Half Year Financial Report 2024

Innovative Medicine for everyone everywhere

This is a free translation into English of Adocia Half Year Financial Report 2024 issued in French and available on the website of the Issuer.

This free translation is for an informational purpose only.

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Chapter 1

1 Half-Year Activity Report

1.1 Selected financial information

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The table below compares the condensed consolidated financial statements prepared for the six-month periods ended June 30, 2024, and June 30, 2023, respectively:

En milliers d'euros, comptes consolidés, normes IAS/IFRS	06/30/2024 (6 months)	06/30/2023 (6 months)
Operating revenue	**1 445**	**3 901**
Revenue	0	1 627
Grants, research tax credits and others	1 445	2 274
Operating expenses excluding additions and reversals	**(9 430)**	**(10 961)**
Additions to and reversals of depreciation, amortization and provisions	**(288)**	**(238)**
CURRENT OPERATING INCOME (LOSS)	**(8 274)**	**(7 298)**
Other operating revenue and expenses	0	0
OPERATING INCOME (LOSS)	**(8 274)**	**(7 298)**
Financial income	28	63
Financial expense	(700)	(2 155)
FINANCIAL INCOME (LOSS)	**(672)**	**(2 092)**
PROFIT (LOSS) BEFORE TAX	**(8 945)**	**(9 389)**
Tax expense	0	(2)
NET PROFIT (LOSS)	**(8 945)**	**(9 392)**

The Company's results as of June 30, 2024, are characterized by the following key elements:

- Adocia did not record any **revenue** in the first half of 2024. In 2023, during the same period, revenue of €1.6 million reflected income from the feasibility studies on AdOral® as well as services provided by Adocia under the collaboration agreement with Tonghua Dongbao for the conduct of three clinical studies in Europe on the BioChaperone® Combo project.

- **Other current operating income** amounted to €1.4 million, a decrease of €0.8 million compared to the first six months of 2023. This decline is explained by a €0.3 million reduction in the Crédit d'Impôt Recherche (Research Tax Credit) due to lower eligible expenses, as well as the recognition in 2023 of a €0.5 million debt forgiveness from Bpifrance related to the HinsBet program initiated in 2012 and subsequently discontinued.

- **Operating expenses** amounted to €9.7 million, a decrease of €1.5 million compared to the first six months of 2023. This decrease is mainly due to lower external R&D expenses following the completion of preclinical and clinical studies on BioChaperone® Combo under the collaboration agreement with THDB, a reduction in fees, and a 7% decrease in the payroll.

- **Financial expenses** amounted to €0.7 million, mainly related to lease contract charges. The €1.5 million decrease compared to the first six months of 2023 is due to the reduction in debt (senior debt and convertible bonds) during the second half of 2023.

- A **before-tax deficit**, considering the above factors, stands at €8.9 million, in line with the previous year's loss for the same period (€9.4 million).
- A **cash position** of €10.3 million as of June 30, 2024, compared to €13.0 million as of December 31, 2023. This includes €2 million raised during a private placement in March 2024 and €5.9 million from the use of the PACEO (through the issuance of 745,000 shares out of a maximum of 1.7 million shares planned under the contract). Cash burn related to activities for the first six months of the year amounted to €10.6 million, similar to the previous year over the same period and on a comparable basis (adjusting 2023 for the receipt of the Research Tax Credit).

  The cash position as of June 30, 2024, of €10.3 million allows the Company to fund its activities until the third quarter of 2025, without taking into account potential revenues from existing or future partnerships, but considering the full use of the equity financing line signed in March 2024 with Vester Finance[1].
- **Net financial debt** (excluding IFRS 16 impacts) stood at €5.7 million at the end of June 2024, remaining stable compared to December 31, 2023. This debt is solely composed of loans under the State-Guaranteed Loans (Prêts garantis par l'Etat or PGE), with quarterly repayments resuming in August 2024 following the restructuring of the repayment schedule.

1.2 First Half 2024 Program Update

During the first half of 2024, discussions with Sanofi continued to structure an agreement regarding M1Pram, a combination of prandial insulin and an amylin analog. The Phase 3 BioChaperone® Lispro (ultra-rapid insulin) program being conducted in China by partner Tonghua Dongbao is ongoing, with the last patient visit (LPLV) expected in December 2024. Additionally, Adocia has regained full rights to BioChaperone® Combo (a combination of basal and prandial insulin) following Tonghua Dongbao's strategic decision to terminate the program after reevaluating its R&D projects and considering changes in the regulatory and competitive environment. The R&D teams remain primarily dedicated to advancing the breakthrough AdoShell® Islets technology (cell therapy) and preparing for its clinical entry.

M1Pram

Following the option agreement signed in July 2023 between Sanofi and Adocia, negotiations continue to structure a global partnership. The exclusivity agreement remains in effect.
M1Pram is a fixed combination of insulin and amylin analogs aimed at addressing the unmet medical need of obesity in insulin-dependent individuals. Preparation for the Phase 2b clinical program in the United States, which plans to include 140 patients with type 1 diabetes and a BMI > 30 kg/m², is ongoing, and clinical batches have been manufactured.

BioChaperone® Lispro - Partnership with Tonghua Dongbao

BioChaperone® Lispro, currently in Phase 3, holds an important position in Tonghua Dongbao's pipeline. The large-scale clinical program in China, involving 1,500 individuals with type 1 or type 2 diabetes, is progressing, with the last patient visit (LPLV) expected in December 2024. Reaching this milestone would trigger the process for a $10 million payment as per the licensing agreement entered into between the Company and Tonghua Dongbao. This

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[1] Calculated on the basis of a theoretical share price of €7 applied to all remaining shares under the equity financing line (see Adocia's press release dated July 24, 2024).

agreement also includes an additional $20 million payment upon obtaining the first marketing authorization for BioChaperone® Lispro, as well as double-digit royalties on sales.

AdoShell® Islets

The AdoShell® platform, an immunoprotective biomaterial for cell therapy, is attracting interest from potential pharmaceutical partners with whom discussions are ongoing.

During the second quarter of 2024, the Adocia's teams attended several international conferences to present our latest results: the American Diabetes Association (ADA) in Orlando, the European Islet Study Group 2024 (EISG) in Helsinki, and the European Association for the Study of Diabetes (EASD) in Madrid.

Adocia is engaging with regulatory authorities to prepare for a first human study, scheduled for 2025.

AdoGel®

Designed for the long-term delivery of peptides, AdoGel® is currently being studied for semaglutide (GLP-1). GLP-1, a market which generated more than $37 billion worldwide revenue in 2023[2], is currently almost exclusively formulated for weekly injections. AdoGel®'s unique technology could potentially enable monthly or even quarterly injections.

The promising preclinical results were presented at the American Diabetes Association (ADA) conference in June, the Controlled Release Society (CRS) in July in Bologna, and the European Association for the Study of Diabetes (EASD) in September in Madrid.

AdOral®

Adocia has developed a peptide oral delivery technology, which allows injectable forms to be transitioned into oral forms. This program was also highlighted at the American Diabetes Association (ADA) conference with preclinical results obtained on semaglutide (GLP-1). The only GLP-1 commercialized in oral form to date, Rybelsus®, achieved $2.7 billion worldwide in 2023[3]. Oral delivery is a key factor in increasing adherence among patients with diabetes and/or obesity.

The AdOral® technology was being studied on peptides from two pharmaceutical partners. The encouraging results obtained are enabling discussions to move forward to determine the next steps in these collaborations.

Post-period Event

BioChaperone® Combo

On July 10, 2024, Tonghua Dongbao announced its decision to terminate the BioChaperone® Combo program after reassessing its R&D projects and considering recent changes in the regulatory and competitive environment[4]. As a result, Adocia regains full ownership of the rights to BioChaperone® Combo at no cost. The program had shown positive results in three clinical trials (CT046, CT047, CT048)[5].

