022 are described in note 11 to the financial statements.

Actuarial gains and losses include the effects on the obligation of changes in the calculation assumptions and experience adjustments to the obligation. These gains and losses are recognized in other comprehensive income for post-employment benefits.

The provision shown on a specific line of the balance sheet represents the total obligation on the closing date, adjusted, where appropriate, for past service costs. Past service costs related to a plan change are recognized immediately in the income statement for the portion of rights already acquired and are spread out over the average period remaining until the corresponding benefits are vested.

The expense for the year consists of the cost of services rendered, which represents an operating expense, and the accretion expense, which represents a financial expense.

Financial liabilities

Financial liabilities are classified into two categories and include:

- financial liabilities recognized at amortized cost, and
- financial liabilities recognized at fair value through profit or loss.

Financial liabilities recognized at amortized cost:

Loans and other financial liabilities, such as conditional advances, are generally recognized at amortized cost calculated using the effective interest rate.

Loans and conditional advances are initially recorded at the fair value of the amount received, less directly attributable transaction costs. After the initial recognition, interest-bearing loans are measured at amortized cost using the effective interest method.

The portion of debt due in less than one year is presented as a current liability.

Financial liabilities at fair value through profit or loss:

This category represents liabilities held for trading, i.e. liabilities that are intended to be sold in the short term. They are measured at fair value and changes in fair value are recorded in the income statement.

Receivables and liabilities denominated in foreign currencies

Receivables and liabilities denominated in foreign currencies are recognized at the exchange rate at the time of the initial transaction. At the end of the fiscal year, the items corresponding to assets and liabilities are measured at the closing rate or at the hedging rate, where appropriate.

Current and deferred tax

Current tax assets and liabilities for the fiscal year and previous fiscal years are measured at the amount expected to be collected from or paid to the tax authorities. The tax rates and tax laws used to determine these amounts are those enacted or substantively enacted as of the closing date.

Deferred taxes are recognized using the balance sheet liability method for all temporary differences existing as of the closing date between the tax base of the assets and liabilities and their carrying amount on the balance sheet, and for carryforward losses.

A deferred tax asset, generated by tax losses, is recognized when there is persuasive evidence that a sufficient taxable profit will be available.

Revenue

Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold in the normal course of the company's business. Revenue is shown net of value-added tax, returns of merchandise, rebates and discounts.

In the normal course of its business, the company may enter into commercial agreements with pharmaceutical groups. Payment under these agreements may generally be based on:

- The payment of a signing bonus (access fees or up-front payment)
- Payment for specific developments based on the attainment of technical milestones (milestone payments)
- Payment for research and development efforts (collaborative agreements)
- Future sales of products (royalties).

The company recognizes revenue when the amount can be measured reliably, it is probable that future economic benefits will flow to the company, and specific criteria are met for each of the company's activities.

With regard to licenses and feasibility studies, contracts are analyzed on a case-by-case basis in order to recognize revenue according to the IFRS 15 standard.

The licenses sold by the Company correspond to rights of use. As a consequence, the revenue generated from these licenses is recognized immediately from the date the customer can start using the license.

When the payment of a license is a milestone payment depending on the achievement of a development, regulatory or commercial objective, the corresponding revenue is recognized when the objective achievement becomes highly probable.

When the payment of a license is royalties calculated on sales made by the customer, the Company applies the exception to the general principle provided by the IFRS 15 standard on variable payments. Royalties are then recognized as revenue when the customer sales occur.

The Company provides research and development services to customers as part of development projects which final objective is the grant of a marketing authorization (MA). The revenue from these services is recognized according to the percentage of completion of the project, as the customer benefits from the services progressively. The percentage of completion is calculated as the ratio of the costs incurred by the Company for research and development services performed under the contract to the total estimated budget for the duration of the contract.

If the license and the services are sold together, the contract price is allocated to the different elements of the contract proportionally to their fair value.

If the costs of one of the contract elements are not completely offset by the revenue calculated from fair values, the Company applies the residual method.

- Other income

Grants:

Due to its innovative nature, the company has received since its creation a certain amount of assistance and grants from the French government and public authorities to help finance its operation or recruit specific individuals.

These grants are recognized as income over the fiscal year in which the corresponding costs or expenses are recorded.

Research tax credit:

The French government grants research tax credits to companies to encourage them to conduct technical and scientific research. Companies that can substantiate research expenditures (in particular salaries and wages, depreciation of research equipment, services outsourced to approved research organizations and intellectual property costs) are eligible for a tax credit that can be used to pay the corporation tax due for the fiscal year in which the expenses are incurred and the following three fiscal years or, where appropriate, be reimbursed for the excess share of such tax.

- Segment information

To date, the company has not identified distinct operating segments. For the most part, the company's operations involve regenerative medicine for the treatment of chronic diseases. All the assets and operating income presented are located in France.

- Presentation of the income statement

The company presents its income statement by nature.

The purpose of the expenses is provided in note 14 to the financial statements.

Research and development costs:

Internal and external costs related to the research and development of new products.

Administrative expenses:

Total costs of the support and central management functions.

Other operating income and expenses:

Information appears in this item when a significant event occurring during the accounting period could give a distorted view of the company's performance.

Other operating income and expenses include income and expenses that are very limited in number and unusual given their frequency, nature, or amount.

Operating profit/loss:

Operating profit/loss includes all income and expenses directly related to the company's activities, whether such income and expenses are recurrent or result from one-time decisions or operations.

Financial income/expense:

Financial income/expense includes all:

- Expenses related to financing the company: interest paid and accretion expense on repayable advances
- Income related to interest received.

Foreign-exchange gains and losses are also recognized in financial income/expense.

Taxes:

Income tax: This item includes tax recorded for the year on any taxable income (French GAAP).

Deferred taxes are recognized for all temporary differences arising from the difference between the tax basis and accounting basis of the assets and liabilities shown in the financial statements. The main temporary differences relate to carryforward tax losses. The statutory tax rate on the closing date is used to determine deferred taxes.

Deferred tax assets are recognized only to the extent that it is probable that future earnings will be sufficient to absorb carryforward losses. Given its stage of development, which does not allow sufficiently reliable income projections to be made, the company did not recognize deferred tax assets on the balance sheet for carryforward losses.

- Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to holders of the company's shares by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to holders of ordinary shares and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

- Fair value of financial instruments

Fair value measurements are detailed by level according to the following fair value hierarchy:

- the instrument is quoted in an active market (level 1);
- measurement uses valuation techniques based on observable inputs, either directly (price) or indirectly (price derivatives) (level 2);
- at least one material component of fair value is based on unobservable inputs (level 3).

Fair value of financial instruments traded in active markets is based on quoted prices on the balance sheet date. A market is considered active if quoted prices are easily and regularly available from an exchange, trading officers, brokers, an appraiser or a regulatory agency and such prices are based on regular trades. These instruments are classified as level 1.

Fair value of financial instruments that are not quoted in an active market (for example, over-the-counter derivatives) is determined based on valuation techniques. These methods maximize the use of observable market inputs, if available, and, for the most part, are not based on the company's own estimates. If all the elements required to calculate the fair value of the instrument are observable, this instrument is classified as level 2.

If one or more of the main calculation elements are not based on observable market inputs, the instrument is classified as level 3.

4.1.5.4. Notes to the financial statements

Summary of notes

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▪ NOTE 1 Intangible assets

In (€) thousands		12/31/2021	Acquisitions / Additions	Disposals / reversals	12/31/2022
Gross amount	169	32		0	201
Depreciation and impairment	165	3		0	169
NET AMOUNT	**3**	**29**		**0**	**32**

Given the risks and uncertainties related to regulatory authorizations and the R&D process, the six criteria for recognition of intangible assets are not considered as being met for any of the pending development projects. As a result, all costs incurred by the company are recognized as expenses. The treatment is the same for costs related to patents (see note 14).

▪ NOTE 2 Property, plant and equipment

In (€) thousands	12/31/2021	Acquisitions / Additions	Disposals / reversals	12/31/2022
Lands	(0)	0	0	(0)
Land development	0	0	0	0
Buildings	(0)	2 050	0	2 050
Laboratory equipment	3 771	111	(12)	3 870

In (€) thousands	12/31/2021	Acquisitions / Additions	Disposals / reversals	12/31/2022
Fixtures and facilities	665	0	0	665
Furniture, office equipment	1 630	3	0	1 633
Assets classified as held for sale	9 917	0	(9 917)	0
GROSS AMOUNT	**15 983**	**2 164**	**(9 929)**	**8 218**
Lands	0	0	0	0
Land development	0	0	0	0
Buildings	(0)	0	0	(0)
Laboratory equipment	3 447	125	(12)	3 560
Fixtures and facilities	201	65	0	266
Furniture, office equipment	1 447	89	0	1 536
Assets classified as held for sale	3 019	137	(3 156)	(0)
DEPRECIATION AND IMPAIRMENT	**8 114**	**416**	**(3 169)**	**5 361**
Lands	(0)	0	0	(0)
Land development	0	0	0	0
Buildings	0	2 050	0	2 050
Laboratory equipment	325	(14)	0	310
Fixtures and facilities	462	(65)	0	397
Furniture, office equipment	181	(86)	0	95
Assets classified as held for sale	6 898	(137)	(6 761)	0
NET AMOUNT	**7 864**	**1 748**	**(6 761)**	**2 853**

Net property, plant and equipment decreased by €5 million between 2021 and 2022. The decrease in the item is mainly due to the sale of the building.

In a favorable real estate context, Adocia made an operation to sell its building in March 2022. The building's sale on March 28, 2022, for an amount of €23.3 million was carried out within the framework of a sale and leaseback transaction enabling Adocia to sustain its growth while securing the occupation of its historic site. Indeed, the lease contract is for a fixed term of 12 years (renewable for another 9 years) without option to buy.

The sale of the building resulted in a net cashing of €18.9 million (after repayment of the loans).

As of December 31, 2021, in accordance with IFRS 5, the net book value of the assets (€6.8m) had been reclassified as "held for sale" under current items, in a separate sub-heading. Following the sale in March 2022, these assets have been written off in full.

The application of IFRS 16 and IFRS 5 to the Sale and Leaseback transaction is described in section 4.1.5.3 Accounting methods and principles used to prepare the financial statements.

As of December 31, 2022, the right of use representative of the share of the value of the asset over which Adocia retains control through its lease agreement is valued at €2.1 million. The right of use is also amortized pro rata temporis over the term of the contract (12 years), in the amount of €138 thousand at the end of December 2022.

The capital gain on the sale (€11.2 million) representing the rights transferred to the acquirer-lessor was recognized in other operating income (non-current).

The IFRS 16 restatements on December 31, 2022 notably involve taking into account the impact on net income (neutralization of rental income, recognition of depreciation and interest expenses). As a reminder, the fixed annual rent is 1 million euros.

NOTE 3 Non-current financial assets

The company's non-current financial assets are as follows:

In (€) thousands	12/31/2021	Acquisitions / Additions	Disposals / reversals	12/31/2022
Gross amount	102	1 367	0	1 469
Amortization and impairment	0	0	0	0
NET AMOUNT	**102**	**1 367**	**0**	**1 469**

The increase in non-current financial assets (+€1.4 million) is mainly related to the guarantees signed in the context of the sale and leaseback transaction (deposit of 3 months' rent and first demand guarantee deposit for a total amount of €1.3 million).

Non-current financial assets consist also of guarantee deposits paid under operating lease agreements and the cash reserve related to the liquidity agreement (refer to section "Capital management" in note 9).

NOTE 4 Additional information regarding deferred taxes

The company cannot determine with sufficient reliability when it will be able to absorb its accumulated tax loss. Therefore, no deferred tax asset related to these losses was recognized.

Prior carryforward losses that may give rise to deferred tax assets totaled €195.9 million on December 31, 2022. This loss carry forward is not limited in time.

NOTE 5 Inventories

In (€) thousands	12/31/2022	12/31/2021
Raw materials	137	517
Semi-finished products	0	0
Finished products	0	0
TOTAL NET VALUE	**137**	**517**

The net value of inventories was €137 thousand on December 31, 2022, compared with €517 thousand on December 31, 2021. The change in this item is mainly due to the disposal of inventories of Maltotriose, the active ingredient required for the production of BC222 (BC Lispro).

Impairment was recorded for the inventory, mainly for products related to a project which the company recognized as a failure.

NOTE 6 Trade receivables

In (€) thousands	12/31/2022	12/31/2021
Gross amount	467	207
Impairment	0	0
TOTAL NET VALUE	**467**	**207**

NOTE 7 Other current assets

In (€) thousands	12/31/2022	12/31/2022
Research tax credit	5 914	4 611
VAT claims	889	542
Receivables from suppliers	183	496
Pre-paid expenses	1 194	500
Others	55	49
TOTAL NET VALUE	**8 234**	**6 197**

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All other current assets have a maturity of less than one year.

Since its inception, the Company has been entitled to a research tax credit (CIR). At the end of each period, it therefore recognizes as a receivable the amount of tax credit calculated for the eligible expenses during the year. In 2022 and 2022, the Company cannot apply its CIR to any tax liability. It therefore requested immediate reimbursement of the CIR (because of its status as a European SME) and recognized the amounts of €5.9 million and €4.6 million, respectively, under current assets. Please note that the CIR 2021 research tax credit for an amount of €4.6 million was received in September 2022.

Prepaid expenses relate to current expenses. Prepaid expenses amount to €1.2 million in 2022 compared to €0.5 million as of December 31, 2021. The increase in this item is mainly due to the increase in prepaid expenses relating to clinical studies (+ €0.4 million).

The miscellaneous item also includes social security and tax receivables and other miscellaneous payables.

▪ NOTE 8 Classification and fair value of financial assets

The only financial assets measured at fair value are cash and cash equivalents, which include mutual funds, time accounts quoted in an active market and interest-bearing accounts. They therefore constitute level 1 financial assets at fair value.

In (€) thousands	12/31/2022	Value on the balance sheet under IAS 39				12/31/2022
	Balance sheet value	Assets at fair value through profit or loss	Held-to-maturity investments	Loans and receivables	Available-for-sale financial assets	Fair value
Cash on hand	13 289	13 289	0	0	0	13 289
Cash equivalents (UCITS)	4 132	4 132	0	0	0	4 132
TOTAL ASSETS	**17 422**	**17 422**				**17 422**

▪ NOTE 9 Equity

The table below presents the capital over the period:

	Number of shares (*)	Ordinary shares	Preferred shares - cat. A	Preferred shares - cat. B	Nominal amount (euros)
AT DECEMBER 31, 2022	**6 960 069,00**	**6 960 069,00**	**0**	**0**	**696 007,00**
02/08/2020 - Grant of bonus shares	225	225			23
15/03/2020 - Grant of bonus shares	2 000	2 000			200
17/05/2020 - Grant of bonus shares	12 760	12 760			1 276
17/05/2020 - Grant of bonus shares	1 400	1 400			140
25/09/2020 - Grant of bonus shares	1 400	1 400			140

	Number of shares (*)	Ordinary shares	Preferred shares - cat. A	Preferred shares - cat. B	Nominal amount (euros)
AT DECEMBER 31, 2022	**6 960 069,00**	**6 960 069,00**	**0**	**0**	**696 007,00**
03/10/2020 - Grant of bonus shares	900	900			90
05/12/2020 - Grant of bonus shares	2 675	2 675			268
10/12/2020 - Grant of bonus shares	29 450	29 450			2 945
10/12/2020 - Grant of bonus shares	1 825	1 825			183
13/12/2020 - Grant of bonus shares	5 775	5 775			578
14/12/2020 - Grant of bonus shares	2 150	2 150			215
02/08/2021 - Grant of bonus shares	225	225			23
03/15/2021 - Grant of bonus shares	900	900			90
09/30/2021 - Grant of bonus shares	2 900	2 900			290
09/30/2021 - Grant of bonus shares	675	675			68
09/30/2021 - Grant of bonus shares	1 400	1 400			140
07/23/2021 - Exercice of BSPCE	2 800	2 800			280
10/27/2021 - Issue of IPO Shares by private placement	107 992	107 992			10 799
10/28/2021 - Issue of shares following conversion of bonds OCA1023	14 303	14 303			1 430
11/03/2021 - Issue of shares following conversion of bonds OCA1023	23 256	23 256			2 326
11/08/2021 - Issue of shares following conversion of bonds OCA1023	31 980	31 980			3 198
11/30/2021 -Issue of shares following conversion of bonds OCA1023	17 241	17 241			1 724
12/16/2021 - Issue of shares following conversion of bonds OCA1023	12 212	12 212			1 221
12/20/2021 - Issue of shares following conversion of bonds OCA1023	8 231	8 231			823
12/27/2020 - Issue of shares following conversion of bonds OCA1023	16 737	16 737			1 674
12/31/2021 - Grant of bonus shares	9 475	9 475			948
04/01/2022 - Issue of shares following conversion of bonds OCA1023	33 472	33 472			3 347
21/01/2022 - Issue of shares following conversion of bonds OCA1023	1 378	1 378			138
27/01/2022 - Issue of shares following conversion of bonds OCA1023	21 084	21 084			2 108
04/02/2022 - Issue of shares following conversion of bonds OCA1023	18 433	18 433			1 843
08/02/2022 - Grant of bonus shares	225	225			23
17/02/2022 - Issue of shares following conversion of bonds OCA1023	10 768	10 768			1 077
21/02/2022 - Issue of shares following conversion of bonds OCA1023	3 076	3 076			308
01/03/2022 - Issue of shares following conversion of bonds OCA1023	19 012	19 012			1 901
07/03/2022 - Issue of shares following conversion of bonds OCA1023	5 385	5 385			539
08/03/2022 - Issue of shares following conversion of bonds OCA1023	38 167	38 167			3 817
09/03/2022 - Issue of shares following conversion of bonds OCA1023	38 167	38 167			3 817
11/03/2022 - Issue of shares following conversion of bonds OCA1023	61 069	61 069			6 107
12/03/2022 - Grant of bonus shares	900	900			90
14/03/2022 - Issue of shares following conversion of bonds OCA1023	157 760	157 760			15 776
21/03/2022 - Issue of shares following conversion of bonds OCA1023	58 035	58 035			5 804
24/03/2022 - Issue of shares following conversion of bonds OCA1023	70 064	70 064			7 006
07/04/2022 - Issue of shares following conversion of bonds OCA1023	16 460	16 460			1 646
21/04/2022 - Issue of shares following conversion of bonds OCA1023	28 103	28 103			2 810

	Number of shares (*)	Ordinary shares	Preferred shares - cat. A	Preferred shares - cat. B	Nominal amount (euros)
AT DECEMBER 31, 2022	**6 960 069,00**	**6 960 069,00**	**0**	**0**	**696 007,00**
06/05/2022 - Issue of shares following conversion of bonds OCA1023	28 777	28 777			2 878
16/05/2022 - Issue of shares following conversion of bonds OCA1023	29 197	29 197			2 920
18/05/2022 - Issue of shares following conversion of bonds OCA1023	92 457	92 457			9 246
30/05/2022 - Issue of shares following conversion of bonds OCA1023	57 417	57 417			5 742
21/06/2022 - Issue of shares following conversion of bonds OCA1023	63 660	63 660			6 366
07/07/2022 - Issue of shares following conversion of bonds OCA1023	2 820	2 820			282
20/07/2022 - Grant of bonus shares	2 900	2 900			290
08/08/2022 - Issue of shares following conversion of bonds OCA1023	51 948	51 948			5 195
11/08/2022 - Issue of shares following conversion of bonds OCA1023	75 567	75 567			7 557
08/09/2022 - Issue of shares following conversion of bonds OCA1023	48 077	48 077			4 808
22/09/2022 - Issue of shares following conversion of bonds OCA1023	15 424	15 424			1 542
26/09/2022 - Issue of shares following conversion of bonds OCA1023	18 127	18 127			1 813
27/09/2022 - Issue of shares following conversion of bonds OCA1023	19 048	19 048			1 905
29/09/2022 - Grant of bonus shares	225	225			23
29/09/2022 - Grant of bonus shares	1 400	1 400			140
06/10/2022 - Issue of shares following conversion of bonds OCA1023	103 806	103 806			10 381
19/10/2022 - Issue of shares following conversion of bonds OCA1023	88 816	88 816			8 882
05/12/2022 - Grant of bonus shares	1 675	1 675			168
10/12/2022 - Grant of bonus shares	1 275	1 275			128
16/12/2022 - Grant of bonus shares	1 200	1 200			120
17/12/2022 - Grant of bonus shares	6 425	6 425			643
17/12/2022 - Grant of bonus shares	1 200	1 200			120
29/12/2022 - Issue of shares following conversion of bonds OCA1124	88 561	88 561			8 856
29/12/2022 - Issue of shares following conversion of bonds OCA1023	73 801	73 801			7 380
AT DECEMBER 31, 2022	**8 726 317**	**8 726 317**	**0**	**0**	**872 632**

Share capital

The company was created on December 22, 2005. All the shares issued are fully paid-up.