The $40 million received by the Company upon signing the licensing agreement on April 26, 2018, is non-refundable.

Governance

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[2] *Source: Global Data, based on consolidated sales.*
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[4] *P. Release, July 10, 2024, ADOCIA Announces that Tonghua Dongbao is Discontinuing one of the two Partnership Programs: BioChaperone® Combo.*
[5] *Press Release, October 23, 2023, ADOCIA's Partner Tonghua Dongbao Announces Positive Results of Three Clinical Trials on BioChaperone® Combo.*

At the beginning of June, Adocia announced the appointment of Mathieu-William Gilbert as Chief Operating Officer. Mathieu-William previously held Vice President and General Management positions at Novo Nordisk. He strengthens Adocia's leadership team as part of the company's strategic transformation project. He oversees Adocia's operations and contributes to accelerating its development and growth.

The term of office of Claudia Mitchell, independent board member, ended following the shareholders' general meeting held on June 13, 2024. In addition, Katherine Bowdish resigned from her office as of September 16, 2024. The Board of Directors, which met on September 18, 2024, acknowledged Claudia Mitchell's term of office and the resignation of Katherine Bowdish. It warmly thanks Claudia Mitchell and Katherine Bowdish for their commitment and contributions, particularly within the committees. As a replacement of the office held by Katherine Bowdish, the Board of Directors co-opted Valérie Moumdjian as a director, considered as an independent director, and appointed her as a member of the Audit Committee and the Compensation Committee. Her co-optation as director will be submitted for shareholders' ratification at the next Annual shareholders' meeting of Adocia.

The Board of Directors is now composed of 6 members, 4 men and 2 women. Among these members, 4 directors are independent.

1.3 Financial results as of June 30, 2024

1.3.1 Operating revenue

The table below provides details on operating revenue for each period:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Revenue (a)	**0**	**1 627**
Research and collaborative agreements	0	1 466
Licencing revenues	0	161
Grants, public financing, others (b)	**1 445**	**2 274**
OPERATING REVENUE (a) + (b)	**1 445**	**3 901**

Operating income for the first 6 months of 2024 comes entirely from the Research Tax Credit, in the absence of sales.

In 2023 over the same period, sales of 1.6 million euros reflected revenues linked to the ongoing feasibility study on AdOral® as well as services provided by Adocia as part of the collaboration signed with Tonghua Dongbao for the conduct of three clinical studies in Europe on the BioChaperone® Combo project.

Other operating income fell by 0.8 million euros, reflecting a reduction in the CIR (tax credit) in line with the reduction in eligible expenses, as well as a 0.5 million euro waiver from Bpifrance on the Hinsbet program initiated in 2021 and discontinued in 2023.

1.3.2 Operating expenses

The table below provides details on operating expenses by function for each period:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Research and development expenses	(7 072)	(8 565)
General and administrative expenses	(2 646)	(2 634)
CURRENT OPERATING EXPENSES	**(9 719)**	**(11 199)**

Research and development costs mainly comprise payroll costs allocated to research and development, subcontracting costs (including preclinical studies and clinical trials), intellectual property expenses, and purchases of materials (reagents and other consumables), pharmaceutical products and other raw materials.

These expenses totaled €7.1 million for the first half of 2024, down €1.5 million on the first half of 2023. This change is mainly due to a reduction in external R&D expenditure linked to the end of preclinical and clinical studies, notably the BioChaperone® Combo studies carried out under the collaboration contract with THDB. These R&D expenses represent 73% of operating expenses as of June 30, 2024, compared to 76% during the first semester of 2023.

General and administrative expenses include payroll costs not allocated to research and development, as well as service provision costs relating to the management and development of the Company's commercial affairs. These amounted to €2.6 million as of June 30, 2024, stable compared with last year. This stability can be explained by a slight increase in personnel costs allocated to support functions, offset by a 0.3 million euro decrease in consulting & legal fees.

The table below analyses current operating expenses by type of expense, for each period:

In (€) thousands	**06/30/2024 (6 months)**	**06/30/2023 (6 months)**
Purchases used in operations	(437)	(412)
Payroll expense	(4 262)	(4 709)
Share-based payments	(152)	(54)
External expenses	(4 459)	(5 689)
Taxes and contributions	(120)	(96)
Depreciation, amortization & provisions	(288)	(238)
OPERATING EXPENSES	**(9 719)**	**(11 199)**

Purchases of materials, products and supplies totaled €0.4m as at June 2024, stable compared with last year.

Payroll expenses fell between the two periods, from €4.7 million in the first half of 2023 to €4.3 million in 2024, a 9% decrase. This decrease is mainly due to the reduction in average headcount from 97 Full-Time Equivalents (FTEs) at the end of June 2023 to 76 FTEs at June 30, 2024, partially offset by a general salary increase of 4% over 2024.

Share-based payments of €0.2 million as of June 30, 2024 mainly reflect the impact of plans set up in previous years as well as the new general plan granted to all employees in June 2024. In accordance with IFRS 2, these expenses correspond to the fair value of equity instruments granted to executives and employees. These items have no impact on the Company's financial statements or cash position, apart from the social security charges when applicable.

External expenses mainly comprise the costs of preclinical studies, clinical trials, subcontracting expenses, intellectual property expenses, professional fees and general overheads. These expenses amounted to €4.5 million as of June 30, 2024, down €1.2 million on the same period in 2023. This decrease is mainly due to a 0.5 million euro reduction in research expenses, linked to the end of clinical developments on BC Combo as part of the collaboration with THDB, partly offset by an increase in expenses on M1Pram, and a 0.3 million euro reduction in consulting & legal fees.

Taxes amounted to €0.1 million as of June 30, 2024, remaining stable compared with the previous year.

Depreciation and amortization stood at €0.3 million as of June 30, 2024, remaining stable compared with last year.

1.3.3 Balance sheet items

In (€) thousands, Consolidated financial statements, IAS/IFRS	06/30/2024	12/31/2023
Net cash and cash equivalents	10 331	12 961
Total assets	23 657	24 956
Equity	(7 702)	(6 914)
Financial debts	13 265	13 089

The Company's cash position as of June 30, 2024 was €10.3 million, compared with €13.0 million at December 31st, 2023.

Consolidated shareholders' equity rose from €-6.9 million at January 1, 2024 to €-7.7 million at the end of June 2024, the decrease corresponding mainly to the loss for the first half of 2024, partially offset by the capital increase carried out in March 2024 and the exercise of warrants under the PACEO financing facility.

Financial debt at the end of June 2024 amounted to 13.3 million euros, relatively stable compared with December 31, 2023. They comprise the PGE debt contracted with BPI, HSBC, BNP and LCL for a total of 5.7 million euros and the rental debt recognized in accordance with IFRS 16 as part of the sale and leaseback of the building in 2022 (7.5 million euros).

1.4 Risks and uncertainties relating to the Company's activities in the second half of 2024

The risk factors affecting the Company have been updated in the universal registration document relating to the financial statements for the year ended December 31, 2023, filed with the Autorité des Marchés Financiers ("AMF") on April 29, 2024 (in section 1.4). The main risks and uncertainties that the Company may face in the remaining six months of the financial year are identical to those presented in the universal registration document, which is available on the Company's website.

1.5 Relations with related parties

Relations with related parties during the period are presented in note 23 of paragraph 4.1.5.4 of the universal registration document of the financial year ended December 31, 2023.

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Chapter 2

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2 Interim consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Consolidated balance sheet, IFRS

Assets IFRS

In (€) thousands	Notes	06/30/2024	12/31/2023
Current assets		**18 798**	**20 212**
Inventories		493	132
Trade and similar receivables		4	111
Other current assets	3	7 970	7007
Cash and cash equivalents	4	10 331	12 961
Non-current assets		**4 859**	**4 744**
Other intangible assets		7	9
Land	1	0	0
Buildings and constructions	1	2 544	2 459
Laboratory equipment	1	264	232
Other property, plant and equipment	1	498	477
Non-current financial assets		1 546	1 568
TOTAL ASSETS		**23 657**	**24 956**

Liabilities and Equities IFRS

In (€) thousands	Notes	06/30/2024	12/31/2023
Current liabilities		**20 506**	**19 808**
Short-term financial debt	6	3 142	1 817
Trade and similar payables	8	2 891	3 974
Other current liabilities	8	14 473	14 017
Non-current liabilities		**10 852**	**12 061**
Long-term financial debt	6	10 123	11 271
Long-term provisions	7	729	790
Other non-current liabilities		0	0
Equity	5	**(7 702)**	**(6 914)**
Share capital		1 504	1 409
Share premium		26 128	18 275
Group translation gains and losses		23	10
Group reserves		(26 411)	(5 445)
Group net profit/loss		(8 945)	(21 162)
Equity - Group		(7 702)	**(6 914)**
Equity - non controlling interests		0	0
TOTAL LIABILITIES		**23 657**	**24 956**

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2.1.2 Consolidated income statement, IFRS

In (€) thousands	Notes	06/30/2024 (6 months)	06/30/2023 (6 months)
Operating revenue		**1 445**	**3 901**
Revenue	10	0	1 627
Grants, research tax credits and others	11	1 445	2 274
Operating expenses excluding additions and reversals	**12-13**	**(9 430)**	**(10 961)**
Additions to and reversals of depreciation, amortization and provisions	**14**	**(288)**	**(238)**
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES		**(8 274)**	**(7 298)**
Other operating revenue and expenses		0	0
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**9**	**(8 274)**	**(7 298)**
Financial income		28	63
Financial expense		(700)	(2 155)
FINANCIAL INCOME (LOSS)	**15**	**(672)**	**(2 092)**
PROFIT (LOSS) BEFORE TAX		**(8 945)**	**(9 389)**
Tax expense		0	(2)
NET PROFIT (LOSS)		**(8 945)**	**(9 392)**
Base earnings per share (€)	16	(0,6)	(1,0)
Diluted earnings per share (€)		(0,6)	(1,0)

GROUP NET PROFIT (LOSS)	**(8 945)**	**(9 392)**
Actuarial adjustments on defined pension liabilities		0
Unclassified elements in the Group net profit (loss)	**0**	**0**
TOTAL PROFIT (LOSS) FOR THE YEAR	**(8 945)**	**(9 392)**

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2.1.3 Statement of changes in equity, IFRS

In (€) thousands	Number of Shares	Share capital	Paid-in capital	Réserves	Other comprehensive income (OCI)	Net profit (loss)	Total equity
BALANCE AT 12/31/2022	**8 726 317**	**872,632**	**86 123**	**(94 086)**	**1 022**	**(6 901)**	**(12 970)**
Profit for the year 2023						(21 162)	(21 162)
Gain (losses) on actuarial adjustments on defined pension liabilities				0	54		54
Comprehensive income for the period				**0**	**54**	**(21 162)**	**(21 108)**
Translation adjustment				**(17)**			(17)
Allocation of profit for the year 2022				(6 901)		6 901	0
Increase in capital	1 101 320	110	4 890				5 000
Capital increase costs							0
Increase through conversion of convertible instruments (OCA1023/OCA1124)	3 142 339	314	11 175	7 613			19 102
Exercise of equity instruments (warrants)	1 119 954	112,0	2 749,1	6			2 868
Share-based payment				99			99
Liquidity Contract - Elimination of treasury shares			67	45			113
Others			(86 729)	86 729			0
Total shareholder relations	5 363 613	536	(67 848)	87 575		6 901	27 164
BALANCE AT 12/31/2023	**14 089 930**	**1 409**	**18 275**	**(6 513)**	**1 076**	**(21 162)**	**(6 914)**
Profit for the year 2024						(8 945)	(8 945)
Gain (losses) on actuarial adjustments on defined pension liabilities							0
Comprehensive income for the period					**0**	**(8 945)**	**(8 945)**
Translation adjustment				**13**			13
Allocation of profit for the year 2023				(21 162)		21 162	0
Increase in capital	207 683	21	1 979				2 000
Capital increase costs							0
PACEO	745 000	75	5 932				6 007
Exercise of equity instruments (warrants)	900	0,1	(0,1)	33			33
Share-based payment				141			141
Liquidity Contract - Elimination of treasury shares			(58)	21			(37)
Others							0
Total shareholder relations	953 583	95	7 853	(20 953)	0	21 162	8 157
BALANCE AT 06/30/2024	**15 043 513**	**1 504**	**26 128**	**(27 466)**	**1 076**	**(8 945)**	**(7 702)**

2.1.4 Consolidated statement of cash-flow, IFRS

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Net profit/loss	(8 945)	(9 392)
Net depreciation, amortization & provisions (excl. current assets)	272	238
Capital gains and losses on non-current assets	0	0
Calculated income and expenses	246	3 206
Tax paid	0	0
Cash flow from operations before cost of net financial debt and tax	**(8 426)**	**(5 947)**
Cost of gross financial debt	0	(2 071)
Change in deferred revenues	**(0)**	**(554)**
Change in working capital requirement (including employee benefits)	**(1 854)**	**5 288**
NET CASH FLOW RELATED TO OPERATING ACTIVITES	**(10 281)**	**(3 285)**
Acquisitions of property, plant and equipment & intangible assets	(177)	(138)
Disposals of property, plant and equipment & intangible assets	0	0
Acquisitions of non-current financial assets	(15)	(17)
Disposals of non-current financial assets	0	0
Other cash flows related to investing activities	0	0
NET CASH FLOW RELATED TO INVESTING ACTIVITES	**(193)**	**(155)**
Capital increase and warrants (*)	8 055	0
New loans and reimbursable advances	0	0
Repayments of loans and reimbursable advances	(212)	(1 854)
Other cash flows related to financing activities	0	0
NET CASH FLOW RELATED TO FINANCING ACTIVITES	**7 843**	**(1 854)**
CHANGE IN NET CASH AND EQUIVALENTS	**(2 630)**	**(5 294)**
Opening cash	12 961	17 422
Closing cash	10 331	12 128

(*) including 2 million euros linked to the capital increase of March 21, 2024 and 6 million euros from the exercise of 745,000 warrants (44% of the PACEO financing line set up with Vester Finance in March 2024).

2.1.5 Detailed analysis of changes in working capital requirements (WCR)

In (€) thousands	Variation 2023/ 2024	Variation 2022/ 2023
Inventories	(380)	16
Trade and similar receivables	107	139
Other receivables and advances	(1 078)	3 666
Pre-paid expenses / other receivables	124	505
Trade and similar payables	(1 083)	136
Other debt	457	826
CHANGE IN WORKING CAPITAL REQUIREMENT	**(1 854)**	**5 288**

Components of net cash and cash equivalents analyzed by type and reconciliation with the balance sheet:

In (€) thousands	06/30/2024	12/31/2023
Short-term investment securities (due in < 3 months)	0	4 020
Cash on hand	10 331	8 942
NET CASH AND CASH EQUIVALENTS	**10 331**	**12 961**

2.2 Events subsequent to June 30, 2024

Termination of the BioChaperone® Combo program

On July 10, 2024, Tonghua Dongbao announced its decision to terminate the BioChaperone® Combo program after re-evaluating its R&D projects and considering recent changes in the regulatory and competitive environment. Adocia thus regains full ownership of the rights to BioChaperone® Combo at no cost. The $40 million received upon signature of the license agreement on April 26, 2018 is non-refundable.