The company owns treasury shares under its liquidity agreement.

Following the initial public offering in February 2012, preferred shares were converted into ordinary shares and the Ratchet stock warrants became null and void.

The increase in the "share capital" and "issue premium" lines is mainly due to the conversion of the Convertible Bonds (OC1023) issued in October 2021 (+€5.1 M).

As of December 31, 2022, a large proportion of these bonds had been converted (6,405,132), representing 98% of the total amount issued.

The issue of the 6,568,422 convertible bonds and the fair value treatment of conversions into shares of convertible bonds (OC1023 bonds) are described in note 10.

Stock warrants

Stock options were granted to (i) certain employees and managers in the form of start-up company stock warrants ("BSPCE") and stock options ("SO",) (ii) two independent directors on the Board of Directors in the form of ordinary stock warrants ("BSA") and (iii) scientific consultants in the form of ordinary stock warrants ("BSA"), (iv) to the investment company IPF in the context of the bond issue financing in October 2019 and related to the rescheduling of the loan debt in July 2020.

The main characteristics of these share-based compensation plans are described in detail in section 4.3.3.7 of this registration document.

The issuance of **convertible bonds** and the fair value treatment of the conversions in share of convertible bonds (Bonds OC1023 & OC1124) are detailed in note 10.

Operating expenses related to the **stock option plans** are calculated on the basis of a Black-Scholes model. The following parameters are used:

- volatility takes into account both the historical volatility observed in the stock market over a five-year period and implied volatility as measured by the options exchange. Periods of abnormal volatility are excluded from the observations;
- the risk-free interest rate used is the long-term government borrowing rate.

The cost of services rendered is recognized as an expense over the vesting period, according to IFRS 2. This expense amounted to €0.02 million in 2022 compared to €0.05 million in 2021.

The **BSAs** granted to IPF are treated differently as they are an integral part of the €15 million financing that the Company has received. The cost of BSAs at the date of attribution has been included in the calculation of the amortized cost of debt, in accordance with IAS 32 (see dedicated paragraph 4.1.5.3). The revaluation of the fair value of BSAs on the closing date of the BSAs affects the financial result of the period. For the record, the exercise price of the BSA is contractually set at 8.57 euros. However, it may be revised downwards in the case of a new share issue at a lower price. The issued BSAs will therefore be resolved by exchanging a variable number of shares against a fixed amount of cash (€1,125,000 per tranche) and are qualified, in accordance with IAS 32, as passive derivatives. In July 2020, the Company obtained a debt restructuring with a further deferral of payment of the maturities of an additional 12 months, with the final maturities of the two tranches remaining unchanged. In return for this development, the Company's Board of Directors awarded a total of 35,005 share warrants (BSA) free of charge to the IPF Fund II SCA SICAV FIAR fund, with a BSA exercise price of €7.70. The fair value of the BSAs was recorded in LP on 12/31/2022.

The following table shows the main characteristics of the payment plans giving a right to stock options:

Plan date and number	Recipients	Performance conditions	Vesting period	Strike price (euros)
BSPCE 2013 N°1	Employees	No	Until 01/01/2018	5,76
BSPCE 2013 N°2	Employees	No	Until 01/01/2018	5,76

Plan date and number	Recipients	Performance conditions	Vesting period	Strike price (euros)
BSA 2013	Independant directors	No	Until 01/01/2016	5,88
BSPCE 2014 N°1	Employees	No	Until 01/01/2018	34,99
BSPCE 2014 N°2	Employees	No	Until 01/01/2019	34,99
BSPCE 2014	Employees et corporate officers	Yes	Immediate vesting upon fulfillment of relevant performance criteria	34,99
SO 2015 N°1	Employees	No	Until 01/01/2019	55,64
SO 2015 N°2	Employees	No	Until 01/01/2020	71,12
BSPCE 2015	Corporate officer	Yes	Immediate vesting upon fulfillment of relevant performance criteria	74,60
BSPCE 2016	Corporate officer	Yes	Immediate vesting upon fulfillment of relevant performance criteria	61,73
BSA 2017	Consultant	Yes	Immediate vesting upon fulfillment of relevant performance criteria	20,65
SO 2017 N°1	Employee	No	Until 01/01/2020	18,00
SO 2017 N°2	Employee	No	Until 01/01/2021	19,00
BSPCE 2017	Corporate officer	Yes	Immediate vesting upon fulfillment of relevant performance criteria	16,00
SO 2018	Employees	No	Until 05/02/2022	17,00
BSA IPF 2019 - Tranche A	IPF Partners	No	Immediate vesting upon fulfillment of relevant performance criteria	8,57
BSA IPF 2019 - Tranche B	IPF Partners	No	Immediate vesting upon fulfillment of relevant performance criteria	8,57
SO 2019	Employees	No	Until 12/10/2021	8,00
BSA IPF 2020	IPF Partners	No	immédiate 07/20/2020	7,70
BSA 2021	Independant directors	No	Until 05/19/2024	8,93
OCA 2021	Vester finance	No	immediate 10/26/2021	0,12
OCA 2022	Vester Finances	No	immediate 11/30/2022	0,33

The number of options granted are presented in the following table:

Plan date and number	Number of granted warrants	Number of cancelled warrants	Number of exercised warrants	Number of vested warrants	Warrants not yet vested	Initial value (in € thousands)
BSPCE 2013 N°1	28 000		7 700	20 300		107
BSPCE 2013 N°2	22 400	2 100	700	19 600		85
BSA 2013	20 000			20 000		69
BSPCE 2014 N°1	14 000	8 400		5 600		429
BSPCE 2014 N°2	5 600	5 600				172
BSPCE 2014	100 000	35 000		65 000		3 063
SO 2015 N°1	20 000	20 000				732
SO 2015 N°2	4 000	4 000				201
BSPCE 2015	40 000			40 000		2 220
BSPCE 2016	40 000	16 000		24 000		1 238
BSA 2017	40 000			15 000	25 000	307
SO 2017 N°1	13 000	13 000				375
SO 2017 N°2	40 000	39 909	91			375
BSPCE 2017	150 000	100 000		50 000		579
SO 2018	23 000	3 000		16 000	4 000	217
BSA IPF 2019 - Tranche A (*)	131 271			131 271		478
BSA IPF 2019 - Tranche B (*)	131 271			131 271		442
SO 2019	2 000	1 000		1 000		8
BSA IPF 2020	35 005			35 005		128
BSA 2021	10 215				10 215	91
OCA 2021	6 568 422		6 405 132	163 290		167
OCA 2022	6 568 422		240 000	6 328 422		6 584
TOTAL	**14 006 606**	**248 009**	**6 653 623**	**7 065 759**	**39 215**	**18 066**

(*) The Company has issued BSA 7,500,000 per tranche of loans, which are convertible into shares for a total amount of EUR 1,125,000 per tranche. The exercise of the BSAs at a contractually determined price of 8.57 euros would lead to the issuance of 131,271 shares per tranche. It is specified that in the event that the Company issues new shares (excluding employees and managers' interest) at a price below this amount during the exercise period of the BSAs, their exercise price will be reduced to 95% of the lowest of those issue prices.

Bonus shares

Bonus shares have been granted to certain employees and managers of the company since 2008. The number of shares granted are presented in the following table:

Plan date and number	Number of shares initially granted	Number of cancelled shares	Number of vested shares	Number of shares with ongoing vesting
Plan 2008 N°1	42 000	2 100	39 900	
Plan 2008 N°2	5 600		5 600	
Plan 2009	5 600		5 600	
Plan 2010 N°1	5 600		5 600	
Plan 2010 N°1	5 600		5 600	
Plan 2015 N°1 - 10 ans	39 150	2 860	36 290	
Plan 2015 N°2.1	5 000		5 000	
Plan 2015 N°2.2	12 600	1 800	10 800	
Plan 2015 Dirigeant	5 000		5 000	
Plan 2016 Dirigeant	20 000	8 000	12 000	
Plan 2016 N°2	40 000	3 525	36 475	
Plan 2017	9 500	900	8 600	
Plan 2018 N°1	2 700	1 350	1 350	
Plan 2018 N°2	19 050	2 290	16 760	
Plan 2018 N°3	5 600	2 800	2 800	
Plan 2018 N°4	5 600		5 600	
Plan 2018 N°5	11 600	1 900	9 700	
Plan 2019 N°1	3 600	2 700	900	
Plan 2019 N°2	33 300	3 850	29 450	
Plan 2019 N°3	7 300	1 425	4 600	1 275
Plan 2020 N°1	9 600	6 000	1 800	1 800
Plan 2020 N°2	11 600		5 800	5 800
Plan 2020 N°3	2 700	1 350	900	450
Plan 2020 N°4	4 800		2 400	2 400
Plan 2020 N°5	22 000	2 000	9 050	10 950
Plan 2021 N°1	5 700	900	1 200	3 600
Plan 2022 N°1	6 200			6 200
Plan 2022 N°2	5 000			5 000
Plan 2022 N°3	16 400			16 400
TOTAL	**368 400**	**45 750**	**268 775**	**53 875**

Movements in bonus shares are as follows:

Number of shares	FY 2022	FY 2021
Number of shares with ongoing vesting at the beginning of the year	47 175	63 400
Shares granted during the year	27 600	5 700
Shares vested during the year	17 425	15 350
Shares cancelled during the year	3 475	6 575
NUMBER OF SHARES WITH ONGOING VESTING AT THE END OF THE YEAR	**53 875**	**47 175**

The cost of services rendered is recognized as a payroll expense over the vesting period. This expense amounted to €0.1 million in 2022 compared to €0.24 million in 2021.

Dividends

The company has not paid out any dividends over the last three years.

Capital management

The group's policy is to maintain a solid capital base in order to safeguard investor and creditor confidence and support future business development.

On May 19, 2014, Adocia signed a liquidity agreement with Kepler Capital Market following the termination of a previous agreement with DSF Markets. Adocia allocated 15,026 Adocia shares and €300,000 in cash to this new agreement.

Under the terms of the liquidity agreement, on February 10, 2015 the company decided to reduce the resources allocated to this agreement by €700,000. The resources made available under the liquidity agreement with Kepler Capital Markets S.A. were increased by €200,000 on September 10, 2015 and by €250,000 on February 12, 2018.

Over the course of 2022, the share buyback program was used only in connection with the liquidity agreement to meet the objective of making a market in the company's shares and increasing their liquidity.

As of December 31, 2022, the company had 28,970 shares and €128,567.86 allocated to the liquidity account under this agreement.

▪ NOTE 10 Short and long-term financial debt

Financial debt includes bank loans and repayable advances.

Financial debts include two bond issues contracted in October 2021 and December 2022. As a reminder, on October 26, 2021, the Company issued 6.568.422 bonds convertible into shares with a par value of EUR 1 each (the "OC1023"). On December 1, 2022, the Company again issued 6.568.422 bonds convertible into shares with a par value of EUR 1 each (the "OC1124"). The contractual conditions of the OC1124 are identical to those of the OC1023, namely:

These "OC1124" 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 4.4 (EUR 11.87 for the OC1023) 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, that is 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.

In the event that the Convertible Bonds have not been fully converted and/or redeemed at the end of the initial duration of 24 months (extendable under certain conditions), they will be fully redeemed by the Company at 100% of their nominal value.

As of December 31, 2022, 6,405,132 OC1023 bonds (or 98%) and 240,000 OC1124 bonds (or 4%) had been converted. The balance has been recorded as a liability and measured at fair value through profit or loss in its entirety in accordance with IFRS 9 and IAS 32.

The valuation of these convertible bonds at the subscription date and at the closing of accounts was entrusted to an independent actuary. The convertible bonds not bearing interest rates, they are similar to a call option with a variable exercise price. In order to reflect the characteristics of the convertible bonds (variable conversion price, depending on the share price at the time of conversion), our actuary used the so-called "Monte-Carlo" approach.

On the basis of this approach, the fair value of the convertible bonds amounts to €6.8 million as of December 31, 2022.

Bank loans amounting to €5.5 million were obtained in 2016 to finance the purchase of the building in which the Company's research center and head office are located. An additional amount of €0.3 million was released in 2017.

Between March and May 2019, the Company contracted a loan of €1.2 million to finance the development of two 450 m² floors for the analysis department, one composed of offices, the other of laboratories.

These loans were entirely repaid during the sale of the building that happened on March 28, 2022 (see note 2 of the present document).

The Company also subscribed to a **bond loan**, with attached warrants (BSA), for a total amount of €15 million from IPF Fund II, through two tranches of €7.5 million each, respectively on 11 October 2019 and 10 December 2019. The exercise price of the warrants is contractually fixed at €8.57. However, it may be revised downwards in the event of a new issue of shares at a lower price. In July 2020, the Company obtained a debt restructuring from IPF Partners. In return for this development, the Company's Board of Directors awarded a free grant to the BSA IPF Fund, under terms and conditions similar to those of the BSAs awarded under the main contract, with a BSA exercise price of 7.70 euros.

The valuation of these warrants on the subscription date was entrusted to an independent actuary. In view of this valuation and the costs incurred by the Company, directly related to this bond issue, an interest rate calculation (EIR) has been carried out and will be used, at each balance sheet date, to discount the amount of the debt recognized in the Company's consolidated financial statements.

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Under the terms of the bank loan obtained from IPF Partners and following its rescheduling in July 2020, the Company has, among other things, committed to meet the following obligations:

- not to take on a new debt (beyond a threshold by type of debt and a global ceiling of € 6.5 million of debt)
- do not grant new security or guarantees,
- maintain a minimum cash position equivalent to €10 million;
- have a cash amount to cover 6 months of operating cash flow including debt service (cash covenant),
- not to change activity substantially,
- do not proceed with asset disposals other than in the normal course of business, acquisitions or joint ventures without the prior approval of IPF Fund II,
- comply with all legal and regulatory obligations applying to the Company,

IPF authorizes the Company to sell its real estate asset, but in return asks for the possibility of using part of the sale price to the early repayment of its loan up to the amount of 2 million from August 31, 2022. At the end of August 2022, IPF exercised its option and requested early repayment of EUR 2 million.

Failure to comply with these commitments, which would not be remedied within 10 working days of the occurrence or notification by IPF Fund II (or immediately with respect to non-compliance with the covenant cash) could lead IPF Fund II to declare the loan's anticipated due date and to proceed with the implementation of the security detailed above.

As of December 31, 2022, the Group was in compliance with the commitments described above.

In August 2020, Adocia was granted a bank loan of € 7 million by BNP, HSBC, LCL and Bpifrance in the form of a State Guaranteed Loan (PGE). These loans do not require any repayment in the first year. In June 2021, the Company chose to differ for another year, the first repayments in capital being planned for August 2022 with an unchanged maturity in August 2026.

Finally, in accordance with IFRS 16, a lease liability of EUR 7.5 million was recognised in the context of the Sale and Lease Back transaction carried out in March 2022 (see Note 4.1.5.3 of this document). This liability corresponds to the discounting of the contractual rental payments over 12 years using a discount rate of 10%. As at December 30, 2022, the outstanding principal amounted to 7.1 million euros and the accrued interest payable for the period amounted to 0.17 million euros, giving a total debt of 7.3 million euros.

At the end of December 2022, the amount of financial debt was €33.2 million, €17.5 million of which was long-term.

At the end of 2022, the classification as current and non-current was as follows:

In (€) thousands	Current	Non-current	FIY 2022	FIY 2021
Reimbursable advances	520	0	520	520
Bank Loans	0	0	0	4 429

In (€) thousands	Current	Non-current	FIY 2022	FIY 2021
State-guaranteed bank loan	1 758	4 865	6 623	7 055
IPF loan	4 271	5 939	10 210	14 940
Fair value of share subscription warrants granted to IPF	1 829	0	1 829	1 156
Fair value of OCA 1023	167	0	167	6 322
Fair value of OCA 1124	6 584	0	6 584	57
Other financial debts	542	6 735	7 277	0
TOTAL FINANCIAL DEBT	**15 671**	**17 539**	**33 210**	**34 479**

In (€) thousands	12/31/2022		
	Balance sheet value	Breakdown by category of instrument	
		Fair value through the income statement	Debt at amortized cost
Reimbursable advances	520		520
Banks loans	0		
State-guaranteed bank loan	6 623		6 623
IPF loan	10 210		10 210
Fair value of share subscription warrants granted to IPF	1 829	1 829	
Fair value of OCA 1023	167	167	
Fair value of OCA 1024	6 584	6 584	
Other financial debts	7 277		7 277
TOTAL FINANCIAL DEBT	**33 210**	**8 580**	**24 630**

Ci-après, le détail des variations en normes IFRS de la juste valeur des OC1023 sur l'exercice 2022 :

Fair Value at Subscription Date (10/26/2021)	7 455
Share conversions	(1 101)
Other (including change in fair value)	(32)
VALUE AT DECEMBER 31 2021	**6 322**
Share conversions	(6 110)
Other (including change in fair value)	(45)
VALUE AT DECEMBER 31 2022	**167**

Ci-après, le détail des variations en normes IFRS de la juste valeur des OC1124 sur l'exercice 2022 :

VALUE AT DECEMBER 31 2021	**0**
Fair Value at Subscription Date (12/01/2022)	6 650
Share conversions	(243)
Other (including change in fair value)	177
VALUE AT DECEMBER 31 2022	**6 584**

Details about advances granted and repaid in 2022:

In (€) thousands	Amount	Historical cost
VALUE AT DECEMBER 31, 2021	**0**	**0**
Long term portion	0	0
Short term portion	520	0
	0	0
Grant during the year	0	0
Repayment during the year	0	0
Discount on grant during the year	0	0
Financial expenses	0	0
VALUE AT DECEMBER 31, 2022	**520**	**0**
Long term portion	0	0
Short term portion	520	0

(*) in € thousands	12/31/2022	Less than 1 year	1 to 5 years	More than 5 years
Avance Insuline (2012)	520	520	0	0
TOTAL	**520**	**520**	**0**	**0**

In 2015, the Company recognized the end of the program and made the scheduled repayments in the event of commercial failure of the program over the years 2017 and 2018. An expertise commissioned by Bpifrance was planned in 2020.

On January 16, 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the total technical failure of the program and declaring the abandonment of the remaining debt to be repaid, i.e. a total of 520,000 euros. As a result, the Company is fully released from its commitments to Bpifrance under its innovation support contract signed on April 25, 2012.

▪ NOTE 11 Provisions

In (€) thousands	Employee benefits	Other long-term provisions	Provisions for risks and charges - less than one year	TOTAL
VALUE AT DECEMBER 31, 2021	**1 444**	**0**	**78**	**1 521**
Additions	57	0	0	57
Reversal of used provisions	0	0	(78)	(78)
Reversal of unused provisions	(533)	0	0	(533)
VALUE AT DECEMBER 31, 2022	**967**	**0**	**(0)**	**967**

Provisions consist mainly of the provision for retirement benefits. This provision was estimated based on the terms of the applicable collective agreement, i.e. collective agreement 176.

The main actuarial assumptions used to value retirement benefits are as follows:

In (€) thousands	12/31/2022	12/31/2021
Economic assumptions	**0**	**0**
Discount rate	3,75%	1,00%
Rate of annual salary increase	3% for management personnel et 2% for technicians	3% for management personnel et 2% for technicians
Demographic assumptions	**0**	**0**
Retirement age	between 62 and 67 years	between 62 and 67 years
Type of retirement	Initiated by employee	Initiated by employee
Mortality table	INSEE 16 - 18	INSEE 15 - 17
Rate of tax and social security charges	44,50%	44,50%
Annual mobility	Average or High depending on category	Average or High depending on category
Present value of obligations	967	1 444
Payments to a fund	0	0
Provision recorded on the balance sheet	**967**	**1 444**
Past service costs for the period	187	240
Financial expense	16	7
Curtailment impact	(146)	0
Actuarial gains and losses and change in accounting method (1)	(533)	(1 018)
Annual expense	57	247

▪ NOTE 12 Trade payables and other current liabilities

In (€) thousands	12/31/2022	12/31/2021
Trade payables	**6 414**	**3 835**
Subsidiary accounts	3 757	1 092
Notes payable	0	0
Invoices pending	2 657	2 743
Other current liabilities	**2 992**	**3 724**
Customer credit balances	0	0
Tax and social security liabilities	2 080	3 314
Other debt	89	37
Unearned income	823	373
TOTAL CURRENT OPERATING LIABILITIES	**9 406**	**7 560**

Trade payables reached €6,4 million as of December 31, 2022 compared to €3.8 million as of December 31, 2021. The variation of this item (+€2.6 million) is mainly related to the BC Combo clinical studies (billing and payment schedule).

The expenses related to "the non-received invoices from suppliers" are recognized as related expenses.

Unearned income accounted for at the end of 2022, for €0.8 million, includes €0.3 million of deferred income relating to the current portion of the prepayment from Tonghua Dongbao Pharmaceuticals Co. Ltd, which was not recognized as revenue at December 31, 2022.

Tax and social security liabilities" amounted to €2.1 million at the end of 2022. The decrease in this item is mainly due to the premiums provisioned for the year 2021 (in the amount of €1.1 million).

All trade payables and other current liabilities have a maturity of less than one year.

Tax and social security liabilities are as follows:

In (€) thousands	12/31/2022	12/31/2021
Compensation owed	878	1 678
Debt owed to social welfare agencies	996	1 410
Other tax and social security liabilities	206	226
TOTAL TAX AND SOCIAL DEBTS	**2 080**	**3 314**

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NOTE 13 Other non-current liabilities

None.

NOTE 14 Operating profit/loss

In (€) thousands	Notes	FY 2022 (12 months)	FY 2021 (12 months)
Operating revenue		**17 361**	**6 055**
Revenue	15	11 447	1 444
Grants, research tax credits and others	16	5 914	4 611
Operating expenses		**(30 257)**	**(25 421)**
Purchases used in operations		(1 839)	(1 264)
Payroll expense	18	(9 959)	(11 631)
External expenses	17	(17 724)	(11 102)
Taxes and contributions		(240)	(265)
Dotation aux amortissements et provisions	19	(496)	(1 158)
Other current operating income and expenses		0	0
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES		**(12 896)**	**(19 366)**

Breakdown of expenses by function:

In (€) thousands	FY 2022 (12 months)	Exercice 2021 (12 mois)
Research and development expenses	(25 898)	(20 016)
General and administrative expenses	(4 359)	(5 404)
OPERATING EXPENSES	**(30 257)**	**(25 421)**

General and administrative expenses are down 19% compared to 2021, reflecting the decrease in the number of employees and the maintenance of a rigorous spending policy.

Research and development costs were as follows:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Purchases used in operations	(1 839)	(1 264)
Payroll expense	(9 819)	(11 434)
Share-based payments	(140)	(197)
External expenses	(17 724)	(11 102)
Taxes and contributions	(240)	(265)
Depreciation, amortization & provisions	(496)	(1 158)
OPERATING EXPENSES	**(30 257)**	**(25 421)**

NOTE 15 Revenue

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Research and collaborative agreements	6 359	983
Licencing revenues	5 088	461
REVENUE	**11 447**	**1 444**

The Company's revenue is mainly due to the licensing and collaboration agreements signed with Tonghua Dongbao for the BioChaperone® Lispro and BioChaperone® Combo combinations in China and other territories.

For the year 2022, revenue includes licensing revenues of USD 5 million, triggered by the first patient dosed in the pivotal Phase 3 clinical study conducted by THDB in China with Ultra-Rapid Insulin BC Lispro.

Revenue of the year also includes EUR 6 million from collaboration signed with THDB for services provided by Adocia's teams on the BioChaperone® Combo project to conduct of three clinical studies in Europe. Finally, research and collaboration revenues include two feasibility studies provided by Adocia teams on the AdoGel platform.

Finally, licensing revenues include the impact of the application of IFRS 15 on the treatment of the upfront payment received from THDB in 2018, upon signature of the license agreements. This payment has been recognized over the initial expected development period with an impact of EUR 350 K euros in 2022, compared to 461 K euros in 2021.

The portion of the initial payment yet to be recognized as revenue, as of December 31, 2022, amounts to € 0.3 million and is recognized as deferred income.

NOTE 16 Other income

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Research tax credit	5 914	4 611
Other	0	0
OTHER INCOME	**5 914**	**4 611**

The Research Tax Credit amounted to €5.9 million as of December 31, 2022. The increase compared to the previous year reflects the increase in expenses eligible to the Research Tax Credit in 2022.

NOTE 17 Other purchases and external charges

Purchases and external charges mainly consist of the company's preclinical and clinical studies, subcontracting expenses, intellectual property costs, fees general expenses.

These expenses amounted to € 17,7 million as of December 31, 2022, increased by €6.6 million compared to 2021. This situation mainly reflects the increase in external expenses, in particular the clinical expenses conducted on behalf of Tonghua Dongbao in Europe on BC Combo.

NOTE 18 Payroll expense

Payroll expense was as follows:

4

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Wages and salaries	6 878	7 830
Social contributions	2 941	3 604
Share-based payment	140	197
PAYROLL EXPENSE	**9 959**	**11 631**

The breakdown of the workforce by category is as follows:

	12/31/2022	12/31/2021
Technicians	49	53
Management personnel	55	59
STAFF	**104**	**112**

On December 31, 2022, the Company had 37 postdoctoral researchers in science, medicine or pharmacy, i.e. nearly 36% of the whole staff. Nearly 75% of employees are directly assigned to research and development activities.

Staff expenses, excluding equity-based payments, amounted to €9.8 million as of December 31, 2022 compared to €11.4 million in 2021. The variation of this item is mostly linked to the decrease in the workforce from 122 Full-Time Equivalents (FTEs) in 2021 to 109 FTEs as of December 31, 2022, i.e. a decrease of 10%.

NOTE 19 Depreciation, amortization and impairment

Net depreciation, amortization and provisions were as follows:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Depreciation, amortization and provisions for fixed assets	**558**	**1 015**
Depreciation of property, plant and equipment	399	863
Amortization of intangible assets	3	20
Depreciation of leased assets	17	132
Depreciation of lease back assets	138	0
Depreciation, amortization and provisions for fixed assets	**(62)**	**143**
Provisions for risks and charges (additions)	21	101
Provisions for current assets (reversal)	(78)	0
Provisions for current assets (additions)	0	42
Provisions for current assets (reversal)	(5)	0
DEPRECIATION, AMOTIZATION AND IMPAIRMENT	**496**	**1 158**

NOTE 20 Financial income/expense

The cost of net financial debt was as follows:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Cost of net financial debt	**(4 673)**	**(3 553)**
Cash and cash equivalents income	28	1
Interest on conditional advances	(2 859)	(2 249)
Fair value revaluation of OCA 1023	(527)	(1 078)
Fair value revaluation of OCA 1124	(643)	0
Fair value revaluation of IPF's share subscription warrants	**(673)**	**(227)**
Foreign exchange gains and losses	**125**	**176**
Other financial income and expenses	**(179)**	**(11)**
FINANCIAL INCOME (LOSS)	**(4 727)**	**(3 388)**

The negative financial income of €4.7 million at December 31, 2022, down from 2021, is mainly due to:

- The interest generated by the loan taken out with IPF Fund II in October 2019 (€2.2 million);
- €1.1 million impact on the Company's cash position of the fair value measurement of the OC1023 and OC1124 bonds (see paragraph 4.1.5.3 on the application of IFRS 9 and IAS 32 for the accounting of the OC1023 & OC1124 bonds);
- €0.7 million impact, also with no effect on the Company's cash position, of the revaluation of the fair value of the warrants granted to IPF (see paragraph 4.1.5.3 relating to the application of IAS 32 for the accounting of the IPF loan);
- Change variations (0.1 million euro).

NOTE 21 Corporate tax

In 2022, the Company recognized a tax loss of €5.4 million.

The amount of carryforward tax losses amounted to €196 million. This carryforward loss is not limited in time. Since the Company cannot determine with sufficient reliability when it will be able to absorb its accumulated tax loss, it did not recognize a deferred tax asset for this loss.

The difference between pre-tax profit/loss and the actual tax expense in the consolidated financial statements under IFRS is shown below:

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
PROFIT (LOSS) BEFORE TAX	**(6 425)**	**(22 754)**
National tax at the period standard rate	1 606	6 371
Permanent differences	1 438	1 231
Uncapitalized tax loss adjusted for deferred tax	(3 196)	(7 615)
ACTUAL TAX EXPENSE	**(152)**	**(13)**

NOTE 22 Earnings per share

	FY 2022 (12 months)	FY 2021 (12 months)
CONSOLIDATED NET PROFIT / LOSS (in euros thousands)	**(6 901)**	**(22 754)**
Average number of shares	8 031 527	7 057 600
NET EARNINGS (LOSS) PER SHARE (in euros)	**(0,9)**	**(3,2)**
NET EARNINGS (LOSS) PER SHARE FULY DILUTED (in euros)	**(0,9)**	**(3,2)**

NOTE 23 Related parties and compensation of the corporate officers

The main related parties are the key executives of the company and its directors.

Remuneration paid to related parties is described in the table below.

In (€) thousands	FY 2022 (12 months)	FY 2021 (12 months)
Short-term benefits	937	762
Posterior employment benefits	132	182
Other long term benefits	0	0
Termination benefits employment contract	0	0
Share-based payment	0	0
TOTAL COMPENSATION PAID TO CORPORATE OFFICERS	**1 069**	**944**

NOTE 24 Financial risk management objectives and policies

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's strategy is to enter into agreements denominated in euros, because its expenditures are also largely denominated in euros.

However, as a result of the partnership and licensing agreement signed with Tonghua Dongbao Pharmaceuticals Co. Ltd (THDB) to develop, manufacture, and commercialize BioChaperone® Lispro and BioChaperone® Combo in China and other territories in Asia and the Middle East, a major part of the company's revenues, in addition to the upfront payment received in connection with that agreement, were denominated in US dollars. As a result, the Company was exposed to risk in relation to fluctuations in the euro-US dollar exchange rate, as it had been during the collaborative and licensing agreements with Eli Lilly, between December 2011 and July 2013 and between December 2014 and January 2017.

If the Company were to enter into additional licensing and collaboration agreements with U.S. pharmaceutical groups, it could be exposed to additional Euro-US dollar exchange rate risk.

Significant growth in the company's business may create more exposure to foreign exchange risk. In that case, the Company will consider adopting a new policy appropriate to hedging this risk, such as currency hedging transactions and the purchase of foreign exchange forward contracts.

Credit risk

The receivables related to government grants and the research tax credit pose a credit risk that is considered immaterial in light of the company's history.

Credit risk related to cash, cash equivalents and current financial instruments is immaterial given the quality of the contracting financial institutions.

Regarding its customers, the company believes it is not very exposed to credit risk given the types of customers with whom it has partnership agreements (large global pharmaceutical companies). Furthermore, it has implemented policies that ensure that its customers have an appropriate level of credit risk.

Liquidity risk

The Company obtains financing under a policy implemented by the Finance Department.

The structure of the Company's financing is based primarily on equity, the use of public financing (Bpifrance Financement – ex OSEO) and an initial public offering.

Interest rate risk

In 2016, the Company took out a loan from two banks to finance the acquisition of the building in which its research center and headquarters are located. Between March and May 2019, the Company contracted a bank loan of €1.2 million to finance the development of two 450 m² floors, one consisting of offices and the other of laboratories.

These loan contracts were negotiated at a fixed rate.

The bond loan contracted with IPF Fund II generates two types of interest: interest to be repaid quarterly and capitalized interest to be repaid *in fine*. The applicable interest rates are indexed to Euribor (with a minimum set at 0%). During 2022, interest rates increased. Euribor was retained for 1.16% in IPF's final quarter 2022 interest billing.

The State guaranteed loans have fixed interest rates between 0.25% and 1.75% as the first year's payment. For the record, these loans do not require payment in the first two years.

The Company is exposed to changes in interest rates in the course of managing its cash and cash equivalents. The Company's cash and cash equivalents totaled close to €15.2 million as of December 31, 2021 and close to €17.4 million as of December 31, 2022. This item includes term deposits, accounts that pay fixed interest and investments in money market mutual funds. The Company's policy is to invest exclusively in liquid products with no capital risk.

The Company strives to reduce the credit risk to which its cash and cash equivalents are exposed by monitoring the quality of the financial institutions to which it entrusts its investments.

The Company has no guarantee that it will obtain the same interest rates when it renews its time-deposit accounts at maturity.

Equity risk

The Company has no non-consolidated holdings or investment securities tradable on a regulated market.

▪ NOTE 25 Off-balance sheet commitments

In order to guarantee the repayment of the bonds issued by the Company for the benefit of IPF Fund II, the latter has granted a pledge on some of its assets and in particular:

- a pledge under French law of the Company's bank accounts and securities accounts,
- a pledge of the Company's main intellectual property rights (Core IP) registered in France, Europe, the United States and China secured by the conclusion of a deed of pledge of patents under French law, a deed of pledge under New York State law and a deed of pledge under Chinese law on the following patent families:
  - FAST Insulin (BC lispro and HinsBet): WO2014076423
  - Combination of basal insulin, especially insulin glargine, and prandial insulin: WO2019110773
  - Combination of prandial insulin and prandial glucagon suppressor: WO2019020820

- a pledge of the Company's trade receivables secured by the conclusion of a deed of pledge of Receivables under French law,

being specified that the creation of additional securities may in the future be required by IPF Fund II, in particular on inventory with a value of more than €250,000 and intellectual property rights developed or acquired in the future.

These securities may be enforced by IPF Fund II in the event of default by the Company or at the request of IPF Fund II in the event of the occurrence of any event of default stipulated in the contract of issue. The implementation of such security interests would result in the judicial attribution, forced sale or, as the case may be, transfer of ownership of the pledged assets to IPF Fund II.

NOTE 26 Events subsequent to year end

At the beginning of January 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the effective termination of the Hinsbet program initiated in 2012. This decision leads to the waiver of the outstanding debt of 520,000 euros and consequently to the recognition, in 2023, of a grant for the same amount.

4.2 Statutory auditors' report on the consolidated financial statements

ODICEO	ERNST & YOUNG et Autres

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Adocia

Year ended December 31, 2022

Statutory auditors' report on the consolidated financial statements

ODICEO
115, boulevad de Stalingrad
69100 Villeurbanne
S.A.S. au capital de € 275 000
430 130 393 R.C.S. Lyon

Commissaire aux Comptes
Membre de la compagnie
régionale de Lyon et Riom

ERNST & YOUNG et Autres
Tour Oxygène
10-12, boulevard Marius Vivier Merle
69393 Lyon cedex 03
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

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Adocia

Year ended December 31, 2022

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Adocia,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Adocia for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Material Uncertainty Related to Going Concern

We draw your attention to the Note "4.1.5.3 Methods and accounting principles retained by the company for the preparation of financial statements" included in the paragraph "Basis for preparation of the financial statements" to the consolidated financial statements which describes the material uncertainty resulting from events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, and in addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Accounting treatment and valuation of convertibles bonds

Risk identified	Our response
On October 26, 2021 and December 1, 2022, the company entered into two agreements for the issuance of convertible bonds respectively € million 6 for each agreement. For each loan agreement, your company issued a total number of 6 568 422 convertible bonds with nominal value equal to €1 ("les OCA"), which have been subscribed by Vester Finance and two other European investors as described in the note 10 to the accompanying consolidated financial statements. These bonds ("OCA") have been issued at 95% of their nominal value. They do not hold interests and can be converted into ordinary shares, upon holder's request, at any time and using a variable subscription price. If these bonds ("OCA") would not have been reimbursed or converted at the end of the initial 24-month period, they would be full reimbursed by the company at 100% of their nominal value. At the end of December 31, 2022, a portion of these bonds has been converted and the remaining bonds have been classified as financial liabilities and measured at the fair value, as a whole. To perform this fair value measurement, your company has been assisted by an independent actuary, who measured these bonds as call options with variable exercice price and used a "Monte-Carlo" valuation approach.	As part of our audit of the consolidated financial statements, our procedures consisted in: ► Obtaining an understanding of the bond contracts and the analysis performed by the company. ► Evaluating the assumptions and the documentation related to the accounting treatment (under IFRS 9 and IAS 32) retained by the company. ► Obtain an understanding of the reports prepared by the independent actuary to assess the fair value of these bonds ("OCA") on the issuance date (October 2021) and the remaining not converted bonds at the closing date and also to examine the assumptions retained in connection with the bond contract specificities and the company's analysis. ► Examine the appropriateness of the information provided about this risk in the disclosures.

As disclosed in the note 10 in the accompanying consolidated financial statements, under IFRS 9 and IAS 32 rules, your company qualified these bonds as debt instruments with a fair value measurement through profit and loss at the end of each reporting period.

We considered the topic as a key audit matter as it requires judgmental basis to assess the accounting treatment and the fair value of these bonds.