2.3 Key events

During the first half of 2024, discussions with Sanofi continued to structure an agreement regarding M1Pram, a combination of prandial insulin and an amylin analog. The Phase 3 BioChaperone® Lispro (ultra-rapid insulin) program being conducted in China by partner Tonghua Dongbao is ongoing, with the last patient visit (LPLV) expected in December 2024. Additionally, Adocia has regained full rights to BioChaperone® Combo (a combination of basal and prandial insulin) following Tonghua Dongbao's strategic decision to terminate the program after reevaluating its R&D projects and considering changes in the regulatory and competitive environment. The R&D teams remain primarily dedicated to advancing the breakthrough AdoShell® Islets technology (cell therapy) and preparing for its clinical entry.

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[6] *Source: Global Data, based on consolidated sales.*
[7] *Source: Global Data, based on consolidated sales.*
[8] P. Release, July 10, 2024, ADOCIA Announces that Tonghua Dongbao is Discontinuing one of the two Partnership Programs: BioChaperone® Combo.
[9] Press Release, October 23, 2023, ADOCIA's Partner Tonghua Dongbao Announces Positive Results of Three Clinical Trials on BioChaperone® Combo.

of Directors, which met on September 18, 2024, acknowledged Claudia Mitchell's term of office and the resignation of Katherine Bowdish. It warmly thanks Claudia Mitchell and Katherine Bowdish for their commitment and contributions, particularly within the committees. As a replacement of the office held by Katherine Bowdish, the Board of Directors co-opted Valérie Moumdjian as a director, considered as an independent director, and appointed her as a member of the Audit Committee and the Compensation Committee. Her co-optation as director will be submitted for shareholders' ratification at the next Annual shareholders' meeting of Adocia.

The Board of Directors is now composed of 6 members, 4 men and 2 women. Among these members, 4 directors are independent.

2.4 Accounting methods and principles used to draw up the financial statements

2.4.1 Basis of preparation of the financial statements

Adocia's 2024 half-year consolidated financial statements were approved by the board of directors on September 18, 2024. They were prepared in compliance with IAS 34 standard, « Interim financial reporting » as part of the IFRS standards as adopted by the European Union. The accounting principles applied to the interim condensed consolidated financials on June 30, 2024, are the same as the ones applied for the fiscal year ended December 31, 2023, as described in paragraph 4.1.5. of the Universal registration document, which was filed with the Autorité des Marchés Financiers (the « AMF ») on April 29, 2024.

At the beginning of July 2024, the company received its Research Tax Credit in full, amounting to 3.4 million euros, bringing its cash position to almost 13 million euros. Taking into account the full utilization of the available balance of the PACEO[10], the company's cash horizon is the end of July 2025.

To extend this cash runaway to 12 months following the closing date of the condensed interim consolidated financial statements, and without any new financial inflows, the Company estimates that the net amount of additional cash required is around €1.5 million.

To this end, the Company is considering the potential sources of financing described below:

- The Company has 2 partnerships, one with Tonghua Dongbao and the other with Sanofi, which are likely to generate probable revenues over the period:

  - The exclusivity agreement signed with Sanofi for M1Pram is a first step. The aim is to sign a worldwide partnership agreement for the development, production and marketing of M1Pram, which would significantly strengthen the Company's cash position; and

  - As part of its partnership with Tonghua Dongbao ("THDB") on BioChaperone® Lispro, the Company is eligible to receive $30 million in milestone payments. The next milestone payment is linked to the end of phase 3 (last patient last visit, milestone not conditional on results obtained), which is expected in December 2024. This milestone will trigger the $10 million payment process provided for in the license agreement.

- The Company intends to pursue the development of its other technological platforms: AdoShell® Islets, AdOral® and AdoGel® , for which feasibility studies are underway or at the negotiation stage. The aim of these studies is to lead to the signature of partnerships. Without partner financing, development would either be halted or continued at a minimum. Action would also be taken to reduce the Company's operating expenses.

Consequently, over the next 12 months, the Company has reason to believe that further additional financing (new partnerships, new fund-raising, etc.) is likely to be obtained, although the probabilities depend on factors beyond the Company's control.

[10] Calculation based on a theoretical share price of €7, applied to all shares to be issued.

Management is actively working on all these sources of financing in parallel, and remains confident that it will be able to extend its cash flow horizon.

The going concern assumption has therefore been adopted.

2.4.2 Accounting standards

The accounting principles and methods used by the Company for the interim financial statements are the same as those used in the financial statements for the year ended December 31, 2023, except for the following application of new standards, standard amendments and interpretations applied by the European Union, which application is mandatory for the Company starting January 1, 2024:

Standards, standard amendments, and interpretations applicable from fiscal year opening on January 1, 2024

- Amendments to IAS 1 *Presentation of Financial Statements*: Classification of assets as current or non-current and Classification of liabilities as current or non-current - Deferral of the effective date, and Non-current liabilities with covenants published by the IASB on January 23, 2020, July 15, 2020 and October 31, 2022 respectively;

- Amendments to IFRS 16 *Leases*: Leaseback Liabilities, published by the IASB on September 22, 2022;

- Amendments to IAS 7 *Cash Flow Statements* and IFRS 7 *Financial Instruments*: *Disclosures: Financing arrangements with suppliers*, published by the IASB on May 25, 2023;

These new texts published by the IASB and adopted by the European Union had no material impact on the Company's financial statements

Standards, standard amendments, and interpretations not yet applied by the Company

- Amendments to IAS 21 The effects of changes in foreign exchange rates: absence of convertibility, published by the IASB on August 15, 2023 and effective for annual periods beginning on or after January 1, 2025;

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, published by the IASB on May 30, 2024 and effective for annual periods beginning on or after January 1, 2026; and

- IFRS 18 Presentation and Disclosure in Financial Statements, published by the IASB on April 9, 2024 and effective for annual periods beginning on or after January 1, 2027.

The Company has not early adopted these new standards, amendments to standards and interpretations and does not anticipate any material impact on its financial statements at the date of adoption.

Specific accounting treatment of the Equity Line (PACEO) with Vester Finance

On March 21, 2024, the Company signed an Equity Line agreement with Vester Finance enabling Vester Finance to subscribe for up to 1,700,000 shares (1 warrant for 1 share) over a maximum period of 24 months, through the exercise of warrants, at an exercise price based on the lowest weighted average cost (CUMP) of the last 2 trading days, including a 5% discount.

As the exercise price of the warrants is not fixed (it depends on the company's share price at the time of exercise), this contract falls within the scope of IFRS 9.

In addition, the contract provides that Adocia may modify the exercise conditions, notably by setting a minimum exercise price, once a minimum capital increase of 2 million euros has been reached.

Accordingly, until the minimum amount of 2 million euros is reached, the capital increase is recognized at its gross amount, and the 5% discount is recognized as a financial expense.

Once the 2 million euro threshold has been reached, Adocia has the option of modifying the terms of exercise, and the contract then falls outside the scope of IFRS 9. The residual warrants are then treated as equity instruments and recorded at their exercise price.

Given that (i) the Company may terminate or suspend this financing facility at any time and at no cost, in particular by increasing the minimum exercise price, and (ii) Vester Finance has undertaken to subscribe for the shares if the conditions are met, the warrants granted to Vester Finance and not exercised at each balance sheet date are recorded under off-balance sheet commitments.

2.4.3 Basis of preparation of the financial statements

To prepare the financial statements in accordance with IFRS, certain 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 continuously assessed based on 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 half-year statements, the main judgments made by the management and the main assumptions used are the same as those used to prepare the financial statements for the fiscal year ended December 31, 2023. 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 and PACEO).

2.4.4 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., 100% owned and fully consolidated at the end of June 2024.

In December 2023, the Company created a 100%-owned French subsidiary, Pramulin Therapeutics, which was fully consolidated as at June 30, 2024.

These subsidiaries are consolidated from the date of their creation, and their income and expenses are recognized in the consolidated income statement from the same date.

All transactions between these two subsidiaries and the Company, as well as intercompany profits and losses, have been eliminated.

The Company's financial statements are prepared in euros, which is the presentation currency for the consolidated financial statements. The functional currency of Adocia Inc. is the US dollar, while the functional currency of Pramulin Therapeutics is the euro.

Financial statements in foreign currencies are translated in the consolidated financial statements. Balance sheet items are translated at the closing rate, and income statement items at the average rate for the year; translation differences arising on both opening balance sheet items and income statement items are taken to shareholders' equity under “Translation reserve”.

2.5 Notes to the consolidated financial statements as of June 30, 2024

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NOTE 1 Tangible and financial assets

Tangible assets

In (€) thousands	12/31/2024	Acquisitions / Additions	Disposals / reversals	06/30/2024
Land	(0)			(0)
Building (Right Of Use IFRS 16)	2 823	213		3 036
Laboratory equipment	3 739	84	(31)	3 792
Fixtures and facilities	778	28	0	806
Furniture, office equipment	1 713	64	0	1 777
GROSS AMOUNT	**9 053**	**389**	**(31)**	**9 411**
Land	0			0
Building (Right Of Use IFRS 16)	364	127		491
Laboratory equipment	3 580	55	(31)	3 604
Fixtures and facilities	334	38	0	372
Furniture, office equipment	1 607	31		1 638
DEPRECIATION AND IMPAIRMENT	**5 885**	**250**	**(31)**	**6 105**
NET AMOUNT	**3 168**	**139**	**0**	**3 306**

Net tangible fixed assets are stable between December 2023 and June 2024.

As a reminder, the Building line corresponds to the right of use, recognized in accordance with IFRS 16, representing Adocia's share of the value of the property it controls through its head office lease. This right of use is revalued each time the rent is increased, and is amortized pro rata temporis over the term of the contract (12 years).

Financial assets

Financial assets amounted to 1.5 million euros at June 30, 2024, remaining stable compared to December 2023. This item mainly comprises the guarantees provided as part of the sale-leaseback transaction (deposit of 3 months' rent and first-demand guarantee deposit totaling €1.3 million).

NOTE 2 Additional information regarding deferred taxes

The company cannot determine with sufficient reliability when it will be able to absorb its accumulated tax losses. Therefore, no deferred tax asset related to these losses was recognized.

As a reminder, the amount of tax losses carried forward as of December 31, 2023 amounts to €215 million.
This loss carryforward is not limited in time.

NOTE 3 Other current assets

In (€) thousands	06/30/2024	12/31/2024
Research tax credit	4 824	3 379
VAT claims	2 360	2 627
Receivables from suppliers	107	140
Pre-paid expenses	659	774
Miscellaneous	20	87
TOTAL NET VALUE	**7 970**	**7 007**

All other current assets have a maturity of less than one year.

The Company has benefited from the research tax credit since its creation. It therefore recognizes as a receivable at the end of the period the amount of the tax credit calculated on eligible expenditure for the current period. The receivable of 4.8 million euros at June 30, 2024, corresponds to the CIR receivable for 2023 (3.4 million euros) and the estimated CIR receivable for the first half of 2024 (1.4 million euros). It should be noted that the CIR 2023, amounting to 3.4 million euros, was collected in full in July 2024.

VAT receivables include, as at December 31, 2023, 2 million euros relating to the exclusive option granted to Sanofi in July 2023 for an amount excluding VAT of 10 million euros, and recorded under “other liabilities” for its amount including VAT of 12 million euros.

Prepaid expenses relate to current expenditure. The miscellaneous item includes social security claims and other creditors.

Miscellaneous” includes employee-related receivables and other sundry creditors.

NOTE 4 Classification and fair value of financial assets

The only financial assets at fair value are cash and cash equivalents, consisting of term deposits of less than 3 months: they therefore constitute level 1 financial assets at fair value.

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NOTE 5 Equity

Share capital

The company was created on December 22, 2005. All the shares issued are fully paid-up. The company owns treasury shares under the liquidity agreement.

Following the initial public offering, preferred shares were converted into ordinary shares and the Ratchet stock warrants became null and void.

The table below provides the evolution of the share capital since June 30th, 2022.

	Number of shares (*)	Ordinary shares	Preferred shares - cat. A	Preferred shares - cat. B	Nominal amount (Euros)
AT JUNE 30, 2022	**8 124 022**	**8 124 022**	**0**	**0**	**812 402**
07/07/2022 - Issue of shares following conversion of bond OCA	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 bond OCA	51 948	51 948	-	-	5 195
11/08/2022 - Issue of shares following conversion of bond OCA	75 567	75 567	-	-	7 557
08/09/2022 - Issue of shares following conversion of bond OCA	48 077	48 077	-	-	4 808
22/09/2022 - Issue of shares following conversion of bond OCA	15 424	15 424	-	-	1 542
25/09/2022 - Grant of bonus shares	1 400	1 400	-	-	140
26/09/2022 - Issue of shares following conversion of bond OCA	18 127	18 127	-	-	1 813
27/09/2022 - Issue of shares following conversion of bond OCA	19 048	19 048	-	-	1 905
29/09/2022 - Grant of bonus shares	225	225	-	-	23
06/10/2022 - Issue of shares following conversion of bond OCA	103 806	103 806	-	-	10 381
19/10/2022 - Issue of shares following conversion of bond OCA	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 bond OCA (OCA1124)	88 561	88 561	-	-	8 856
29/12/2022 - Issue of shares following conversion of bond OCA	73 801	73 801	-	-	7 380
02/01/2023 - Issue of shares following conversion of bond OCA (OCA1124)	203 390	203 390	-	-	20 339
03/02/2023 - Issue of shares following conversion of bond OCA (OCA1124)	9 464	9 464	-	-	946
12/03/2023 - Grant of bonus shares	900	900	-	-	90
28/03/2023 - Issue of shares following conversion of bond OCA (OCA1124)	14 815	14 815	-	-	1 482
06/04/2023 - Issue of shares following conversion of bond OCA (OCA1124)	15 565	15 565	-	-	1 557
02/05/2023 - Issue of shares following conversion of bond OCA (OCA1124)	9 302	9 302	-	-	930
04/05/2023 - Issue of shares following conversion of bond OCA (OCA1124)	37 210	37 210	-	-	3 721
08/05/2023 - Issue of shares following conversion of bond OCA (OCA1124)	348 838	348 838	-	-	34 884
16/05/2023 - Issue of shares following conversion of bond OCA (OCA1124)	136 364	136 364	-	-	13 636
26/05/2023 - Issue of shares following conversion of bond OCA (OCA1124)	246 575	246 575	-	-	24 658
06/07/2023 - Issue of share following conversion of bonds OCA1124	340 694	340 694	-	-	34 069
07/07/2023 - Issue of share following conversion of bonds OCA1124	65 573	65 573	-	-	6 557
20/07/2023 - Grant of bonus shares	2 900	2 900	-	-	290
26/07/2023 - Issue of share following conversion of bonds OCA1124	196 703	196 703	-	-	19 670
26/07/2023 - Issue of share following conversion of bonds OCA1023	28 672	28 672	-	-	2 867