Specific Verifications

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We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

■ Format of preparation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Adocia by decision of the Sole Shareholder of July 31, 2006 for ODICEO and by your Annual General Meeting held on October 24, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2022, ODICEO was in the seventieth year of total uninterrupted engagement and Ernst & Young et Autres was in the twelfth year of total uninterrupted engagement, including eleven years since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

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Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Villeurbanne and Lyon, April 25, 2023

The Statutory Auditors
French original signed by

ODICEO	ERNST & YOUNG et Autres
Xavier Graz	Mohamed Mabrouk

4.3 Corporate annual financial statements

4.3.1. Balance sheet, French GAAP

In € thousands French GAAP	12/31/2022	12/31/2021
Intangible assets - Gross amount	190	169
(Cumulated depreciation and amortization)	(169)	(165)
Intangible assets - Net amount	**22**	**3**
Tangible fixed assets		
Lands	0	2 441
Constructions	0	4 281
Fixtures & fittings, industrial equipement	2 587	2 489
Other tangible fixed assets	2 218	5 408
Construction work in progress	10	0
Total tangible fixed assets	4 815	14 619
(Cumulated depreciation and amortization)	(4 002)	(6 772)
Total tangible fixed assets - Net amount	**813**	**7 847**
Fiancial assets - Net amount	**1 560**	**422**
Long term assets	**2 394**	**8 273**
Inventory and work in progress	**137**	**517**
Receivables		
Advance payments made on orders	57	124
Trade and similar receivables	467	207
Other receivables	6 983	5 574
Total receivables	**7 508**	**5 904**
Cash assets and miscellaneous		
Short-term investment securities	4 077	4 077
Cash assets	13 249	11 037
Pre-paid expenses	1 192	490
Total Cash assets and Miscellaneousm	**18 519**	**15 604**
Current assets	**26 163**	**22 026**
Bond redemption premium	295	245
Translation losses	51	29
TOTAL ASSETS	**28 903**	**30 573**

In € thousands French GAAP	12/31/2022	12/31/2021
Paid-up capital	873	727
Additional paid-in capital	86 891	81 559
Balance brought forward	(93 458)	(72 076)
Profit.loss for the year	595	(21 383)
Equity	**(5 100)**	**(11 172)**
Conditional advances	**520**	**520**
Provisions for risks and charges	**51**	**107**
Loans and debt with credit institutions	23 590	32 862
Misc.loans and financial debt	-	0
Total financial debt	**23 590**	**32 862**
Trade and similar payables	6 860	4 248
Tax and social security liabilities	2 065	3 283
Debt on fixed assets and similar accounts	-	7
Other debt	89	37
Total miscellaneous debt	**9 014**	**7 574**
Unearned income	**823**	**682**
Translation gain	**4**	**0**
TOTAL LIABILITIES	**28 902**	**30 573**

4.3.2. Income statement, French GAAP

In € thousands French GAAP	FY 2022 (12 months)	FY 2021 (12 months)
Net revenue	11 448	1 450
Reversals of depr./amort.and prov., transfers of charges	241	180
Other income	61	11
Operating income	**11 750**	**1 641**
Purchase of raw materials ans other supplies (incl. change in inventory)	(1 839)	(1 264)
Other purchases and external charges	(18 695)	(11 455)
Taxes and similar payments	(240)	(265)
Wages and salaries	(6 786)	(8 236)
Social contributions	(2 878)	(3 553)
Depreciation and provisions for fixed assets	(492)	(1 051)
Provisions for current assets	0	0
Other operating expenses	(214)	(83)
Operating expenses	**(31 144)**	**(25 906)**
Operating profit / loss	**(19 394)**	**(24 265)**
Financial profit / loss	**(1 779)**	**(1 810)**

In € thousands French GAAP	FY 2022 (12 months)	FY 2021 (12 months)
Profit / loss from ordinary activities before tax	(21 173)	(26 075)
Extraordinary profit / loss	16 330	82
Income tax	5 439	4 611
PROFIT / LOSS	595	(21 383)

4.3.3. Notes to the corporate annual financial statements

4.3.3.1. Accounting rules and methods

The total balance sheet before allocation for the fiscal year ended December 31, 2022 was €28.9 million.

The net accounting benefit was €0.6 million.

The following notes and tables form an integral part of the annual financial statements, which were approved by the Board of Directors on March 14, 2023.

The financial statements were prepared in accordance with:

- the General Chart of Accounts applicable at the end of the fiscal year approved by the ANC regulation n° 2014-03 of June 5, 2014;

General accounting conventions have been applied based on the principle of conservatism in accordance with the following basic assumptions:

- going concern,
- consistency of the accounting methods used from one year to the next,
- independence of fiscal years, and

in accordance with the general rules regarding the preparation and presentation of annual financial statements.

As of December 31, 2022, the Company has a cash position of €17.4 million, which will enable it to finance its activities until September 2023, but which will not enable it to meet its commitments to lenders from the end of March 2023.

In February 2023, the Company received €4.5 million from BNP Paribas Factor following the mobilization of its receivable related to the 2022 research tax credit (CIR). As a result, the Company had a cash position of 17 million euros at the end of February 2023.

The Company is in discussions with its lenders to restructure its debt in order to extend its cash horizon and thus enable it to pursue the discussions initiated in recent months.

Indeed, Adocia is actively pursuing several options which, if they were to materialize positively, would allow it to significantly strengthen its cash position.

The first option is to sign a partnership for one of the products in the portfolio. In this respect, the results obtained with M1Pram, described as exceptional, have been particularly appreciated by market players, as M1Pram is potentially the only drug with insulin that would make you lose weight. Discussions, initiated at the end of 2022 following clinical results, are ongoing with several potential partners, one of which is in advanced discussions.

The second option is to monetize with specialized companies the expected royalties on the BC Lispro product licensed to Tonghua Dongbao, for which $30 million in milestone payments are expected, with subsequent double-digit royalties on sales achieved by our partner in China. The product is currently in Phase 3 in China for commercialization in the world's largest insulin market. The company is in contact with several players in this field.

Finally, the Company is still considering going to market to finance its research.

In parallel, management is actively pursuing all of these options and continues to work with its principal lender to restructure the debt and thus have the time necessary to complete all of these objectives.

If none of these options were to succeed, and if no agreement were to be reached with its lenders other than the one proposed, the company's cash flow horizon would be reduced to the end of June 2023. This results in uncertainty about the Company's going concern.

The basic method used to determine the value of the items accounted for is the historical cost method.

- Intangible assets

Start-up costs were capitalized and amortized over a three-year period.

Research and development costs are not capitalized and are recorded as expenses in the company's income statement.

- Property, plant, and equipment

Tangible fixed assets are recorded at their acquisition cost (purchase price and incidental expenses).

The Company took advantage of the leeway offered and opted to depreciate assets that cannot be broken down into components based on their useful lives.

The Company has no assets that can be broken down into components.

Depreciation is calculated on a straight-line basis according to the expected useful life.

Type of asset	Useful life
Software	3 to 5 years
Land development	10 years
Buildings	20 years
Technical installations	3 to 5 years (used – new)
Fixture and fittings	7 to 10 years
Office equipment	3 to 5 years
Furniture	5 years

Other purchases of property, plant and equipment correspond to the acquisition of land, for which no impairment was recorded.

- Equity holdings and other long-term investments

As of the filing date of this registration document, the company had a subsidiary in the United States called Adocia Inc. which employs one employee: a Director Business Development.

The subsidiary's share capital is $1 and is composed of 100 shares, all of which are owned by Adocia.

- Short-term investment securities

The company invests its funds in short-term investment securities (money market mutual funds) measured at their acquisition cost. It has also invested a portion of its liquidity in short-term term deposits at a guaranteed fixed rate.

At the end of fiscal year 2022, the unrealized capital gain on these investments was €55 thousand.

- Inventories

Inventories are measured using the "first-in first-out" method. They may be impaired if the expiration date has passed and/or if the project to which they refer was discontinued by the company and considered a failure.

- Revenue

The Company's revenue is mainly due to the licensing and collaboration agreements signed with Tonghua Dongbao for the BioChaperone® Lispro and BioChaperone® Combo combinations in China and other territories.

For the year 2022, revenue includes licensing revenues of USD 5 million, triggered by the first patient dosed in the pivotal Phase 3 clinical study conducted by THDB in China with Ultra-Rapid Insulin BC Lispro.

Revenue of the year also includes EUR 6 million from collaboration signed with THDB for services provided by Adocia's teams on the BioChaperone® Combo project to conduct of three clinical studies in Europe. Finally, research and collaboration revenues include two feasibility studies provided by Adocia teams on the AdOgel platform.

Finally, licensing revenues include the impact of the application of IFRS 15 on the treatment of the upfront payment received from THDB in 2018, upon signature of the license agreements. This payment has been recognized over the initial expected development period with an impact of EUR 350 K euros in 2022, compared to 461 K euros in 2021.

The portion of the initial payment yet to be recognized as revenue, as of December 31, 2022, amounts to € 0.3 million and is recognized as deferred income.

- Change in methods

None.

4.3.3.2. Highlights of the fiscal year

The year 2022 was marked by progress on our flagship products, which attracted the interest of potential partners with a view to establishing licensing agreements for our specialty products. At the same time, Adocia has established *in vivo* proofs of concept on its AdOral®, AdoShell® and AdoGel® technology platforms. The business team is looking for partnerships on these three technology platforms.

Major clinical progress and deployment of technological platforms

- BioChaperone® Lispro: start of Phase 3 in China

In May 2022, Adocia announced the dosing of the first patient in the Phase 3 program of BioChaperone® Lispro with its partner Tonghua Dongbao. This large-scale program will include 1,300 people with Type 1 or Type 2 diabetes in 100 clinical research centers in China. This major development milestone has triggered a $5 million payment from Tonghua Dongbao to Adocia. Additional payments of up to $30 million are contingent upon the achievement of future development milestones until marketing authorization. Royalty payments on future sales of Tonghua Dongbao are also planned.

In parallel, a Phase 1 study was completed in December 2022 and the preparatory work for the Phase 3 studies in the United States and Europe has been finalized, with positive opinions received from the FDA and the EMA. The company is searching for a partner capable of financing the pivotal program until marketing authorization is obtained for these territories.

- M1Pram: exceptional clinical results obtained in Phase 2

Adocia has intensified the clinical development of its two candidates, M1Pram and BioChaperone LisPram, which are positioned for the auto-injector pen and pump markets respectively. These fixed-dose combinations of insulin and amylin analogues are expected to provide improved medical benefits compared to rapid insulins administered alone by achieving weight loss in obese or overweight diabetic patients. In the United States, 65% of Type 1 diabetic patients and 85% of Type 2 diabetic patients are overweight or obese.

The results of the Phase 2 study (CT041) with M1Pram autoinjector pen were disclosed on June 21, 2022. The primary endpoint was met, with a weight loss in overweight people (BMI > 25 kg/m²) with Type 1 diabetes demonstrated over 4 months compared to Humalog® (-2.13 kg). The treatment was well tolerated and good overall glycemic control was maintained. Better appetite control was expressed in the patient satisfaction survey (82.4% with M1Pram vs. 43.2% with Humalog®). In a post-hoc analysis, M1Pram showed exceptional weight loss in the subpopulation of obese patients (BMI >30 kg/m²). Weight loss was -5.56 kg in the M1Pram group versus -0.57 kg in the Humalog group (p=0.03) at 16 weeks of treatment, and weight loss did not plateau at the end of the study. These results were presented at EASD 2022.

In parallel, a proof-of-concept study in humans was initiated with BioChaperone LisPram. This combination was specifically designed for automated pump administration using an algorithm. The clinical part of this study, conducted in collaboration with Dr. Ahmad Haidar of McGill University (Canada), has been completed and results are expected in the first quarter of 2023.

- AdoShell® Islets: first preclinical proof-of-concept for the treatment of Type 1 diabetes by cell therapy

The function of AdoShell Islets is to maintain the secretory activity of transplanted pancreatic cells, while protecting them from the immune system. In September 2022, Adocia announced the first preclinical proof of concept for AdoShell Islets for the treatment of Type 1 diabetes by cell therapy. AdoShell Islets restored glycemic control in immunocompetent diabetic animals, without insulin or immunosuppressants, until the end of the 132-day trial. These results were presented at the PODD 2022 cell therapy session in Boston in October 2022. A new series of trials on diabetic rats confirm these very promising results with 80 days of glycemic control (study still in progress). Studies are also underway on pig models, in order to prepare the first in human clinical trials. An academic collaboration has been established with several teams, including Inserm with Professor François Pattou, a world-recognized specialist in islet transplantation.

New proprietary technology platforms opening up promising markets

- AdOral®: oral delivery of peptides to replace injections

Adocia has developed a technology that can enable the oral delivery of peptides, which would make it possible to switch from injectable to oral forms. In addition to improving patient quality of life and compliance, oral forms of peptides may be of interest for product life cycle management and would avoid the difficulties associated with large-scale production of sterile injectables. Initial preclinical results have shown an increase in the absorption efficiency of peptides by the digestive tract. A first application to semaglutide, a GLP-1 receptor agonist used in the treatment of diabetes and obesity, has validated this technology in preclinical studies by demonstrating improved bioavailability. This technological platform opens up numerous applications in various therapeutic areas.

- AdoGel®: a technology for the long-term delivery of peptides and small molecules

AdoGel has been designed to enable the long-term delivery of therapeutic solutions, in order to compensate for repeated drug administration and improve compliance. Designed for release from one month to several years, AdoGel also avoids an initial concentration peak and improves the time in the therapeutic window.

A first application to a contraceptive treatment has demonstrated in vivo a release without initial burst and a zero-order release profile up to 6 months.

These three technological platforms invented by Adocia open up numerous potential applications in various therapeutic areas.

Change in the governance

At the beginning of December 2022, the Company was informed that Bpifrance Investissement had resigned from its position as director. Bpifrance Investissement was represented by Mr. Olivier Martinez who had been a member of Adocia's Board of Directors since BioAm's investment in 2007.

The Board of Directors meeting held on December 14, 2022 appointed Mr. Mads Dall as a provisional director, replacing Bpifrance Investissement for the remaining term of the latter's mandate, i.e. until the General Meeting to be held in May 2023. Mr. Mads Dall is internationally recognized for his expertise in the field of diabetes. He had a long career at Novo Nordisk which included development of the commercial activities in China.

4.3.3.3. Notes to the financial statements, French GAAP

Summary of notes

NOTE 1 Intangible assets

	12/31/2021	Acquisitions, contributions, creation, transfers	Decreases	12/31/2022
Start-up and development costs	11			11
Other intangible assets	157	22	0	179
GROSS AMOUNT	**169**	**22**	**0**	**190**
Start-up and development costs	(11)			(11)
Other intangible assets	(154)	(3)	0	(158)
DEPRECIATION / AMORTIZATION	**(165)**	**(3)**	**0**	**(169)**
Start-up and development costs	0			0
Other intangible assets	3	18		22
NET AMOUNT	**3**	**18**	**0**	**22**

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NOTE 2 Property, plant and equipment

	12/31/2021	Acquisitions, contributions, creation, transfers	Decreases	12/31/2022
Lands	2 032	0	(2 032)	0
Land development	409	0	(409)	0
Buildings	4 281	0	(4 281)	0
Laboratory equipment	2 489	111	(12)	2 587
Fixtures and facilities	3 813	0	(3 194)	619
Furniture, office equipment	1 595	3	0	1 598
Advances and payment on account	(0)	10	0	10
GROSS AMOUNT	**14 619**	**124**	**(9 928)**	**4 815**
Lands	0	0	0	0
Land development	127	10	(137)	0
Buildings	1 192	52	(1 244)	(0)
Laboratory equipment	2 181	108	(12)	2 277
Fixtures and facilities	1 864	140	(1 775)	229
Furniture, office equipment	1 408	89	0	1 497
DEPRECIATION / AMORTIZATION	**6 772**	**399**	**(3 169)**	**4 002**
Lands	2 032	0	(2 032)	0
Land development	282	(10)	(272)	0
Buildings	3 090	(52)	(3 037)	0
Laboratory equipment	308	2	0	310
Fixtures and facilities	1 949	(140)	(1 419)	391
Furniture, office equipment	187	(86)	0	101
Advances and payment on account	(0)	10	0	10
NET AMOUNT	**7 847**	**(275)**	**(6 760)**	**813**

Net tangible fixed assets decreased by €7 million between December 2021 and December 2022.

In a favourable real estate context, Adocia carried out a sale and leaseback transaction on 28 March 2022 of the building at 115 avenue Lacassagne (Lyon). The sale of the building for EUR 23.3 million enabled Adocia to support its growth while securing its occupancy at its historic site. This is a long-term lease contract for 12 years (renewable for a further 9 years) with no purchase option. The sale of the building resulted in a net cash inflow of EUR 18.9 million (after repayment of loans).

NOTE 3 Receivables and debts

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Receivables *In € thousands French GAAP (*)*	Gross amount	Up to 1 year	1 year or more
Long-term financials assets	**1 560**		**1 560**
Other trade receivables	467	467	
Social security and other social agencies	23	23	
Government - Income tax (including CICE et CIR)	5 940	5 940	
Government - Value added tax	889	889	
Miscellaneous debtors	189	189	
Current assets	**7 508**	**7 508**	
Pre-paid expenses	**1 192**	**1 192**	
TOTAL	**10 260**	**8 700**	**1 560**

Debts *In € thousands French GAAP*	Gross amount	Up to 1 year	1 year or more
Loans and debt with credit institutions	24 110	13 504	10 606
Miscellaneous loans and financial debt	-	-	
Financial debts	**24 110**	**13 504**	**10 606**
Trade and similar payables	6 414	6 414	
Staff and similar accounts	863	863	
Social security and other agencies	996	996	
Value added tax	-	-	
Other taxes and similar	206	206	
Debt on fixed assets and similar accounts*	-	-	
Group and partners	446	446	
Other debt	89	89	
Miscellaneous debt	**9 014**	**9 014**	
Unearned income	**823**	**823**	
TOTAL GENERAL	**33 948**	**23 342**	**10 606**

(*) including accrued expenses and accrued income.

NOTE 4 Accrued expenses

In € thousands French GAAP	12/31/2022	12/31/2021
Trade and similar payables	2 657	2 743
Tax and social security liabilities	1 316	2 418
TOTAL	**3 973**	**5 161**

NOTE 5 Revenue accruals

In € thousands French GAAP	12/31/2022	12/31/2021
Trade and similar receivables	174	207
Government	26	25
Other receivables	139	395
Cash assets	0	0
TOTAL	**340**	**627**

NOTE 6 Prepaid expenses and unearned income

In € thousands French GAAP	12/31/2022	12/31/2021
Operating income or expense	369	(192)
Financial income or expense		
Extraordinary income or expense		
TOTAL	**369**	**(192)**

NOTE 7 Share capital structure

	As of January 1st, 2020	Capital increase (in euros)	As of December 31st, 2021	Share capital (in euros)
Common shares	7 270 956	1 455 361	8 726 317	872 632

NOTE 8 Workforce

	12/31/2022	12/31/2021
Technicians	49	53
Management personnel	54	58
Total employees	**103**	**111**

NOTE 9 Repayable advances and Bpifrance grants

As part of the Insulin project, the Company signed an agreement with Bpifrance Financement on April 25, 2012 under which it received a repayable advance totaling €0.8 million for the development of a fast-acting "human" insulin formulation and the Phase 2a clinical trial. After fulfilling all the technical and financial conditions, the company received the full amount of this repayable assistance on April 30, 2012.

In the event of commercial failure of the program, even partial, given the nature of the work carried out as part of the Rapid Human Insulin project, the Company has committed to reimburse OSEO a minimum sum of €280,000, corresponding to the 2017 and 2018 deadlines.

In 2015, the Company recognized the end of the program and made the scheduled repayments in the event of commercial failure of the program over the years 2017 and 2018. An expertise commissioned by Bpifrance was realized in 2020.

On January 16, 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the total technical failure of the program and declaring the abandonment of the remaining debt to be repaid, i.e. a total of 520,000 euros. As a result, the Company is fully released from its commitments to Bpifrance under its innovation support contract signed on April 25, 2012.

NOTE 10 Income statement

The Company's revenue of €11.4 million mostly results from:

- the rebilling of Tonghua Dongbao, in fiscal year 2022, of additional services performed at the request of the partner, mainly on the BC Combo project for the conduct of three clinical studies in Europe. These services amount to 6 million euros.
- 5 million in licensing revenues, generated following the recruitment and dosing of the first patient in the Phase 3 program with BioChaperone® Lispro conducted by THDB in China.
- licensing agreements signed with Tonghua Dongbao Pharmaceuticals Co. Ltd in April 2018, amounting to €0.4 million.

In € thousands French GAAP	FY 2022 (12 months)	FY 2021 (12 months)
Net revenue	11 448	1 450
Reversals of depr./amort.and prov., transfers of charges	241	180
Other income	61	11
Operating income	**11 750**	**1 641**

In 2022, operating expenses totaled €31.1 million compared to €25.9 million in 2021 and included the following items:

In € thousands French GAAP	FY 2022 (12 months)	FY 2021 (12 months)
Purchase of raw materials ans other supplies	(1 839)	(1 264)
Other purchases and external charges	(18 695)	(11 455)
Taxes and similar payments	(240)	(265)
Payroll expense	(9 664)	(11 788)
Depreciation and provisions	(492)	(1 051)
Other operating expenses	(214)	(83)
Operating expenses	**(31 144)**	**(25 906)**

There was an operating loss of €19.4 million versus a loss of €24.3 million the previous year.

A net financial loss of €1,8 million was recorded in 2022 (stable compared to the previous year. It is mainly due the interest rates generated by the bond loan subscribed with IPF Fund II in October 2019 (€ 1.6 million).

As a result, there was a pre-tax loss on ordinary activities of €21.2 million versus a loss of €26.1 million the previous year.

After taking into account the Research Tax Credit of €5,9 million, fiscal year 2022 ended with a net profit of €0.6 million compared to a net loss of €21.4 million the previous year.

- NOTE 11 Balance sheet

Assets

Fixed assets amount to €2.4 million on December 31, 2022 compared to €8.3 million on December 31, 2021. This decrease is explained by the sale of the building for €23.3 million as part of a sale and leaseback transaction. The net book value of the assets sold amounts to €6.8 million. The decrease in property, plant and equipment is partly offset by the increase in financial assets (+€1.1 million). This is related to the guarantees provided as part of the sale and leaseback transaction (3 months' rent deposit and first demand deposit for a total amount of €1.3 million).

Current assets totaled €26.2 million compared to €22 million a year earlier. They consisted of the following items:

- "Cash and cash equivalents" increased from €15.1 million euros on December 31, 2021 to €17.3 million euros on December 31, 2022. The change in this item (+2.2 million euro) is explained by three significant events: (i) the sale of the building in March 2022, which resulted in a net cash inflow of 18.9 million euro, (ii) the inflow of 6 million euro following the financing operation carried out through the issue of convertible bonds subscribed by European investors, and (iii) the inflow of €4.2 million related to the milestone payment received from THDB. Cash used in operations for the full year amounted to €21.5 million, higher than last year (€19.9 million), on a comparable basis (excluding financing operations). This increase is mainly due to financial flows and in particular the impact of debt repayment.
- The "other receivables" item amounted to €7 million on December 31, 2022 up by €1.4 million compared to 2021. It includes receivables from the government, such as the Research Tax Credit (CIR) of €5,9 million, the VAT credit and credit notes receivable from suppliers. The increase compared to last year reflects the increase in expenses eligible for the Research Tax Credit in 2022.

In accordance with Article L. 441-6-1 of the French Commercial Code, invoices issued for which payment was in arrears on the balance sheet date were as follows:

Receivables *in € thousands*	**Invoices received with passed due date but not paid at the end of the year**				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
(A) Periods of payment delay					
Number of concerned invoices	0	0	0	0	0
Total amount of concerned invoices, tax included	0	0	0	0	0
Percentage of the turnover of the year, tax included	0%	0%	0%	0%	0%
(B) Invoices excluded from (A) due to contentious or unrecognized debts and receivables					
Number of invoices excluded			0		
Total amount of invoices excluded, tax included			0		
(C) Standard payment delay used					
Payment term used to calculate the payment delay	Contract term: upon invoice reception				

Prepaid expenses amounted to €1.2 million in 2022 compared to €0.5 million as of December 31, 2021. The increase in this item is mainly explained by the increase in prepaid expenses related to clinical studies (+0.4 million).

Liabilities

The company's **equity** totaled €-5.1million compared to €-11.2 million a year earlier. The company's equity is negative and therefore less than half the share capital. The company has a period of two years to regularize its situation and reconstitute its equity.

Share capital amounted to €872 632 on December 31, 2022 versus €727,096 at the end of the previous year. The share premium of €86.9 million at the end of 2022 is higher than in 2021 (+ €5.3 million). The increase in the "share capital" and "additional paid-in capital" lines is mainly due to the conversion of the "OC1023" bonds issued in October 2021 (+€5.1 million). As of December 31, 2022, a large proportion of these bonds had been converted (6,405,132), representing 98% of the total amount issued.

On December 1, 2022, the Company again issued 6,568,422 bonds convertible into shares with a par value of one euro each (the "OC1124") for a total amount of €6 million net subscribed by Vester Finance and two other European investors.

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 4.4 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, that is 80% of the volume-weighted average price of the last three trading sessions preceding the conversion request.

As of December 31, 2022, a portion of these bonds had been converted (240,000 bonds, i.e. 4% of the total amount issued) and resulted in the issuance of 88,561 shares.

At the end of 2022, carryforward losses totaled €93.5 million compared to €72,1 million at the end of 2021, with the difference coming from the allocation of the €21.4 million profit of the fiscal year closed end of 2021.

The conditional advances were stable at €0.5 million on December 31, 2022 (see note 9 on repayable advances).

The company's debt position based on business volume and complexity

Financial liabilities include bank loans and bonds as well as repayable advances.

Financial debts totaled €23.6 million at the end of December 2022, down by €9.2 million compared with the end of December 2021. The change in this item is mainly due to (i) the early repayment of loans (-4.2 million euro) in connection with the building sold, (ii) the conversion of the bonds "OCA 1023" at the end of December 2022 (-5.7 million euro), (iii) the repayment of the IPF loan (-5.7 million euro) and (iv) the convertible bond financing transaction (OC1124) carried out in December 2022 (+6.6 million euro).

Financial debts include **two bond issues** contracted in October 2021 and December 2022. As of December 31, 2022, 6,405,132 OC1023 bonds (or 98%) and 240,000 OC1124 bonds (or 4%) had been converted. The balance of the bonds has been recorded as debt for a total amount of €6.5 million.

Under the terms of the bank loan obtained from IPF Partners and following its rescheduling in July 2020, the Company has, among other things, committed to meet the following obligations:

- not to take on a new debt (beyond a threshold by type of debt and a global ceiling of € 6.5 million of debt)
- do not grant new security or guarantees,
- maintain a minimum cash position equivalent to €10 million,
- have a cash amount to cover 6 months of operating cash flow including debt service (cash covenant),
- not to change activity substantially,
- do not proceed with asset disposals other than in the normal course of business, acquisitions or joint ventures without the prior approval of IPF Fund II,
- comply with all legal and regulatory obligations applying to the Company,

IPF authorizes the Company to sell its real estate asset, but in return asks for the possibility of using part of the sale price to the early repayment of its loan up to the amount of 2 million from August 31, 2022. At the end of August 2022, IPF exercised its option and requested early repayment of EUR 2 million.

Failure to comply with these commitments, which would not be remedied within 10 working days of the occurrence or notification by IPF Fund II (or immediately with respect to non-compliance with the covenant cash) could lead IPF Fund II to declare the loan's anticipated due date and to proceed with the implementation of the security detailed above.

As of December 31, 2022, the Group was in compliance with the commitments described above.

"Tax and staff cost liabilities" amounted to €2.1 million at the end of 2022, €-1.2 million less than in 2021. The decrease in this item is mainly due to the premiums provisioned for the year 2021 (€1.1 million) which were not renewed at the end of 2022.

"Trade payables" totaled €6.9 million compared to €4.2 million at the end of December 2021. This variation is mainly related to the BC Combo clinical trials (billing and payment schedule).

In accordance with Article L. 441-6-1 of the French Commercial Code, invoices received for which payment was in arrears on the balance sheet date were as follows:

	Invoices received with passed due date but not paid at the end of the year				
***Debts** in € thousands*	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
(A) Periods of payment delay					
Number of concerned invoices	90	7	1	7	105
Total amount of concerned invoices, tax included	785	29	2	14	830
Percentage of total puchases amount for the year, tax included	2,68%	0,10%	0,01%	0,05%	2,83%
(B) Invoices excluded from (A) due to contentious or unrecognized debts and receivables					
Number of invoices excluded	1				
Total amount of invoices excluded, tax included	2				
(C) Standard payment delay used					
Payment term used to calculate the payment delay	Contract term: depending on the supplier, upon invoice reception, within 30 days, within 45 days, etc.				

4.3.3.4. Proposed allocation of losses for fiscal year 2022

A proposal is made to allocate the profit for the fiscal year ended December 31, 2022 amounting to €594,994.21 to retained earnings.

As a reminder, the company did not pay out dividends over the last three years.

4.3.3.5. Non-tax-deductible expenses

In accordance with Article 223 (4) of the French General Tax Code (*Code Général des Impôts*), the company did not incur any luxury expenditure and non-deductible expense referred to in Article 39-4 of this code for the fiscal year ended December 31, 2022.

4.3.3.6. Off-balance sheet commitments

Retirement obligation

The Company decided not to recognize a provision for its retirement obligations.

However, it chose to quantify these obligations in the financial statements prepared under IFRS in the amount of €1 million on December 31, 2022 compared to €1.4 million on December 31, 2021. (See note 11 about the consolidated financial statements prepared under IFRS in section 4.1.5 of this registration document).

Signing of financial leases

The Company owned several assets financed through leasing. At the end of December 2022, it had an agreement for equipment with a total acquisition cost of €0.1 million. This agreement had a financing term of three years and expired at the beginning of January 2023.

Guarantees provided

In order to guarantee the repayment of the bonds issued by the Company for the benefit of IPF Fund II, the latter has granted a pledge on some of its assets and in particular:

- a pledge under French law of the Company's bank accounts and securities accounts,
- a pledge of the Company's main intellectual property rights (Core IP) registered in France, Europe, the United States and China secured by the conclusion of a deed of pledge of patents under French law, a deed of pledge under New York State law and a deed of pledge under Chinese law on the following patent families:
  - FAST Insulin (BC lispro and HinsBet): WO2014076423
  - Combination of basal insulin, especially insulin glargine, and prandial insulin: WO2019110773
  - Combination of prandial insulin and prandial glucagon suppressor: WO2019020820 and WO2019110788
- a pledge of the Company's trade receivables secured by the conclusion of a deed of pledge of Receivables under French law,

being specified that the creation of additional securities may in the future be required by IPF Fund II, in particular on inventory with a value of more than €250,000 and intellectual property rights developed or acquired in the future.

These securities may be enforced by IPF Fund II in the event of default by the Company or at the request of IPF Fund II in the event of the occurrence of any event of default stipulated in the contract of issue. The implementation of such security interests would result in the judicial attribution, forced sale or, as the case may be, transfer of ownership of the pledged assets to IPF Fund II.

4.3.3.7. Bonus shares, stock subscription warrants, BSA, bonds convertible into shares and BSPCE

As of the date of this universal reference document, there were four types of shares conferring equity rights:

BSA stock warrants plan

	BSA 2013	BSA 2017	BSA 2019 (IPF)	BSA 2020 (IPF)	BSA 2021
Date of shareholders' meeting	06/18/2023	11/12/2015	05/16/2019	05/28/2020	05/20/2021
Date of Board of directors' decision	12/13/2013	03/07/2017	10/03/2019	07/20/2020	05/20/2021
Number of BSA stock warrants authorized	20 000	40 000	15 000 000	35 005	13 500
Number of BSA stock warrants issued	20 000	40 000	15 000 000	35 005	10 215
Total number of shares that may be subscribed	20 000	40 000	262 542 (5)	38 961	10 215
Of which, number that may be subscribed by corporate officers	*20 000*	-	-	-	*10 215*
Earliest exercise date	1/1/2014	03/07/2017	10/11/2019	07/20/2020	05/20/2021
Expiration date	12/13/2023	03/07/2027	12/11/2026	07/19/2027	05/19/2031
Issue price (Euros)	0.588	1	free	free	2.87
Exercise price (Euros)	5.88	20.65	8,57 (3)	7,70 (6)	8,93
Exercise conditions	(1)	(2)	(4)	(4)	(7)
Number of subscribed shares at the filing date of this registration document	0	0	0	0	0
Number of lapsed or cancelled warrants at the filing date of this registration document	0	0	0	0	0
Remaining warrants at the filing date of this registration document	20 000	40 000	15 000 000	35 005	10 215
Total number of shares that may be subscribed at the filing date of this registration document	20 000	15 000	262 542 (5)	38 961 (5)	3 450
Maximum total number of shares that may be subscribed upon exercise of all outstanding BSA stocks warrants as of December 31, 2022 (assuming fulfilment of all conditions for the exercise of said BSPCEs)	20 000	40 000	262 542 (5)	38 961 (5)	10 215

(1) All BSA12-2013 stock warrants may be exercised as of the date of this reference document and for a period of 10 years.

(2)15,000 BSA 03-2017 stock warrants can be exercised at the date of the current universal registration document, the remaining balance, ie 25,000 BSA 03-2017, will be, provided the terms and conditions and performance objectives set out in the "Warrants Agreement" and approved by the Board of directors have been met.

(3) The exercise price of the warrants is set at 8.57 euros, it being specified that in the event of the issue by the Company of new shares (excluding employee and manager profit-sharing) at a price below this amount for the duration of the 'exercise of the BSA, their exercise price will be reduced to 95% of the lowest of the said issue prices, and may not, in any event, be less than the par value of one share of the Company (i.e. €0.10) or less than the floor price set under the terms of the eighteenth resolution of the shareholders' meeting of May 16, 2019.

(4) The BSA stock warrants may be exercised in total or in part, for a minimum total exercise share of €100,000, in one or more times, at any moment from their issue date to their expiration date.

5) Not including adjustment of the BSA stock warrants exercise price.

(6)) The exercise price of the warrant is set at 7.70 euros, it being specified that in the event of the issue by the Company of new shares (excluding employee and manager profit-sharing) at a price below this amount for the duration of the 'exercise of the BSA, their exercise price will be reduced to 95% of the lowest of the said issue prices, and may not, in any event, be less than the par value of one share of the Company (i.e. €0.10) or less than the floor price set under the terms of the eighteenth resolution of the shareholders' meeting of May 20, 2020.

(7 The warrants are redeemable in one-third installments on each anniversary date of their allocation, and at the latest within 10 years of their allocation.

As of the date of the present universal registration document, 15,105,220 BSA may be exercised (subject to the achievement of performance objectives) and the full exercise of the BSA could result in the creation of 371,718 shares with a par value of € 0.10.

Bonds convertible into shares at variable price

	OC1023	OC1124
Date of shareholders' meeting	05/20/2021	06/28/2022
Date of Board of directors' decision	10/07/2021	09/12/2022
Date of decision by the Chief Executive Officer (subject to the abovementioned sub-delegation)	10/26/2021	11/30/2022
Number of bonds issued	6,568,422	6,568,422
Total number of shares that may be subscribed (1)	782,887 (1)	2,174,974 (5)
Start date for conversions	10/26/2021	11/30/2022
Maturity date (2)	10/26/2023	11/30/2024
Bond par value	1 €	1 €
Bond issue price	95% of the nominal value	95% of the nominal value
Share issue price	(3)	(7)
Issuance terms	(4)	(4)
Number of shares issued	1,473,335	316,230
Cumulative number of bonds lapsed or cancelled as of the date of this registration document	0	0
Bonds remaining at the date of this universal registration document	163,290	5,658,422
Total number of shares that may be issued at the date of this Universal Registration Document (1)	63,537	2,201,721
Maximum total number of shares that may be issued upon exercise of all outstanding bonds as of the date of this Universal Registration Document (1)	63,537	2,201,721

(1) on the basis of a Conversion Price (as this term is defined in note (2) below) equal to €8.39, as calculated on the assumption of a request for conversion on the date of signature of the contract on October 26, 2021
(2) the CBs have a maturity of 24 months, renewable under certain conditions. In the event that the CBs have not been fully converted and/or reimbursed at maturity, they will be fully reimbursed by the Company at 100% of their nominal value
(3) the CBs may be converted into ordinary shares at a issue price per share (the "Conversion Price") equal to the lesser of (i) 11.87 Euros and (ii) 93% of the lesser of the daily volume-weighted average share price over a period of 15 days preceding each conversion request, without, in any event, being less than 80% of the volume-weighted average share price over the last 3 trading sessions preceding the conversion request
(4) the convertible bonds may be converted at any time upon request from the holder. They may also be converted or redeemed (in cash or in convertible bonds) at the request of their holder in the event of a default
(5) on the basis of a Conversion Price (as this term is defined in note (2) below) equal to €3.02, as calculated on the assumption of a request for conversion on the date of signature of the contract on November 30, 202
(6) on the basis of a Conversion Price (as this term is defined in note (2) below) equal to €2.57 assuming a conversion request on March 31,2022
(7) the CBs may be converted into ordinary shares at a issue price per share (the "Conversion Price") equal to the lesser of (i) 4.40 Euros and (ii) 93% of the lesser of the daily volume-weighted average share price over a period of 15 days preceding each conversion request, without, in any event, being less than 80% of the volume-weighted average share price over the last 3 trading sessions preceding the conversion request

As of the date of this universal registration document, 5,821,712 convertible bonds could lead to the creation of 2,265,258 shares with a par value of 0.10 euro (assuming conversion on March 31, 2022).

Bonus shares

	Plans 2018		
	n°1 employees	n°4 employees	n°5 employees
Date of shareholders' meeting	02/08/2018	09/25//2018	12/05/2018
Recipients	employees	employees	employees
Vesting date	02/08/2022 (1)	09/25/2022 (1)	12/05/2022 (1)
End of retention period	02/08/2023 (2)	09/25/2023 (2)	12/05/2023 (2)
Total number of bonus shares	2 700	5 600	11 600
Number of cancelled bonus shares at the end of the year	1 350	0	1 900
Number of shares with ongoing vesting at the end of the year	-	-	-

	Plans 2019	Plans 2020					
	n°3 employees	n°1 employees	n°2 employees	n°3 employees	n°4 employees	n°5.1 employees	n°5.2 employees
Date of shareholders' meeting	12/10/2019	03/12/2020	07/20/2020	09/29/2020	12/17/2020	12/17/2020	12/17/2020
Recipients	employees	employees	employees	employees	employees	employees	employees
Vesting date	12/10/2023 (1)	03/12/2024 (1)	07/20/2024 (1)	09/29/2024 (1)	12/17/2024 (1)	12/17/2024 (1)	12/17/2022 (3)
End of retention period	12/10/2024 (2)	03/12/2025 (2)	07/20/2025 (2)	09/29/2025 (2)	12/17/2025 (2)	12/17/2025 (2)	12/17/2025 (3)
Total number of bonus shares	7 300	9 600	11 600	2 700	4 800	11 500	10 500
Number of cancelled bonus shares at the end of the year	1 425	6 000		1 350		1 000	1 000
Number of shares with ongoing vesting at the end of the year	1 275	1 800	5 800	450	2 400	5 250	5 700

	Plan 2021	Plan AGA 2022			
	n°1 salariés	n°1 employees	n°2 employees	n°3.1 employees	n°3.2 employees
Date of shareholders' meeting	12/16/2021	12/14/2022	12/14/2022	12/14/2022	12/14/2022
Recipients	employees	employees	employees	employees	employees
Vesting date	12/16/2025 (1)	12/14/2026 (1)	12/14/2023	12/14/2026 (1)	12/14/2024 (4)
End of retention period	12/16/2026 (2)	12/14/2027 (2)	12/14/2024 (2)	12/14/2027 (2)	12/14/2026 (4)
Total number of bonus shares	5 700	6 200	5 000	11 000	5 400
Number of cancelled bonus shares at the end of the year	900				
Number of shares with ongoing vesting at the end of the year	3 600	6 200	5 000	11 000	5 400

(1) The vesting period is four years, with one-quarter vesting on each anniversary date. The date stated is the latest date for the last one-quarter.
(2)The retention period is one years from the vesting date. The retention period is one year from the vesting date of the shares in question. The date mentioned corresponds to the end of retention period date of the last actions vested..
(3) The final acquisition of bonus shares is subject to the achievement of performance objectives defined at the earliest on 12/2022 and at the latest on 12/2025, with no retention period.
(4) The final acquisition of bonus shares is subject to the achievement of performance objectives defined at the earliest on 12/2024 and at the latest on 12/2026, with no retention period.

As of the date of the present universal registration document, 53,875 bonus shares were in the process of being acquired, which may result in the creation of 53,875 shares with a par value of €0.10.