25/07/2023 - Capital increase via private placement	1 101 320	1 101 320	-	-	110 132
01/08/2023 - Issue of share following conversion of bonds OCA0725	287 620	287 620	-	-	28 762
14/08/2023 - Issue of share following conversion of bonds OCA0725	264 770	264 770	-	-	26 477
16/08/2023 - Issue of share following conversion of bonds OCA0725	347 400	347 400	-	-	34 740
18/08/2023 - Issue of share following conversion of bonds OCA1124	336 914	336 914	-	-	33 691
29/08/2023 - Grant of bonus shares	204 919	204 919	-	-	20 492
30/08/2023 - Grant of bonus shares	3 800	3 800	-	-	380
31/08/2023 - Exercice of BSPCE	2 800	2 800	-	-	280
01/09/2023 - Issue of share following conversion of bonds OCA0725	252 470	252 470	-	-	25 247
08/09/2023 - Issue of share following conversion of BSA	204 919	204 919	-	-	20 492
20/09/2023 - Issue of share following conversion of BSA	204 919	204 919	-	-	20 492
29/09/2023 - Grant of bonus shares	225	225	-	-	23
02/10/2023 - Issue of share following conversion of BSA	102 460	102 460	-	-	10 246
06/10/2023 - Issue of share following conversion of BSA	10 000	10 000	-	-	1 000
09/10/2023 - Issue of share following conversion of BSA	163 935	163 935	-	-	16 394
24/10/2023 - Issue of share following conversion of BSA	10 000	10 000	-	-	1 000
26/10/2023 - Issue of share following conversion of BSA	40 979	40 979	-	-	4 098
26/10/2023 - Issue of share following conversion of BSA	122 950	122 950	-	-	12 295
06/11/2023 - Exercice of BSPCE	14 000	14 000	-	-	1 400
05/12/2023 - Exercice of BSPCE	2 800	2 800	-	-	280
06/12/2023 - Exercice of BSPCE	5 600	5 600	-	-	560
12/12/2023 - Exercice of BSPCE	8 400	8 400	-	-	840
10/12/2023 - Grant of bonus shares	1 175	1 175	-	-	118
14/12/2023 - Grant of bonus shares	8 198	8 198	-	-	820
16/12/2023 - Grant of bonus shares	1 100	1 100	-	-	110
17/12/2023 - Grant of bonus shares	2 975	2 975	-	-	298
12/03/2024 - Grant of bonus shares	900	900	-	-	90
25/03/2024 - Capital increase via private placement	207 683	207 683	-	-	20 768
09/04/2024 - Issue of share following conversion of BSA PACEO	100 000	100 000	-	-	10 000
26/04/2024 - Issue of share following conversion of BSA PACEO	25 000	25 000	-	-	2 500
29/04/2024 - Issue of share following conversion of BSA PACEO	25 000	25 000	-	-	2 500
03/05/2024 - Issue of share following conversion of BSA PACEO	30 000	30 000	-	-	3 000
08/05/2024 - Issue of share following conversion of BSA PACEO	50 000	50 000	-	-	5 000
14/05/2024 - Issue of share following conversion of BSA PACEO	13 000	13 000	-	-	1 300
15/05/2024 - Issue of share following conversion of BSA PACEO	80 000	80 000	-	-	8 000
23/05/2024 - Issue of share following conversion of BSA PACEO	20 000	20 000	-	-	2 000
28/05/2024 - Issue of share following conversion of BSA PACEO	30 000	30 000	-	-	3 000
29/05/2024 - Issue of share following conversion of BSA PACEO	60 000	60 000	-	-	6 000
04/06/2024 - Issue of share following conversion of BSA PACEO	37 000	37 000	-	-	3 700
19/06/2024 - Issue of share following conversion of BSA PACEO	10 000	10 000	-	-	1 000
20/06/2024 - Issue of share following conversion of BSA PACEO	25 000	25 000	-	-	2 500
26/06/2024 - Issue of share following conversion of BSA PACEO	40 000	40 000	-	-	4 000
27/06/2024 - Issue of share following conversion of BSA PACEO	200 000	200 000	-	-	20 000
AT JUNE 30, 2024	**15 043 513**	**15 043 513**	**0**	**0**	**1 504 352**

The €8.0 million increase in capital lines and premiums during the first half of 2024 can be explained by the following transactions:

- Capital increase in March 2024 for 2 million euros subscribed by Gérard and Olivier Soula, a member of management and Vester Finance;

- Exercise of 745,000 warrants under the equity financing facility set up in March 2024 with Vester Finance, representing 44% of the total facility for a total of 6 million euros.

Capital increase

On March 21, 2024, the company announced that it had raised €2 million from Gérard and Olivier Soula and a member of management (for €1 million) and Vester Finance (for €1 million). This capital increase gave rise to the issue of 207,683 shares subscribed at a price of €9.63, corresponding to the volume-weighted average price of the last three trading sessions prior to the setting of their issue price, without discount.

Stock warrants, BSPCE and convertible bonds

Stock options have been granted (i) to certain employees and managers in the form of business creator share subscription warrants ("BSPCE") and stock options ("SO") options ("SO") (ii) to certain independent directors of the Board of Directors in the form of share subscription warrants ("BSA") (iii) to scientific consultants in the form of share subscription warrants ("BSA") (iv) to IPF as part of the bond financing issued in October 2019 and as part of the debt restructuring in July 2020.

The main features of these share-based compensation plans are detailed in section 4.1.5.4 note 9 of the 2023 universal registration document.

All IPF warrants were exercised in the second half of 2023.

All convertible bonds recognized as financial debt at June 30, 2023 (OC1023 & OC1124) and subscribed to with Vester Finance were converted into shares in the second half of 2023. OC 0725s issued in July 2023 were also fully converted in September 2023.

The administrators' warrants were subscribed at a price corresponding to their fair value.

Equity line of credit (PACEO)

On March 21, 2024, the Company set up a new equity financing facility, in the form of a PACEO, with Vester Finance. Under this financing facility, Vester may subscribe, at its own initiative, through the exercise of share warrants, for up to 1,700,000 shares in the Company over a maximum period of 24 months. The Company has committed to a minimum utilization of the financing facility of 2 million euros, beyond which the Company will have the option of suspending or terminating this facility at any time and at no cost, notably by setting a minimum price. The shares will be issued on the basis of the average market price preceding each issue, less a 5% discount, in accordance with the price and ceiling rules set by the Annual General Meeting.

The accounting treatment of this financing facility is described in section 2.4.2.

At June 30, 2024, Vester Finance had exercised a total of 745,000 warrants under this PACEO, generating the same number of shares, i.e. 44% of the total financing facility. The number of warrants remaining to be exercised at June 30, 2024 amounts to 955,000.

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
BSA 2013	Independent 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 and 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	Employees	No	Until 01/01/2020	18,00
SO 2017 N°2	Employees	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 02/05/2022	17,00
BSA IPF 2019 - Tranche A	IPF Partners	No	Immediate on 11/10/2019	8,57
BSA IPF 2019 - Tranche B	IPF Partners	No	Immediate on 10/12/2019	8,57
SO 2019	Employees	No	Until 10/12/2021	8,00
BSA IPF 2020	IPF Partners	No	Immediate on 20/07/2020	7,70
BSA 2021	Independent directors	No	Until 19/05/2024	8,93
OCA 2021	Vester Finance	No	Immediate on 26/10/2021	0,12
OCA 2022	Vester Finance	No	Immediate on 30/11/2022	0,33
OCA 2023	Vester Finance	No	Immediate on 25/07/2023	0,28
BSA 2023 N°1	Independant directors	No	Until 14/12/2025	3,62
BSA 2023 N°2	Independant directors	No	Immediate on 14/12/2023	8,39
PACEO 2024 - Tranche 1	Vester Finance	No	Immediate on 21/03/2024	9,10
BSA 2024	Independant directors	No	Immediate on 23/04/2024	8,91
PACEO 2024 - Tranche 2	Vester Finance	No	Immediate on 21/03/2024	9,10

(*) Exercise price on contract signature date.

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 exercisable warrants	Number of not exercisable warrants	Initial value (in € thousands)
BSPCE 2013 N°1	28 000	6 300	21 700			107
BSPCE 2013 N°2	22 400	2 100	20 300			85
BSA 2013	20 000		20 000			69
BSPCE 2014 N°1	14 000	14 000				429
BSPCE 2014 N°2	5 600	5 600				172
BSPCE 2014	100 000	100 000				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	40 000				1 238

BSA 2017	40 000	25 000		15 000		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	23 000				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	2 000				8
BSA IPF 2020 (*)	35 005		35 005			128
BSA 2021	10 215			10 215		91
OCA 2021 *6 568 422 issued bonds*	1 502 007		1 502 007			6 322
OCA 2022 *6 568 422 issued bonds*	2 049 968		2 049 968			6 584
OCA 2023 *566 539 issued bonds*	1 152 260		1 152 260			5 665
BSA 2023 N°1	4 500			1 500	3 000	16
BSA 2023 N°2	9 000			9 000		76
PACEO 2024 - Tranche 1	547 740		547 740			ND
BSA 2024	7 200			7 200		64
PACEO 2024 - Tranche 2	1 152 260		197 260	955 000		ND
TOTAL - June 30, 2024	**7 294 697**	**434 909**	**5 611 613**	**1 047 915**	**3 000**	**30 042**

(*) As calculated at the time of signing.

Free shares

Free 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	1 525	5 775	
Plan 2020 N°1	9 600	6 000	3 600	
Plan 2020 N°2	11 600		8 700	2 900
Plan 2020 N°3	2 700	1 350	1 125	225
Plan 2020 N°4	4 800	1 325	3 150	325
Plan 2020 N°5	22 000	3 120	15 075	3 805
Plan 2021 N°1	5 700	1 400	2 300	2 000
Plan 2022 N°1	6 200	2 825	1 348	2 027
Plan 2022 N°2	5 000	900	4 100	
Plan 2022 N°3	16 400		2 750	13 650
Plan 2023 N°1	1 800			1 800
Plan 2024 N°1	1 000			1 000
Plan 2024 N°2	169 200	1 900		167 300
Plan 2024 N°3	26 000			26 000
TOTAL	**566 400**	**54 420**	**290 948**	**221 032**

Movements in bonus shares are as follows:

Number of shares	June 30, 2024	FY 2023
Number of shares with ongoing vesting at the beginning of the year	28 307	53 875
Shares granted during the year	196 200	1 800
Shares vester during the year	900	21 273
Shares cancelled during the year	2 575	6 095
Number of shares with ongoing vesting at the end of the period	**221 032**	**28 307**

The cost of services rendered is recognized as a payroll expense over the vesting period. This expense amounted to €0.2 million for the first half of 2024.

Dividends

The company has not paid out any dividends in the first half year of 2024.

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. On September 10, 2015, the resources made available under the liquidity agreement with Kepler Capital Markets S.A. were increased by € 200,000 and by €250,000 on February 12, 2018.

Over the course of 2023, 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 June 30, 2024, the Company held 10,329 shares in relation to this contract as well as €208,460.92 in cash in the non-current financial assets.

Note 6 Financial debts

At June 30, 2024, financial debt amounted to 13.3 million euros. They include state-guaranteed loans (PGE) in the amount of 5.7 million euros, and IFRS 16 debt relating to the head office lease in the amount of 7.5 million euros.

PGE (State-guaranteed loan)

PGE debt remains stable compared with December 31, 2023.

In August 2020, Adocia obtained a 7 million euro loan from BNP, HSBC, LCL and Bpifrance in the form of a Prêt Garanti par l'Etat (PGE), which provided for repayments from the second year until August 2026. After opting for an initial one-year grace period in June 2021, Adocia signed an agreement with its lenders for a second 12-month grace period in August 2023, in order to reschedule repayments while maintaining an unchanged maturity date of end-August 2026. Repayments resumed in August 2024.

Lease liability - IFRS 16

In accordance with IFRS 16, a lease liability of 7.5 million euros was recognized in connection with the Sale and Leaseback transaction carried out in March 2022. This liability corresponds to the discounting over 12 years of the rents provided for in the contract, using a discount rate of 10%. At June 30, 2024, the outstanding principal amounted to 7.3 million euros and accrued interest payable for the period totaled 0.2 million euros, giving a total debt of 7.5 million euros. The increase in debt at June 30, 2024 is due to the revaluation of 0.4 million euros following the increase in rent, partially offset by the theoretical repayment of 0.2 million euros.

As of June 30, 2024, the classification as current and non-current was as follows:

In (€) thousands	Current	Non-current	Total 06/30/2024	Total 12/31/2023
State-guaranteed bank loan	2 498	3 245	5 743	5 748
Other financial debts (IFRS 16)	645	6 878	7 522	7 341
TOTAL FINANCIAL ASSETS	**3 142**	**10 123**	**13 265**	**13 089**

Note 7 Provisions

In (€) thousands	Employee benefits	Other long-term provisions	Provisions for risks and charges - less than one year	TOTAL
VALUE AT DECEMBER 31, 2023	**790**	**0**	**0**	**790**
Additions	(60)			(60)
Reversal of used provisions			(0)	(0)
Reversal of unused provisions				0
VALUE AT JUNE 30, 2024	**729**	**0**	**0**	**729**

The provisions mainly consist in the provision for retirement benefits. They were estimated on the basis of the disposition of the applicable collective agreement, namely the collective agreement 176 (« convention collective 176 »).

Contingent liabilities

On March 13, 2024, the Company was served with a legal summons before the Commercial Court by OneHealth Partners (a financial consulting firm), claiming payment of a success fee (in an amount of up to 1 million euros) on the basis of a contract for restructuring support.

No provision has been recorded, as the Company believes that the conditions for payment of this commission have not been met and that OneHealth Partners' claim is unfounded.

Note 8 Trade payables and other current liabilities

The company's current liabilities are as follows:

In (€) thousands	06/30/2024	12/31/2023
Trade payables	**2 891**	**3 974**
Subsidiary accounts	1 276	2 464
Invoices pending	1 615	1 510
Other current liabilities	**14 473**	**14 017**
Tax and social security liabilities	2 236	1 923
Other debt	12 237	12 093
Unearned income	0	0
TOTAL CURRENT OPERATING LIABILITIES	**17 364**	**17 991**

All trade payables and other current liabilities have a maturity of less than one year.

Trade payables amounted to 2.9 million euros at June 30, 2024, compared with 4.0 million euros at December 31, 2023. This decrease is due to concentrated activity at the end of 2023, which was regularized in 2024.

"Tax and social security liabilities" include remuneration due, liabilities to social security and other tax and social security liabilities. It amounted to 2.2 million euros at June 30, 2024, compared with 1.9 million euros at December 31, 2023. This increase is mainly due to the provisioning at the end of June 2024 of social security debts usually paid in December.

"Other liabilities" include, as at December 31, 2023, the option right granted to Sanofi to negotiate a global agreement on M1Pram for 12 million euros (incl. VAT) received in July 2023.

Current operating liabilities amounted to 17.4 million euros at June 30, 2024, compared with 18.0 million euros at December 31, 2023.