BSPCE founders' warrants

	2013 Plans		2014 Plans	
	n°1 managers	n°2 managers	n°1 managers	corporate officers
Date of shareholders' meeting	06/18/2013	06/18/2013	06/24/2014	06/24/2014
Date of Board of directors' decision	12/13/2014	12/13/2014	09/25/2014	09/25/2014
Number of BSPCE stock warrants authorized	28,000	22,400	14,000	100,000
Number of BSPCE stock warrants issued	28,000	22,400	14,000	100,000
Total number of shares that may be issued	28,000	22,400	14,000	100,000
Of which by Gérard Soula	-	-	-	*20,000*
Of which by Olivier Soula	-	-	-	*45,000*
Earliest BSPCE stock warrant exercise date	12/13/2014 (1)	12/13/2014 (1)	06/24/2015 (1)	Fulfillment of performance criterias approved by the Board of directors meeting of 12/23/2014
BSPCE stock warrant expiration date	12/13/2023	12/13/2023	09/25/2024	09/24/2024
BSPCE stock warrant issue price (euros)	free	free	free	free
BSPCE stock warrant strike price (euros)	5.76	5.76	34.99	34.99
Exercise conditions	4-year vesting	4-year vesting	4-year vesting	Immediate vesting upon fulfillment of relevant performance criteria
Number of issued shares at the end of the year	7,700	700	0	0
Most recent issue date	october -21	March-15		
Number of lapsed or cancelled warrants at the end of the year	janvier-00	2,100	8400	35,000
Most recent BSPCE subscription cancellation		May-20	October-19	October-19
Remaining warrants at the end of the year	20,300	19,600	5,600	65,000
Total number of shares that may be issued as of 12/31/2022	20,300	19,600	5,600	65,000
Maximum total number of shares that may be issued on exercise of all outstanding BSPCEs as of December 31, 2022 (assuming all exercise conditions of aforementioned BSPCEs are met)	20,300	19,600	5,600	65,000

	BSPCE Corporate officers 2015	BSPCE Corporate officers 2016	BSPCE Corporate officers 2017
Date of shareholders' meeting	11/12/2015	11/12/2015	11/12/2015
Date of Board of directors' decision	12/16/2015	03/15/2016	09/08/2017
Number of BSPCE stock warrants authorized	40,000	40,000	150,000

	BSPCE Corporate officers 2015	BSPCE Corporate officers 2016	BSPCE Corporate officers 2017
Number of BSPCE stock warrants issued	40,000	40,000	150,000
Total number of shares that may be issued	40,000	40,000	150,000
Of which by Gérard Soula	*40,000*	*40,000*	*75,000*
Of which by Olivier Soula	-	-	*75,000*
Earliest BSPCE stock warrant exercise date	Fulfillment of performance criteria approved by the Board of directors meeting of 12/16/2015	Fulfillment of performance criteria approved by the Board of directors meeting of 12/13/2016	Upon achievement of performance criteria defined for 3 years
BSPCE stock warrant expiration date	12/16/2025	46096	46608
BSPCE stock warrant issue price (euros)	free	free	Free
BSPCE stock warrant strike price (euros)	74.60	61.73	16.00
Exercise conditions	Immediate vesting upon fulfillment of relevant performance criteria	Immediate vesting upon fulfillment of relevant performance criteria	Immediate vesting upon fulfillment of relevant performance criteria
Number of shares issued at the end of the year	0	0	0
Most recent issue date			
Number of lapsed or cancelled warrants at the end of the year	0	16,000	100,000
Most recent BSPCE subscription cancellation		December-16	December-20
Remaining warrants at the end of the year	40,000	24,000	50,000
Total number of shares that may be issued as of 12/31/2020	40,000	24,000	50,000
Maximum total number of shares that may be issued on exercise of all outstanding BSPCEs as of December 31, 2020 (assuming all exercise conditions of aforementioned BSPCEs are met)	40,000	24,000	50,000

As of the date of the present universal registration document, 224,500 BSPCE founders' warrants would be exercisable (provided the performance objectives are met), and the exercise of all these BSPCE founders' warrants could lead to the creation of 224,500 shares of €0.10 par value.

Stock options

	Plan SO 2018	Plan SO 2019
Date of shareholders' meeting	17/05/2018	17/05/2018
Granting date	17/05/2018	10/12/2019
Total number of stock options granted	23 000	2 000
Total number of stock options that may be subscribed	23 000	2 000
Of which corporate officers	-	-
Earliest stock option exercise date	17/05/2018	10/12/2020
Stock option expiration date	17/05/2028	09/10/2029
Stock option strike price (euros)	17.00	8.00
Number of issued shares at the end of the year		
Number of lapsed or cancelled stock options at the end of the year	3 000	1 000
Most recent cancellation date	mars-20	mars-20
Number of remaining stock options at the end of the year	20 000	1 000
Maximum total number of stock options that may be issued as of 12/31/2022	20 000	1 000
Maximum total number of stock options that may be issued upon exercise of all outstanding SOs as of December 31, 2022 (assuming all exercise conditions of aforementioned SOs are met)	20 000	1 000

(1) The stock options granted on May 17, 2018 can be exercised at the date of the current universal document regsitration:
(2) The 16,000 stock options granted on December 10, 2019 can be exercised on 2 years.

As of the filing date of the present universal registration document, 21,000 stock options are exercisable, which, if fully exercised, would result in the creation of 21,000 shares with a par value of €0.10.

Summary of dilutive instruments

As of the filing date of the present universal registration document, the total number of ordinary shares that may be created by full exercise of all rights giving access to the Company's share capital amounts to 2,936,351 shares, i.e. a maximum dilution of 24,69% based on fully diluted capital. Dilution in voting rights stands at 20.03% on the basis of fully diluted voting rights.

4.3.3.8. Statutory auditors' fees

The table below shows the statutory auditors' fees paid by the company over the last two years:

	Ernst & Young		Odicéo	
In € thousands French GAAP	**FY 2022 (12 months)**	FY 2021 (12 months)	**FY 2022 (12 months)**	FY 2021 (12 months)
Statutory auditor services, certification, review of individual and consolidated financial statements	60	50	44	40
Other services and due diligence directly related to the statutory audit assignement				
Subtotal audit services	**60**	**50**	**44**	**40**
Tax services				
Other services				
Subtotal other services	**0**	**0**	**0**	**0**
TOTAL	**60**	**50**	**44**	**40**

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4.3.3.9. Events subsequent to year end

At the beginning of January 2023, the Company received a letter from Bpifrance (formerly OSEO) certifying the effective termination of the Hinsbet program initiated in 2012. This decision leads to the waiver of the outstanding debt of 520,000 euros and consequently to the recognition, in 2023, of a grant for the same amount.

4.3.3.10. Table showing results over the last five fiscal years

In € thousands French GAAP	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Capital during the fiscal year *(in euros)*					
Share capital	872 632	727 096	702 063	696 007	693 124
Number of existing ordinary shares	8 726 317	7 270 956	7 020 629	6 960 069	6 931 244
Number of existing ordinary shares cum dividend	8 726 317	7 270 956	7 020 629	6 960 069	6 931 244
Maximum number of future shares to be created					
by bond conversion	1 378 283	667 273			
by exercise of subscription rights	53 875	47 175	63 400	89 770	75 695
Transactions and results for the fiscal year					
Pre-tax revenue	11 448	1 450	842	2 622	47 562
Profit/loss before tax, employee profit-sharing, depreciation, amortization and provisions	(4 352)	(24 943)	(27 415)	(25 629)	7 976
Income tax	(5 438)	(4 611)	(5 992)	(8 840)	(2 242)
Employee profit-sharing owed for the year					
Profit/loss after tax, employee profit-sharing, depreciation, amortization and provisions	595	(21 383)	(22 393)	(17 652)	9 423
Distributed profit					
Earnings per sahre (in euros per share)					
Profit/loss after tax and employee profit-sharing, but before depreciation, amortization and provisions	0,1	(3)	(3)	(2)	1
Profit/loss after tax, employee profit-sharing, depreciation, amortization and provisions	0,1	(3)	(3)	(3)	1
Dividend per share					
Staff (in thousands of euros)					
Average number of employees during the year	107	121	132	136	131
Total payroll for the year	6 786	8 236	7 933	8 659	8 682
Total employee benefits paid for the year (social security, social agencies, etc.)	2 888	3 552	3 392	3 638	3 732

4.4 Statutory auditors' report on the corporate financial statements

ODICÉO	ERNST & YOUNG et Autres

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Adocia

Year ended December 31, 2022

Statutory auditors' report on the financial statements

ODICEO
115, boulevad de Stalingrad
69100 Villeurbanne
S.A.S. au capital de € 275 000
430 130 393 R.C.S. Lyon

Commissaire aux Comptes
Membre de la compagnie
régionale de Lyon et Riom

ERNST & YOUNG et Autres
Tour Oxygène
10-12, boulevard Marius Vivier Merle
69393 Lyon cedex 03
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

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Adocia

Year ended December 31, 2022

Statutory auditors' report on the financial statements

To the Annual General Meeting of Adocia,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Adocia for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Material Uncertainty Related to Going Concern

We draw your attention to Note "4.3.3.1 Accounting rules and methods" to the financial statements which describes the material uncertainty resulting from events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, and in addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there were no key audit matters to communicate in our report.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

- **Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

- **Report on Corporate Governance**

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4 and, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

■ **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

■ **Format of preparation of the financial statements included in the annual financial report**

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

■ **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of Adocia by decision of the Sole Shareholder of July 31, 2006 for ODICEO and by your Annual General Meeting held on October 24, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2022, ODICEO was in the seventieth year of total uninterrupted engagement and Ernst & Young et Autres was in the twelfth year of total uninterrupted engagement, including eleven years since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Villeurbanne and Lyon, April 25, 2023

The Statutory Auditors
French original signed by

ODICEO	ERNST & YOUNG et Autres
Xavier Graz	Mohamed Mabrouk

5 Information on the company and the corporate capital

Information on the Company and the corporate capital

Chapter 5

5 INFORMATION ON THE COMPANY AND THE CORPORATE CAPITAL

5.1 Corporate capital

5.1.1. Amount of corporate capital

As of December 31, 2022, the Company's capital was €872,631.70, divided into 8.726.317 fully paid-in common shares, with a par value of €0.10 each.

5.1.2. Shares not representing capital

On October 14, 2019, the Company obtained a bond financing line from IPF Fund II. This bond loan is divided into two tranches, each with a principal amount of 7.5 million euros. All of these, for a total amount of € 15 million, were subscribed by IPF Fund II SCA, SICAV FIAR (for more details on the characteristics of these bonds, see section 1.2.6.6 of this universal registration document).

On October 26, 2021, the Company did a financing operation by the issuance of bonds convertible into shares. On November 30, 2022, the Company carried out a new financing transaction through the issue of bonds convertible into shares for the same amount and with the same characteristics. These transactions are described in sections 1.2.6.8 and 4.3.3.7 of this universal registration document.

5.1.3. Company shares pledged as collateral, guarantees or security

None.

5.1.4. Acquisition by the Company of its own shares

The combined general meeting of the Company' shareholders held on June 28, 2022, authorized the Board of directors, for an 18-month period from the date of the meeting, to implement a share buyback program under Article L. 22-10-62 of the French Commercial Code (*Code de commerce*) and in accordance with the General Regulation of the *Autorité des marchés financiers* (AMF) under the conditions described below. This authorization supersedes the authorization granted for the same purpose on May 20, 2021.

The main terms of this authorization are as follows:

Maximum number of shares that may be purchased: 10% of the corporate capital on the share buyback date. If the shares are acquired for the purpose of stimulating the market and increasing liquidity, the number of shares included in the calculation of the 10% limit specified above corresponds to the number of shares purchased, less the number of shares resold over the duration of the authorization.

Objectives of the share buyback program:

- To ensure the liquidity of the Company's shares under a liquidity agreement to be entered into with an investment service provider, in compliance with the market practice authorized by the *Autorité des marchés financiers* (AMF) in relation to share liquidity agreements;
- To honor obligations under stock option, bonus share or employee savings plans or other allocations of shares to employees and managers of the Company or its affiliates;
- To deliver shares when the rights attached to marketable securities conferring equity rights are exercised;

- To purchase shares for the purpose of holding them for subsequent delivery as a means of exchange or payment for any potential external growth transactions particularly in compliance with stock market regulations;
- To cancel all or some of the repurchased shares, in accordance with the reduction of the share capital and;
- More generally, to operate for any purpose that might be authorized by law or any market practice that might be accepted by the market authorities, it being specified that, in such a case, the Company would inform its shareholders by press release.

Maximum purchase price: €50 per share. This purchase price will be adjusted, if necessary, to reflect transactions involving the capital (including capitalization of reserves and bonus issues, grants of bonus shares, reverse stock splits or stock consolidations) that may occur during the current authorization period.

The number of shares acquired by the Company for the purpose of holding them for subsequent delivery as a means of payment or exchange in a merger, demerger or contribution of assets may not exceed 5% of the of the total number of shares that make up its capital.

Maximum amount of funds that may be used for share buybacks: €2,500,000.

As of the date of the current universal reference document, this stock option purchase program was exclusively used in the context of the Liquidity agreement with Kepler Cheuvreux- concluded May 19, 2014 - see below.

5.1.4.1. Liquidity contract signed with Kepler Cheuvreux

The aforementioned liquidity agreement entered into for a period of 12 months renewable annually by tacit agreement, relates to the Company's shares listed on Compartment C of the regulated market of Euronext in Paris. At the signature of the liquidity agreement, the liquidity account was allocated an amount of € 300,000 and a number of 15,026 shares.

5.1.4.2. The grant of shares to the employees

During the year ended on December 31, 2021, the Company did not purchase any of its own shares for the purpose of allocating them to its employees under a stock option program, free allocation of shares, employee savings plans or other share allocations to employees and managers of the Company or its affiliates associated thereof.

5.1.4.3. Report on the liquidity contract with Kepler Cheuvreux

	FY 2022	FY 2020
Number of shares purchased	159 658	142 891
Average price of the purchases (euros)	4.77	9.51
Number of shares sold	170 504	132 114
Average price of the sales (euros))	4.84	9,89
Number of shares used during the year	none	none
Number of shares owned at year end and percentage of control	28 970 0,33% of capital	39 816 0,55% of capital
Value estimated at the average price of the purchases (euros)	138 186.90	378 650,16
Total trading fees (euros)	22 500	22 500

As of December 31, 2022, in connection with this contract, the Company held 28 970 shares, i.e. 0.33% of its capital and € 128 567.86 euros in cash.

5.2 Authorized capital

5.2.1. Information about the Company's capital which is under option or subject to a conditional or unconditional agreement to be placed under option

To the Company's knowledge, there are no call or put options or other commitments to the Company shareholders, or granted by the Company's shareholders, concerning the Company's shares.

5.2.2. History of the corporate capital

5.2.2.1. Historical evolution since January 1st, 2021

Date	Nature of Operations	Capital	Number of shares created	Number of shares comprising the corporate capital	Nominal value	Corporate capital
dec.-20	Acquisition of AGA	4 417.00€	41 875	7 020 629	0,1€	702 062.90€
march-21	Acquisition of AGA	112.50€	1 125	7 021 754	0,1€	702 175.40€
july.-21	Subscription BSPCE	280,00€	2 800	7 024 554	0,1€	702 455.40€
sept.-21	Acquisition of AGA	497.50€	4 975	7 029 529	0,1€	702 952.90€
oct.-21	Shares issuance	10 799.20€	107 992	7 137 521	0,1€	713 752.10€
oct.-21	Conversion of bonds	1 430.30€	14 303	7 151 824	0,1€	715 182.40€
nov.-21	Conversion of bonds	7 247.70€	72 477	7 224 301	0,1€	722 430.10€
dec.-21	Conversion of bonds	3 718.00€	37 180	7 261 481	0,1€	726 148.10€
dec.-21	Acquisition of AGA	947.50€	9 475	7 270 956	0,1€	727 095.60€
jan.-22	Conversion of bonds	5 593.40€	55 934	7 326 890	0,1€	732 689.00€
feb.-22	Conversion of bonds	3 227.70€	32 277	7 359 167	0,1€	735 916.70€
march-22	Conversion of bonds	44 765.90€	447 659	7 806 826	0,1€	780 682.60€
apr.-22	Conversion of bonds	4 456.30€	44 563	7 851 389	0,1€	785 138.90€
apr.-22	Acquisition of AGA	112.50€	1 125	7 852 514	0,1€	785 251.40€
may-22	Conversion of bonds	20 784.80€	207 848	8 060 362	0,1€	806 036.20€
june-22	Conversion of bonds	6 366.00€	63 660	8 124 022	0,1€	812 402.20€
july-22	Conversion of bonds	282.00€	2 820	8 126 842	0,1€	812 684.20€
aug-22	Conversion of bonds	12 751.50€	127 515	8 254 357	0,1€	825 435.70€
sept.-22	Conversion of bonds	10 067.60€	100 676	8 355 033	0,1€	835 503.30€
sept.-22	Acquisition of AGA	452.50€	4 525	8 359 558	0,1€	835 955.80€
oct.-22	Conversion of bonds	19 262.20€	192 622	8 552 180	0,1€	855 218.00€
dec.-22	Conversion of bonds	16 236.20€	162 362	8 714 542	0,1€	871 454.20€
dec.-22	Acquisition of AGA	1 177.50€	11 775	8 726 317	0,1€	872 631.70€

- Share price variation – Risk of price variation

The securities of the Company were listed on the regulated market of Euronext Paris on February 14, 2012, at the introductory price of € 15.88.

During the 2022 financial year, the stock market price reached its highest level in January 4, 2022 at 8.27 euros and its lowest level on December 19, 2022, at 2.91 euros. At the end of December 2022, the price stood at 3.97 euros, leading to a market capitalization of 34.6 million euros.

In the early months of 2023, the share price went from €4.55 on January 2, 2023 to €2.95 on March 31, 2023, giving the Company a market capitalization of almost €26.4 million.

5.3 Articles of incorporation and statutes

5.3.1. Corporate purposes

The Company's purposes, directly or indirectly, both in France and abroad, are:

- Research and development of polymer materials to create controlled-release systems for peptides and proteins of pharmaceutical interest;
- The registration, study, acquisition and granting of all patents, licenses, processes, trademarks and protection of specialized knowledge in any way arising from or relating to the domains or technologies falling within the scope of the corporate purposes;
- The design, development, manufacture, distribution, import, export and use, by any means, of medicines, proprietary drugs and other healthcare goods;
- The creating, buying, renting and taking all businesses pursuant to lease-management arrangements, and leasing, installing and operating all establishments, businesses, factories and workshops in relation with any of the activities specified above;
- The Company's direct or indirect participation in all financial, real or personal property transactions and in any civil, commercial or industrial companies that may come within the scope of the corporate purposes, or any similar, related or complementary purpose.

5.3.2. Rights, privileges and restrictions pertaining to the Company's shares

None.

5.3.3. Requirements for amending shareholders' rights

The rights of shareholders as described in the Company's articles of incorporation may only be amended by an extraordinary general meeting of the Company's shareholders.

5.3.4. General shareholder's meetings

5.3.4.1. Holding of shareholder's meetings (Article 19 of the articles of incorporation)

General shareholders' meetings shall be convened and shall meet in the manner prescribed by law.

If the Company wishes to give notice of meetings electronically, instead of by mail, it must first obtain the agreement of the shareholders concerned, who shall provide their email address.

Meetings shall be held at the registered office or at any other location specified in the notice of meeting.

The right to attend meetings is governed by the applicable statutes and regulations and requires, in particular, registration of the shares in the name of the shareholder or of the intermediary registered on his behalf, by midnight, Paris time, on the second business day before the meeting, either in the registered securities accounts held by the Company or in the bearer share accounts held by the authorized intermediary.

Shareholders who do not attend a general shareholders' meeting personally may choose one of three following options:

- appointing a proxy under the conditions permitted by the statutes and regulations;
- voting by mail; or
- sending a proxy form to the Company without naming a proxy;

- in accordance with the requirements prescribed by the laws and regulations.