Note 9 Operating profit / loss

In (€) thousands	Notes	06/30/2024 (6 months)	06/30/2023 (6 months)
Operating revenue		**1 445**	**3 901**
Revenue	10	0	1 627
Grants, research tax credits and others	11	1 445	2 274
Operating expenses		**(9 719)**	**(11 199)**
Purchases used in operations		(437)	(412)
Payroll expense	13	(4 414)	(4 763)
External expenses	12	(4 459)	(5 689)
Taxes and contributions		(120)	(96)
Additions to and reversals of depreciation, amortization and provisions	14	(288)	(238)
CURRENT OPERATING INCOME (LOSS)		**(8 274)**	**(7 298)**
Other operating revenue and expenses		0	0
OPERATING INCOME (LOSS)		**(8 274)**	**(7 298)**

Breakdown of expenses by function:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Research and development expenses	(7 072)	(8 565)
General and administrative expenses	(2 646)	(2 634)
OPERATING EXPENSES	**(9 719)**	**(11 199)**

Research and development costs were as follows:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Purchases used in operations	(437)	(412)
Payroll expense	(4 262)	(4 709)
Share-based payments	(152)	(54)
External expenses	(4 459)	(5 689)
Taxes and contributions	(120)	(96)
Depreciation, amortization & provisions	(288)	(238)
OPERATING EXPENSES	**(9 719)**	**(11 199)**

Note 10 Revenue

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Research and collaborative agreements	0	161
Licencing revenues	0	1 466

REVENUE	**0**	**1 627**

The Company did not recognize any sales in the first half of the year.

Sales of 1.6 million euros recognized in the first half of 2023 mainly reflect the final services provided by Adocia's teams as part of the collaboration signed with THDB on the BioChaperone® Combo project for the conduct of three clinical trials in Europe. It also includes 0.5 million euros in revenues from AdOral® feasibility studies.

Note 11 Other income

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Research tax credit	1 445	1 754
Other	0	520
OTHER INCOME	**1 445**	**2 274**

The Research Tax Credit amounted to 1.4 million euros at June 30, 2024, compared with 1.8 million euros at June 30, 2023, in line with lower operating expenses in the first half of 2024. In 2023, other income included the waiver of 0.5 million euros from Bpifrance on the Hinsbet program initiated in 2012 and discontinued.

Note 12 Other purchases and external charges

Other purchases and external expenses mainly include the costs of preclinical studies, clinical trials, subcontracting expenses, intellectual property costs, professional fees and overheads. These expenses totalled 4.5 million euros at June 30, 2024, down 1.2 million euros on the same period in 2023. This decrease is mainly due to the end of clinical development work on BC Combo as part of the collaboration with THDB, and to lower consulting & legal fees.

Note 13 Payroll expense

Payroll expense was as follows:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Wages and salaries	2 947	3 345
Social contributions	1 315	1 364
Share-based payment	152	54
PAYROLL EXPENSE	**4 414**	**4 763**

	06/30/2024 (6 months)	06/30/2023 (6 months)
Technicians	32	46
Management personnel	47	54
STAFF	**79**	**100**

At June 30, 2024, the Company had 34 researchers with doctorates in science, medicine or pharmacy, i.e. 43% of the total workforce. Almost 75% of the workforce is directly assigned to research and development operations.

Personnel expenses, excluding share-based payments, amounted to 4.3 million euros at June 30, 2024, down 9% on June 30, 2023. This decrease reflects the reduction in headcount from 97 Full-Time Equivalents (FTEs) at the end of June 2023 to 76 FTEs at June 30, 2024, partially offset by a general salary increase of 4% over 2024.

Note 14 Depreciation, amortization, and impairment losses

Net depreciation, amortization and provisions are as follows:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Depreciation, amortization and provisions for fixed assets	**254**	**228**
Depreciation of property, plant and equipment	124	124
Amortization of intangible assets	2	13
Depreciation of leased assets	0	0
Depreciation of lease back assets	128	91
Depreciation, amortization and provisions for fixed assets	**35**	**10**
Provisions for risks and charges	0	(8)
Provisions for current assets (additions)	20	12
DEPRECIATION, AMOTIZATION AND IMPAIRMENT	**288**	**238**

Note 15 Financial income / loss

The cost of net financial debt was as follows:

In (€) thousands	06/30/2024 (6 months)	06/30/2023 (6 months)
Cost of net financial debt	**(698)**	**(2 010)**
Cash and cash equivalents income	0	61
Interest on financial loans and conditional advances	(698)	(1 393)
Fair value revaluation of OCA 1023	0	(4)
Fair value revaluation of OCA 1124	0	(565)
Fair value revaluation of IPF's share subscription warrants	0	(109)
Foreign exchange gains and losses	**28**	(79)
Other financial income and expenses	**(2)**	(3)
FINANCIAL INCOME (LOSS)	**(672)**	**(2 092)**

The improvement in the financial result from a loss of 2.1 million euros at June 30, 2023 to a loss of 0.6 million euros at June 30, 2024 is linked to the significant reduction in financial debt at end-June 2024 compared with June 30, 2023. In the first half of 2023, financial income was impacted by :

- the remeasurement at fair value of the convertible bonds (OC1023 & OC1124), contacted from Vester Finance and fully converted in the second half of 2023;
- the remeasurement at fair value of the warrants granted to IPF Partners and fully exercised in the second half of 2023;
- the interest expense on the IPF Partners loan, which was fully repaid in July 2023;
- the impact of expenses calculated on the IFRS 16 rental debt.

For the first half of 2024, net financial income mainly comprises the impact of expenses calculated on the IFRS 16 rental debt.

All these loans and debt instruments are described in the 2023 Universal Registration Document in note 9 Shareholders' equity and note 10 Financial debt.

Note 16 Earnings per share

	06/30/2024 (6 months)	06/30/2023 (6 months)
CONSOLIDATED NET PROFIT / LOSS (in euros thousands)	**(8 945)**	**(9 392)**
Average number of shares	14 342 964	9 149 175
NET EARNINGS (LOSS) PER SHARE (in euros)	**(0,62)**	**(1,03)**
NET EARNINGS (LOSS) PER SHARE FULY DILUTED (in euros)	**(0,62)**	**(1,03)**

Note 17 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	06/30/2024 (6 months)	06/30/2023 (6 months)
Short-term benefits	319	463
Posterior employment benefits	0	132
Other long term benefits	0	0
Termination benefits employment contract	0	0
Share-based payment	38	0
TOTAL COMPENSATION PAID TO COPORATE OFFICERS	**357**	**595**

Note 18 Off-balance sheet commitments

On March 21, 2024, the Company signed an equity financing facility (PACEO) with Vester Finance, which, acting as underwriter of this facility, has undertaken to subscribe, if conditions are met, for a maximum of 1,700,000 shares over a maximum period of 24 months.

At June 30, 2024, 745,000 shares had been issued at an average price of €8.08, representing 44% of the total line. A total of 955,000 warrants remained to be issued at June 30, 2024.

Shares, if issued, will be based on the lowest volume-weighted average daily share price for the two trading days preceding each issue, less a maximum discount of 5%.

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Chapter 3

3 Statutory auditors' report on the interim financial information for 2024

Agili(3F) ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of the information given in the Group’s half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Adocia

Period from January 1 to June 30, 2024

Statutory auditors’ review report on the half-yearly financial information

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S.A.S. au capital de 324 300 €
840 062 442 RCS LYON

Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

3

Adocia

Period from January 1 to June 30 2024

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Adocia, for the period from January 1 to June 30,2024
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the Financial Statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without modifying our conclusion, we draw your attention to the matter set out in Note "2.4.1 Base de preparation des états financiers" to the condensed half-yearly consolidated financial statements regarding the going concern assumptions.

2. Specific Verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Lyon, September 19, 2024

The Statutory Auditors
French original signed by

Agili(3F)	ERNST & YOUNG et Autres
Cédric Desachy	Sylvain Lauria

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Chapter 4

4

4 Responsibility statement in respect of the interim financial report

"I hereby certify that, to my knowledge, the consolidated condensed financial statements for the six months ended June 30, 2024 have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company and its subsidiaries included in the consolidated account assets and liabilities, financial position and income, and that the accompanying interim management report gives a true and fair view of the significant events of the first six months of the year, their impact on the financial statements, major related-party transactions and a description of the major risks and uncertainties for the remaining six months of the year."

On September 19, 2024

Olivier Soula
Chief Executive Officer

Comments

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