In accordance with the requirements prescribed by the statutes and regulations in force, the board of directors may arrange for shareholders to participate and vote by videoconference or means of telecommunication, internet included, that allow them to be identified. If the board of directors decides to exercise this right for a particular shareholders' meeting, such board decision shall be mentioned in the announcement and/or notice of the meeting. Shareholders who participate in shareholders' meetings by videoconference or any of the other means of telecommunication referred to above, as selected by the board of directors, shall be deemed present for the purposes of calculating the quorum and majority. Shareholders who use the electronic voting form offered on the website set up by the meeting's centralizing agent are deemed to be present. The electronic form can be entered and signed directly on this site by means of an identification code and a password. The proxy or the vote thus expressed before the meeting by this electronic means, as well as the acknowledgement of receipt given, will be considered as non-revocable writings and opposable to all.

Shareholders' meetings shall be chaired by the chairman of the board of directors or, in the absence thereof, by the chief executive officer, by a deputy chief executive officer if he is a director, or by a director specifically appointed for such purpose by the board. Failing that, the shareholders' meeting shall elect its own chairman.

The duties of vote counter shall be performed by the two participants at the shareholders' meeting who are present and hold the highest number of votes, and who agree to perform such duties. The officers shall appoint a secretary, who may but is not required to be a shareholder.

An attendance sheet shall be kept, in accordance with the requirements prescribed by law.

An ordinary general shareholders' meeting can be validly conducted pursuant to a first notice of meeting only if the shareholders present or represented hold at least one-fifth of the shares having the right to vote. An ordinary general shareholders' meeting convened pursuant to a second notice of meeting may deliberate validly regardless of the number of shareholders present or represented.

Decisions of ordinary general meetings shall be adopted by a simple majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained, or has voted blank or null.

An extraordinary general shareholders' meeting can be validly conducted pursuant to a first notice of meeting only if the shareholders present or represented hold at least one-fourth of the shares having the right to vote. An extraordinary general shareholders' meeting can be validly conducted pursuant to a second notice of meeting only if the shareholders present or represented hold at least one-fifth of the shares having the right to vote.

Decisions of extraordinary general meetings shall be adopted by a two-thirds majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained, or has voted blank or null.

Copies or extracts of shareholder meeting minutes may be validly certified by the chairman of the board of directors, a director who holds the position of chief executive officer or the secretary of the meeting.

5.3.4.2. Powers of shareholders' meetings

Ordinary and extraordinary general shareholders' meetings shall exercise their respective powers in accordance with the requirements prescribed by law.

5.3.5. Provisions that may have the effect of delaying, deferring, or preventing a change of control

The Company's articles of incorporation contain no provisions that may have the effect of delaying, deferring, or preventing a change of control, with the exception of the double voting rights conferred on shares for which proof of registration in the name of the same shareholder for at least two years is provided (see in this respect section 5.4.4 of this universal registration document).

5.4 Major shareholders

5.4.1. Change in the Company's capital structure over the past three years on an undiluted basis

	Situation as of December 31, 2022			Situation as of December 31, 2021			Situation as of December 31, 2020		
	Nber of shares	% of capital	% of voting rights (1)	Nber of shares	% of capital	% of voting rights	Nber of shares	% of capital	% of voting rights
Soula family	**1 612 675**	**18.5%**	**27.0%**	**1 622 675**	**22.3%**	**31.3%**	**1 519 683**	**21.6%**	**31.0%**
Gérard Soula (*)	1 006 455	**11.5%**	**16.5%**	1 006 455	13.8%	19.0%	898 463	12.8%	18.4%
Olivier Soula (*)	310 040	**3.6%**	**5.4%**	310 040	4.3%	6.2%	307 490	4.4%	6.3%
Rémi Soula	278 690	**3.2%**	**4.8%**	288 690	4.0%	5.8%	292 690	4.2%	5.9%
Laure Soula	17 490	**0.2%**	**0.3%**	17 490	0.2%	0.3%	17 490	0.2%	0.4%
Financial investors	**1 172 106**	**13.4%**	**20.2%**	**1 172 106**	**16.1%**	**23.2%**	**1 155 922**	**16.5%**	**23.7%**
Innobio *(a)*	671 641	**7.7%**	**11.6%**	671 641	9.2%	13.4%	671 641	9.6%	13.8%
Fund BioAM *(b)*	112 716	**1.3%**	**2.0%**	112 716	1.6%	2.3%	112 716	1.6%	2.3%
Subtotal (a)+(b)	784 357	**9.0%**	**13.6%**	784 357	10.8%	15.7%	784 357	11.2%	16.1%
Fund Amundi	1 570	**0,0%**	**0.0%**	1 570	0,0%	0,0%	1 570	0,0%	0,0%
Fund Viveris	25 618	**0.3%**	**0.3%**	25 618	0.4%	0.3%	9 434	0.1%	0.2%
Oréo Finance	40 561	**0.5%**	**0.7%**	40 561	0.6%	0.8%	40 561	0.6%	0.8%
SHAM (2)	320 000	**3.7%**	**5.5%**	320 000	4.4%	6.4%	320 000	4.6%	6.6%
Employees	**142 460**	**1.6%**	**2.1%**	**147 905**	**2.0%**	**2.3%**	**151 830**	**2.2%**	**2.4%**
Scientific committee (BSA)	**700**	**0.0%**	**0.0%**	**700**	**0,0%**	**0,0%**	**700**	**0,0%**	**0,0%**
Non-executive corporate officer (*)	**0**	**0.0%**	**0.0%**	**0**	**0,0%**	**0,0%**	**0**	**0,0%**	**0,0%**
Auto-control (3)	**28 970**	**0.3%**	**0.3%**	**39 816**	**0.5%**	**0.0%**	**30 533**	**0.4%**	**0,0%**
Other shareholders (4)	**5 769 406**	**66.1%**	**50.4%**	**4 287 754**	**59.0%**	**43.1%**	**4 161 961**	**59.3%**	**42.9%**
TOTAL	**8 726 317**	**100,0%**	**100.0%**	**7 270 956**	**100,0%**	**100,0%**	**7 020 629**	**100,0%**	**100,0%**

(*) Directors of the Company.
(1) A voting right double that conferred on other shares, with regard to the percentage of the share capital they represent, is allocated to all fully paid-up shares (whatever their category) for which proof is provided of having been registered for at least two years in the name of the same shareholder.
(2) SHAM: Hospital Mutual Insurance Company.
(3) Self-owned shares under the liquidity contract with Kepler Cheuvreux.
(4) Including bearer shares, if any, held by the Company's historic financial investors.

The Company has been informed of the following threshold crossings:

- On October 19, 2022, the Company was informed that the legal threshold of 15% of the voting rights held by Bpifrance Investissement and, as a result, indirectly by EPIC Bpifrance and Caisse des dépôts et consignations, had been crossed downwards. The thresholds in question were crossed as a result of the increase in the number of shares and voting rights in the Company, bringing Bpifrance Investissement's stake to 10.47% of the capital and 14.88% of the voting rights.
- On January 19, 2023, the Company was informed that the legal threshold of 10% of the capital held by Bpifrance Investissement and, as a result, indirectly by EPIC Bpifrance and Caisse des dépôts et consignations, had been crossed downwards. The thresholds in question were crossed as a result of the increase in the number of shares and voting rights in the Company, bringing Bpifrance Investissement's stake to 9.80% of the capital and 14.19% of the voting rights.

As of the date of this universal registration document, the Company is not aware of any other significant changes in its shareholding.

5.4.2. Distribution of capital and voting rights as of March 31, 2023 on a fully diluted basis

	Situation as of March 31, 2023 (non diluted)			Situation as of March 31, 2023 (diluted)		
	Nber of shares	% of capital	% of voting rights [1]	Nber of shares	% of capital	% of voting rights [1]
Soula family	**1 612 675**	**18.0%**	**26.6%**	**1 791 675**	**15.1%**	**22.5%**
Gérard Soula (*)	1 006 455	11.2%	16.2%	1 115 455	9.4%	13.7%
Olivier Soula (*)	310 040	3.5%	5.3%	380 040	3.2%	4.7%
Rémi Soula	278 690	3.1%	4.8%	278 690	2.3%	3.8%
Laure Soula	17 490	0.2%	0.3%	17 490	0.1%	0.2%
Financial investors	**1 122 106**	**12.5%**	**19.0%**	**1 122 106**	**9.4%**	**15.2%**
Innobio *(a)*	621 641	6.9%	10.6%	621 641	5.2%	8.5%
Fund BioAM *(b)*	112 716	1.3%	1.9%	112 716	0.9%	1.5%
Subtotal (a)+(b)	734 357	8.2%	12.5%	734 357	6.2%	10.0%
Fund Amundi	1 570	0,0%	0.0%	1 570	0.0%	0.0%
Fund Viveris	25 618	0.3%	0.3%	25 618	0.2%	0.2%
Oréo Finance	40 561	0.5%	0.7%	40 561	0.3%	0.6%
SHAM [2]	320 000	3.6%	5.5%	320 000	2.7%	4.4%
Employees	**141 460**	**1.6%**	**2.1%**	**261 835**	**2.2%**	**2.5%**
Scientific committee (BSA)	700	0.0%	0.0%	40 700	0.3%	0.3%
Non-executive corporate officer (*)	0	0.0%	0.0%	30 215	0.3%	0.2%
Auto-control [3]	41 483	0.5%	0.4%	41 483	0.3%	0.3%
Other shareholders [4]	**6 036 462**	**67.4%**	**52.0%**	**8 603 223**	**72.3%**	**59.1%**
TOTAL	**8 954 886**	**100.0%**	**100.0%**	**11 891 237**	**100.0%**	**100.0%**

(*) Directors of the Company.
(1) A voting right double that conferred on other shares, with regard to the percentage of the share capital they represent, is granted to all fully paid-up shares (whatever their category) for which proof is provided of having been registered for at least two years in the name of the same shareholder.
(2) SHAM: Hospital Mutual Insurance Company.
(3) Self-owned shares under the liquidity contract with Kepler Cheuvreux.
(4) Including bearer shares, if any, held by the Company's historic financial investors.

5.4.3. Major shareholders not represented on the board of directors

The Innobio and Bioam Funds are major shareholders of the Company, holding 9% of the capital and 13.6% of the voting rights as of December 31, 2022. They are no more represented on the board of directors by their management company Bpifrance Investments since December 2022.

Société Hospitalière d'Assurance Mutuelles (SHAM) holds 3.74% of the Company's capital and 5.5% of its voting rights. It is not represented on the board of directors.

5.4.4. Voting rights of major shareholders

A voting right double that conferred on other shares, with regard to the percentage of the corporate capital they represent, is granted to all fully paid-up shares (whatever their category) for which proof is provided of having been registered for at least two years in the name of the same shareholder.

This right is also conferred at the time of issue, in the event of a capital increase carried out by capitalizing reserves, profits or issue premiums, to registered shares granted as bonus shares to a shareholder for existing shares that already entitled him to this right.

5.4.5. Control of the Company

As of the date of this universal registration document, no single shareholder owned a percentage of the capital sufficient to create a presumption that it controls the Company, within the meaning of Article L. 233-3 of the French Commercial Code.

The Company has therefore not been required to take measures to ensure that such control is not improperly exercised.

No shareholders' agreement is in force as of the date of this universal registration document.

The Company's main shareholder is the Soula family group, which currently includes Gérard Soula (the chairman and CEO), Olivier Soula (the deputy CEO), Remi Soula, Laure Soula and Sylvie Soula. Gérard Soula and Olivier Soula are members of the Company's board of directors, respectively as chairman and director, along with five other directors (Ekaterina Smirnyagina, Katherine Bowdish, Claudia Mitchell, Stéphane Boissel and Mads Dall).

The Soula family group files consolidated declarations and has requested and obtained a waiver from the obligation to launch a public offer triggered by the fact that the Soula family group has crossed the 30% threshold.

5.4.6. Agreements that may lead to a change in control

The Company is not aware of any agreement of which the implementation could result in a change in control.

5.4.7. Pledges of the Company's shares

None.

5.5 Regulated agreements

No agreement was entered into during the past fiscal year, either directly or by proxy, between (i) the chief executive officer, the deputy chief executive officer, any director or any shareholder of the Company holding more than 10% of the voting rights, and (ii) a Company's subsidiary as defined by article L.233-3 of the French Commercial Code.

5.5.1. Intra-group agreement

An annual contract for services ("Services Agreement") was entered into between Adocia and Adocia Inc. in March 2015. That contract provides for the re-invoicing of costs incurred by the Company in connection with its business, plus a 10% fee to cover the operating costs of the U.S. subsidiary.

The impact of the creation of this company on the financial statements as of December 31, 2021, is limited. The expenses totaling €0.4 million are for the payroll costs of the employee and their travel and entertainment expenses.

5.5.2. Related-party transactions

None.

5.5.3. Statutory auditors' report on regulated agreements made in the fiscal year ended December 31, 2021

ODICEO

ERNST & YOUNG et Autres

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This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Adocia

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

Statutory auditors' report on related party agreements

ODICEO
115, boulevad de Stalingrad
CS 52038
69616 Villeurbanne cedex
S.A.S. au capital de € 275 000
430 130 393 R.C.S. Lyon

Commissaire aux Comptes
Membre de la compagnie
régionale de Lyon-Riom

ERNST & YOUNG et Autres
Tour Oxygène
10-12, boulevard Marius Vivier Merle
69393 Lyon cedex 03
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Adocia

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

Statutory auditors' report on related party agreements

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year ended December 31, 2022, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year ended December 31, 2022 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

Agreements previously approved by the Annual General Meeting

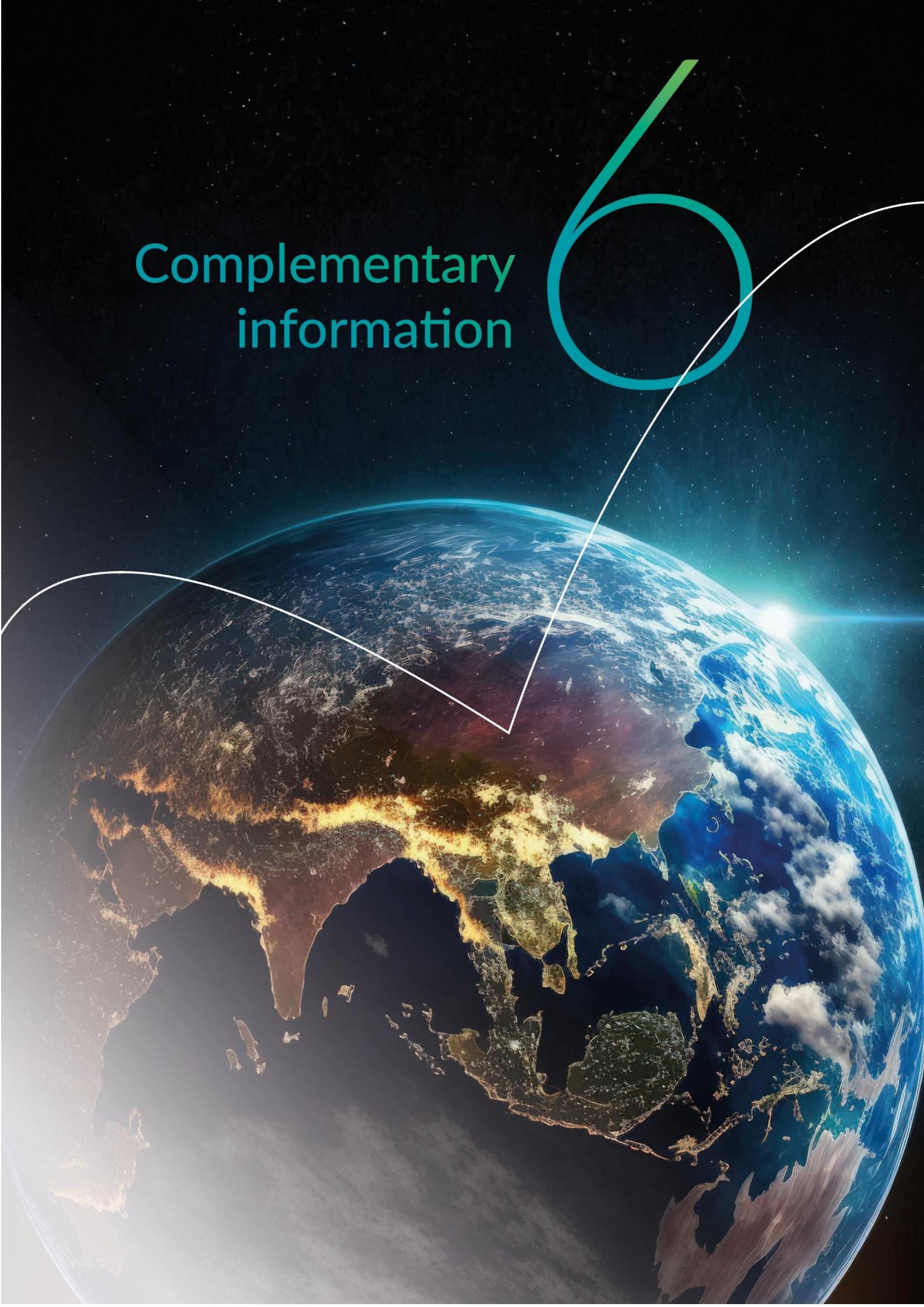
We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2022.

Villeurbanne and Lyon, April 25, 2023

The Statutory Auditors
French original signed by

ODICEO	ERNST & YOUNG et Autres
Xavier Graz	Mohamed Mabrouk

6 Complementary information



Complementary information

Chapter 6

6 COMPLEMENTARY INFORMATION

6.1 Persons responsible

6.1.1. Person responsible for the registration document

Gérard Soula, Chairman and Chief Executive Officer

6.1.2. Responsibility statement

"I hereby certify that the information contained in this registration document is, to my knowledge, accurate and contains no omissions likely to affect its import.

I hereby certify, to the best of my knowledge, that the accounts have been drawn up in accordance with the applicable accounting standards and give a true picture of the assets, the financial situation and the result of the company and of all the companies included in the consolidation, and that the management report included in this registration document presents a true picture of the development of the business, results and financial situation of the company and of all the companies included in the consolidation and that it describes the main risks and uncertainties they face."

April 25, 2023,

Gérard Soula

Chairman and Chief Executive Officer

6.1.3. Person responsible for financial information

Ms. Valérie Danaguezian

Chief Financial Officer

Address: 115, Avenue Lacassagne, 69003 Lyon

Telephone: +33 (0) 4 72 61 06 10

Fax: 33 (0) 4 72 36 39 67

Email: contactinvestisseurs@adocia.com

6.2 Statutory Auditors

6.2.1. Principal Statutory Auditors

ODICEO

represented by Mr. Xavier Graz, partner

115, Boulevard Stalingrad, 69100 Villeurbanne,

member of the Lyon regional statutory auditors' association,

Appointed through a decision of the sole shareholder on July 31, 2006 until the shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2011. This term of office was renewed for the first time by the shareholders' meeting held on June 15, 2012 and a second time by the shareholders' meeting held on May 17th, 2018, for a period of six fiscal years, expiring at the end of the ordinary shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2023.

Ernst & Young et Autres

represented by Mr. Mohamed Mabrouk, partner

Tour Oxygène, 10-12 boulevard Marius Vivier Merle, 69 393 Lyon Cedex 03,

member of the Versailles regional statutory auditors' association,

Appointed at the combined shareholders' meeting held on October 24, 2011 for a period of six fiscal years, which will expire at the end of the ordinary shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2016. This term of office was renewed by the shareholders' meeting held on June 27, 2017 for a period of six fiscal years, which will expire at the end of the ordinary shareholders' meeting convened to vote on the financial statements for the fiscal year ended December 31, 2022.

6.2.2. Attestation of the fees of the statutory auditors

	Ernst & Young		Odicéo	
In thousands of € French GAAP	Fiscal year 2022 (12 months)	Fiscal year 2021 (12 months)	Fiscal year 2022 (12 months)	Fiscal year 2021 (12 months)
Statutory auditor, certification, examination of individual accounts and consolidated accounts	60	50	44	40
Other services and diligence directly related to the mission of the statutory auditor				
Subtotal Audit	**60**	**50**	**44**	**40**
Other fiscal services				
Other services and diligence directly related to the mission of the statutory auditor				
Subtotal other services	**0**	**0**	**0**	**0**
TOTAL	**60**	**50**	**44**	**40**

These are the fees that have been billed during the year, excluding tax.

6.3 Information from third parties, experts' statements, and declaration of interests

None.

6.4 Documents available to the public

Copies of this registration document are available free of charge at the Company's registered office at 115 Avenue Lacassagne, 69003 Lyon. In addition, an electronic version is available on the Company's website (www.adocia.com) and the AMF website (www.amf-france.org).

The articles of incorporation, minutes of shareholders' meetings and other corporate documents of the Company, as well as historical financial information and any assessment or statement made by an expert at the Company's request which must be made available to shareholders pursuant to the applicable legislation, may be consulted free of charge at the Company's headquarters.

Regulatory information within the meaning of the General Regulation of the AMF is also available on the Company's website (www.adocia.com):

- The last version of the bylaws of the Company
- And more generally, the regulated information within the meaning of the provisions of the AMF general regulations

The information on the Company's website does not form part of this Universal Registration Document, unless such information is expressly incorporated by reference.

6.5 Cross Reference tables

6.5.1. Annual financial report cross reference table

	Annual financial report	Chapter(s)/Section(s)
1	Responsibility statement	6.1
2	Corporate annual financial statements -French GAAP	4.3
3	Consolidated annual financial statements –IFRS	4.1
4	Management report	see index below
5	Corporate governance report	Chapter 3
6	Information on statutory auditors' fee	4.3.3.8
7	Statutory auditors' report on the annual financial statements prepared under French GAAP and IFRS	4.2 and 4.4

6.5.2. Management report cross reference table

	Annual management report	Chapter(s)/Section(s)
1	Position and business of the Company during the past fiscal year	1.3
2	Review of financial statements and results	Chapter 4
	Appropriation of income -Information on dividends distributed	4.3.3.4
	Non -tax deductible expenses	4.3.3.5
3	Information on supplier payment term	4.3.3.3 Note 11
4	Progress made or difficulties encountered	1.3

	Annual management report	Chapter(s)/Section(s)
5	Major risks and uncertainties faced by the Company / Use of financial instruments by the Company	1.4
6	Research and development activities	1.3
7	Foreseeable changes and outlook	1.3
8	Significant events since the fiscal year-end	4.3.3.9
9	Equity interests held by employees	2.2.1.2 et 4.3.3.7
10	Acquisition of significant equity interests in, or control of, companies headquartered in France; disposals of such equity interest	Chapters 4 and 1
11	Activities of subsidiaries and controlled entities	Chapters 4 and 1
12	Information on shareholder structure and treasury shares – Share buyback program	5.1.4
13	Changes in the shareholder structure during the fiscal year	5.2.2
14	Changes in the share price –Risk of price change	5.2.2
15	Summary of transactions in the Company's securities during the past fiscal year by executives and persons referred to in Article L.621-18-2 of the French Monetary and Financial Code	3.2.3
16	Employment and environmental information	Chapter 2
17	Table showing results over the last five fiscal years	4.3.3.10
18	Internal control and risk management procedures implemented by the Company	3.3

6.5.3. Cross-reference table of the universal registration document

Sections of appendices 1 and 2 of the delegated regulations (UE) 2019/980 from March 14, 2019		Chapter(s) /Section(s)
1.	RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTY, EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY	Chapter 6
1.1	Identity of the responsible persons	6.1.1
1.2	Declaration of the responsible persons	6.1.2
1.3	Declaration or expert report, information related to the expert and declaration of consent	6.1.3
1.4	Attestation related to information from third party	
1.5	Declaration without former approbation	
2	LEGAL AUDITORS	6.2.1
2.1	Identity of legal auditors	6.2.1
2.2	Possible changes	
3	RISK FACTORS	1.4
4	INFORMATION RELATED TO THE COMPANY	Chapter 1
4.1	Company and commercial name of the Company	1..1.1
4.2	Company Links, Registration Number and LEI	1.1.1
4.3	Date of incorporation and life of the Company	1.1.1
4.4	Headquarters and legal form of the Company, legislation governing its activities, country in which it is incorporated, address and telephone number of the head office, website	1.1.1
5	OVERVIEW OF THE ACTIVITIES	Chapter 1
5.1	Main activities	1.2.2
5.1.1	Nature of the operations	1.2.1
5.1.2	New products and main services	1.2.

Sections of appendices 1 and 2 of the delegated regulations (UE) 2019/980 from March 14, 2019		Chapter(s) /Section(s)
5.2	Main markets	1.2.
5.3	Main events	1.3
5.4	Strategy and goals	1.2.2.
5.5	Dependance of the Group related to patents or licenses , industrial contracts, commercials or financial or new manufacturing processes	1.2.4
5.6	Competitive positioning indicators	
5.7	Investments	1.2.4
5.7.1	Major Investments achieved in the last three fiscal years	1.2.4
5.7.2	Main investments in progress or that the Company intends to make in the future and for which its management bodies have already made firm commitments and financing methods	1.2.4
5.7.3	Joint ventures and commitments for which the Company holds a significant portion of the capital	1.1.3.2
5.7.4	Environmental issues	Chapter 2
6	ORGANIZATIONAL STRUCTURE	Chapter 1
6.1	Brief description of the Group	1.1
6.2	List of the major subsidiaries	1.1.3.2
7	EXAMINATION OF FINANCIAL POSITION AND RESULT	Chapter 1 .3
7.1	Financial situation	1 .3.3
7.1.1	Evolution of the results and the financial situation of the Company	1 .3.3
7.1.2	Future development forecasts and research and development activities	1 .3.5
7.2	Operating results	1 .3.3
72.1	Important factors, unusual, infrequent events or new developments significantly influencing the Group's result	1 .3.3
7.2.2	Reasons for significant changes in the Group's net sales or net revenues	1 .3.3
8	CASH AND CAPITAL	Chapters 1 and 5
8.1	Information on the Company's capital	1.3.4 and chapter 5
8.2	Source and amount of cash flows	1.3.4
8.3	Information on the financing needs and the financing structure of the Company	1.3.4 and 1.4.2.2
8.4	Information regarding any restrictions on the use of capital that may affect the operations of the Company	Chapter 5
8.5	Expected sources of funding necessary to honor the commitments referred to in 5.7.2 above	
9	REGULATORY ENVIRONMENT	Chapter 1
10	TREND INFORMATION	Chapter 1
10.1	Description of the main trends and of any significant change in the Group's financial performance since the end of the last financial year	
10.2	Event likely to have a significant impact on the Group's outlook	
11	PREVISIONS OR BENEFIT ESTIMATION	None
11.1	Profit forecasts or estimates published	
11.2	Statement setting out the main forecast assumptions	
11.3	Declaration of compatibility with historical financial information and compliance with accounting methods	
12	MANAGEMENT AND SUPERVISORY BODIES	Chapter 3
12.1	Administrative, management and supervisory bodies	3.2
12.2	Conflicts of interest at the level of administrative, management and supervisory bodies	3.2.5
13	COMPENSATIONS AND ADVANTAGES	Chapter 3
13.1	Amount of remuneration paid and benefits in kind	3.2.1
13.2	Amounts provisioned by the Company for the purpose of pension, retirement, or other benefits for the benefit of corporate officers	3.2.2
14	FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES	Chapter 3
14.1	Dates and expiration of the terms of office of the members of the administrative and management bodies for the last financial year	3.1.2

Sections of appendices 1 and 2 of the delegated regulations (UE) 2019/980 from March 14, 2019		Chapter(s) /Section(s)
14.2	Service contracts binding the members of the Company's administrative, management or supervisory bodies	3.1.6
14.3	Information on the Company's specialized committees	3.2
14.4	Corporate governance	Chapter 3
14.5	Potential significant impacts on corporate governance	
15	EMPLOYEES	Chapter 2 and chapter 3
15.1	Number of employees	2.2.3
15.2	Investments and stock -options of the persons referred to in 12.1 above	4.1.6.3 and 4.3
15.3	Agreement providing for employee participation in the capital of the Company	none
16	MAJOR SHAREHOLDERS	Chapter 5
16.1	Shareholders owning more than 5% of social capital or voting rights of the Company	5.4
16.2	Existence of different voting rights	5.4
16.3	Direct or indirect control of the Company	5.4
16.4	Agreement whose implementation could lead to a change of control	None
17	TRANSACTIONS WITH RELATED PARTIES	Chapter 4 and 5.5
18	FINANCIAL INFORMATION RELATED TO THE ASSETS AND LIABILITIES, THE FINANCIAL SITUATION AND THE RESULTS OF THE COMPANY	Chapter 4
18.1	Historical financial information	
18.1.1	audited historical financial information for the last three financial years and the audit report	
18.1.2	Change of accounting reference date	
18.1.3	Accounting standards	
18.1.4	Changes in accounting standards	
18.1.5	Balance sheet, income statement, change in equity, cash flow tables, accounting methods and explanatory notes	
18.1.6	Consolidated financial statements	
18.1.7	Date of the last financial information	
18.2	Interim and other financial information	
18.3	Audit of historical annual financial information	
18.3.1	Independent audit of historical annual financial information	
18.3.2	Other audited information	
18.3.3	Source of unaudited information and reasons for non-audit	
18.4	Pro forma financial information	
18.5	Dividend policy	
18.5.1	Description of the dividend distribution policy and any applicable restrictions	
18.5.2	Amount of dividends per share for the last three financial years	
18.6	Legal and arbitration proceedings	
18.7	Significant change in the financial position of the Company	
19	ADDITIONAL INFORMATION	Chapter 5
19.1	Social capital	5.1
19.1.1	Amount of subscribed capital, number of shares issued and fully paid up and nominal value per share, number of shares authorized	5.1
19.1.2	Information relating to shares not representing capital	5.1.2
19.1.3	Number, book value and nominal value of shares held by the Company	5.1.4
19.1.4	Information relating to convertible, exchangeable securities, or warrants	Chapter 5
19.1.5	Information on the conditions governing any right of acquisition and / or any obligation attached to the authorized capital, not issued, or on any company aiming to increase the capital	
19.1.6	Information on the capital of any member of the Group who is the subject of an option or a conditional or unconditional agreement providing for placing it under option	none
19.1.7	History of share capital	5.1

Sections of appendices 1 and 2 of the delegated regulations (UE) 2019/980 from March 14, 2019		Chapter(s) /Section(s)
19.2	Constitution and statutes	5.3
19.2.1	Register and corporate object	5.3.1
19.2.2	Rights, privileges, and restrictions attached to each class of shares	5.3.3
19.2.3	Provision having the effect of delaying, deferring, or preventing a change of control	5.3.5
20	MAJOR CONTRACTS	1.2.5.1
21	DOCUMENTS AVAILABLE	

Glossary

Anionic group	Negatively charged group of ions (anions)
Biosimilar	Generic form a drug whose patent has expired.
Complex	Structure formed from several independent chemical entities.
Compliance	The extent to which a patient follows the treatment prescribed.
Crohn's disease	Chronic inflammatory disease of the digestive tract.
EMA	European Medicines Agency. This authority evaluates and supervises the development of new drugs for human and veterinary use in the European Union.
Endothelial barrier	Selective permeability barrier enabling and regulating exchanges of molecules of varying sizes (water, salts, proteins, etc.) between the blood and tissues
Enzymatic breakdown	This process involves the destruction of intramolecular bonds of a protein and generally results in the production of smaller molecules. Enzymes, that are also proteins, accelerate the natural phenomenon of protein degradation in the body.
European Pharmacopoeia	Collection of quality control requirements of medicinal preparations drafted by the European Directorate for the Quality of Medicines and Healthcare, an organization of the European Council.
Excipient	Any substance in a drug product other than the drug substance(s).
FDA	Food and Drug Administration. American agency responsible for approving drugs and medical devices for marketing.
Glucose clamp technique	Reference method used in clinical research to measure sensitivity to insulin.
Glycoregulation	Regulation of the level of blood glucose, or glycemia, by the endocrine system.
Good Manufacturing Practices	Notion of quality assurance, established by the European Commission and applied to the manufacturing of drugs for human or veterinary use.

Graft	A chemical group bound to the molecule in question.
Growth factor	Protein required for the growth or regeneration of a tissue or organ.
Heparin	Anticoagulant substance present in the body.
ICH	International Conference of Harmonization. International body composed of American, European and Asian health authorities, as well as pharmaceutical companies.
Immunogenicity	Capacity of an antibody to cause an immune reaction.
Incidence	Number of new cases of a pathology found during a given period and for a given population.
Ischemia	Reduced blood flow to an extremity or an organ.
Islets of Langerhans	Located in the pancreas, they contain three types of cells, each secreting a different hormone: i) insulin that lowers blood glucose levels, ii) glucagon that raises blood glucose and iii) gastrin that controls the process of digestion.
IU	International Unit. In pharmacology it is the unit of measurement of the quantity of a substance, based on its biological activity. One IU of insulin is the biological equivalent of about 45.5 µg of pure crystallized insulin.
kDa (kilo Dalton)	Unit used to measure the molecular weight of molecules and atoms. The value of one Dalton is the atomic weight of the hydrogen atom.
Leukemia	Bone marrow cancer with anarchic proliferation of white blood cells.
Ligand	In chemistry, this is an atom, ion or molecule having the capacity to bind to one or several central atoms or ions.
Lymphoma	Malignant tumor of the lymphatic system.
Marketing Authorization (MA)	Approval of a medicine by health authorities prior to its commercialization.
Multiple sclerosis	Disease of the central nervous system, in particular the brain, optic nerves and spinal cord.
Muscular dystrophy	A progressive degenerative disease of the body's muscles.
National Consultative Ethics Committee	Independent French advisory body whose principal mission is to provide opinions and reports dealing with ethics as pertaining to scientific progress.
Nerve fiber (axon)	Single extension emerging from the cell body of neurons whose function is to transport nerve impulses.
Neuropathy	Any disease of the nervous system.
Osteoarticular lesion	A lesion involving both bones and joints.

Pancreas	Gland in proximity to the stomach.
Pharmacodynamics	Study of the effects of a drug on the body, in particular the interaction between its cell receptor and the therapeutic substance.
Pharmacokinetics	Study of the fate of a drug in the body and the body's effect on the drug as a function of time. The pharmacokinetics of a drug can be broken down into four phases: absorption, diffusion in the body, metabolism of the drug and its elimination by the body.
Polymer	Chemical compound formed by molecules whose feature is the repetition of one or several atoms or groups of atoms.
Polysaccharide	Complex sugar composed of several simple sugars of the same family of polymers.
Prevalence	A measure of the health status of a population at a given time, expressed as the ratio of the number of patients to the total population.
Proof of concept	Demonstration of the feasibility and efficacy of a therapeutic product.
Protein	Macromolecule composed of amino acids linked by peptide bonds and that ensure myriad functions in the body.
Regenerative medicine	The use of human cells to repair or improve the functions of a damaged organ.
Rheumatoid arthritis	Chronic, inflammatory, degenerative disease characterized by the inflammation of several joints.
Somatic cells	All cells except germ, or sex cells.
SOP	Standard Operating Procedure. A written detailed procedure to ensure the comparability and uniformity of studies of the performance of a given pharmaceutical product.
Sorbitol	A sugar-alcohol.
Stasis	Reduction or cessation of the circulation of a fluid.
Transgenesis	The set of techniques used to introduce a foreign gene in the genome of an organism to obtain a genetically modified organism.
UDRP procedure	Uniform Dispute Resolution Policy. Principles of the Internet Corporation for Assigned Names and Numbers (ICANN) to resolve disputes involving domain names.
United States Pharmacopeia – National Formulary	Collection of quality control requirements of medicinal preparations, excipients and medical devices drafted by the United States Pharmacopeial Convention. The FDA is responsible for ensuring compliance with these requirements in the United States. These standards have been developed and used in more than 130 counties in the world.

ADOCIA

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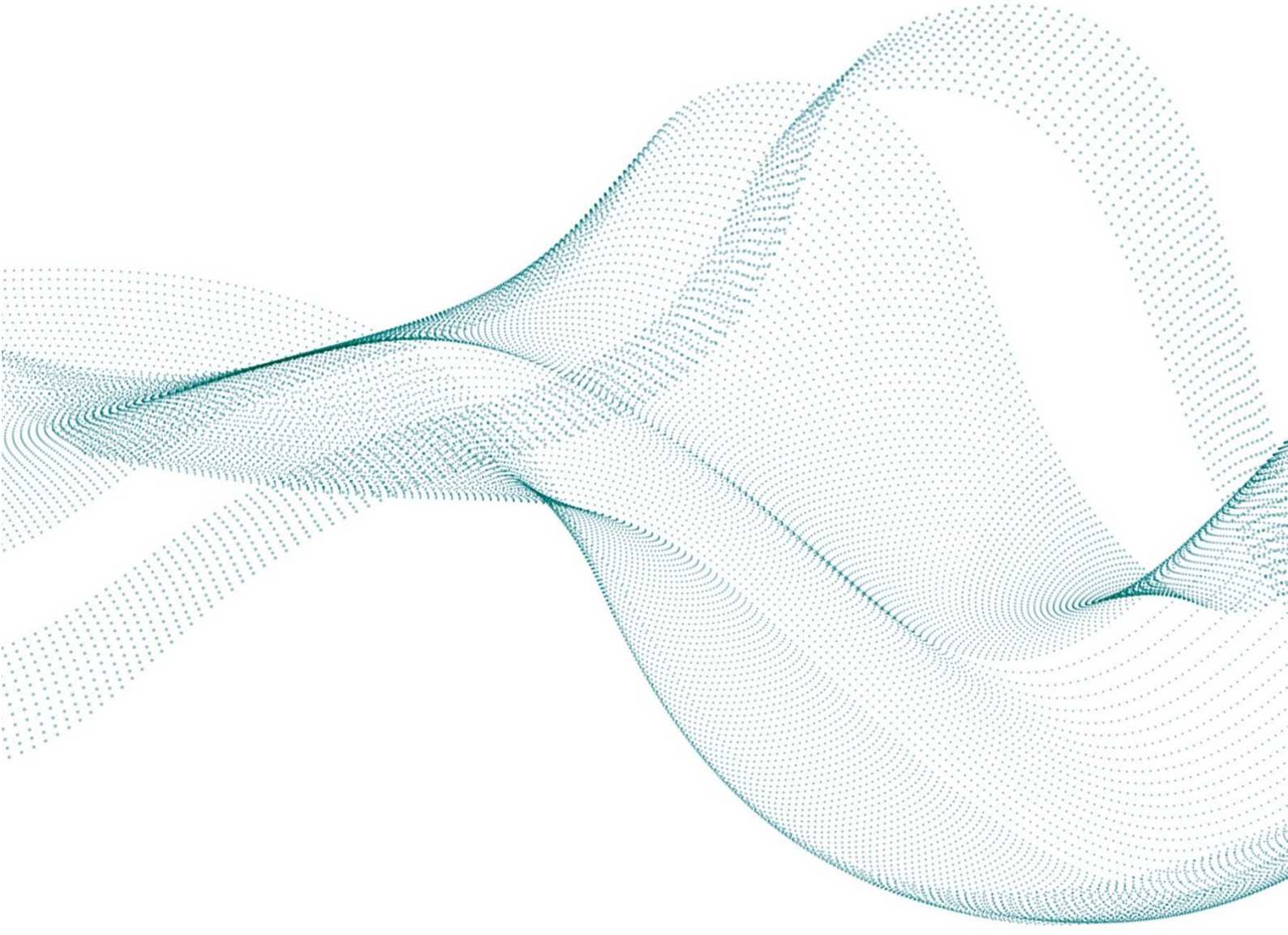

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