Adocia Announces Full Year 2019 Financial Results

- Cash position of approximately €44 million as of December 31st, 2019, compared to approximately €40 million as of December 31st, 2018
- Subscription of a €15 million bond loan from IPF Fund II, in 2019
- Revenue of €2.1 million related to Tonghua Dongbao partnership

Lyon, France, March 12th, 2020 - 6:00 pm CET - ADOCIA (Euronext Paris: FR0011184241 – ADOC – the “Company”) announced today its full year 2019 financial results as of December 31st, 2019. The financial statements were approved by the Board of Directors today and will be submitted for shareholder approval at the next General Shareholders’ Meeting on May 28th, 2020.

"During 2019, Adocia made remarkable progress on its two flagship products, BC Lispro and BC Combo, in collaboration with our Chinese partner Tonghua Dongbao (THDB). THDB is preparing to file the Phase 3 submission for BC Lispro in China for mid-2020, after having successfully completed production scale-up. In Europe and the United States, the bridging study to validate THDB’s lispro insulin should begin in the coming months. Our Insulin Pramlintide combination program is also very promising, with two different formulations in development; we await the next clinical results in March”, commented Gérard Soula, CEO of Adocia.

"This year also saw the conclusion of the arbitration procedure that we had initiated against Eli Lilly. With the receipt of damages and the obtaining of the loan granted by IPF, Adocia has the financial means to carry out its ambitious development plan for the next 18 months. Finally, signing new partnerships is always our priority and we are pleased to welcome Ashley Nagle to Adocia as Director of Business Development."

Financial Highlights

The following table summarizes the financial statements under IFRS for the years ended December 31st, 2019 and December 31st, 2018:
Key Company Results for Full Year 2019:

- **Net loss of €18.6 million in 2019**, compared to a net gain of €7.6 million in 2018, mainly consisted of:
  - Revenue of €2.1 million in 2019, compared to revenue of €47.4 million in 2018, resulting from the recognition of a part of the upfront payment by Tonghua Dongbao Pharmaceuticals Co. Ltd (THDB) in April 2018;
  - Other operating income of €6 million, resulting mainly from the research tax credit (CIR) generated on 2019 expenses;
  - Total operating expenses of €30.2 million, a €14 million decrease compared to 2018. Excluding expenses related to the legal proceedings, which impacted 2019 and, more significantly, 2018, other operating expenses remained at a similar level compared to 2018;
  - Tax income of €3 million, as the Company claimed an income tax reimbursement related to an upfront payment by Eli Lilly in 2014.

- **Cash position of €43.7 million as of December 31st, 2019**, increasing by €3.8 million compared to December 31st, 2018, impacted by the subscription of a bond issue from IPF Fund II, a fund managed by IPF Partners, for €15 million and by the $14.3 million, or €13 million, payment from Eli Lilly, corresponding to damages awarded after the first part of the arbitration completed in September 2019:
  - Over the full year 2019, excluding expenses of €4.5 million related to the legal proceedings and non-recurring collections, the net amount of cash needed to finance operations was €26.7 million, compared to €23.1 million over the same period in 2018.
  - Financial debts as of December 31st, 2019 totaled €21.2 million, compared to €7.1 million as of December 31st, 2018, consisted of the bond issue subscribed to IPF Fund II and of bank loans for €7 million contracted to finance the acquisition and renovation of the building in which the headquarters and the research center of the Company are located.
“The year 2019 was marked by the strengthening of our cash position, with in particular the receipt of €13 million from Eli Lilly following the outcome of the arbitration proceedings, the reimbursement of lawyers’ fees up to $4 million from insurance and the financing from IPF Fund II for €15 million”, commented Valérie Danaguezian, CFO of Adocia. “With €43.7 million in cash at the beginning of January 2020, we are continuing the sustained development of the Company while maintaining rigorous management of expenses.”

Key Events in 2019 and Perspectives for 2020:

In 2019, Adocia continued development activities for the two licensed products, BioChaperone Lispro and BioChaperone Combo, with its Chinese partner, Tonghua Dongbao (THDB), in order to support the planned Phase 3 programs in China for both programs.

The Company also continued to develop its other projects independently, particularly M1 PRAM (ADO09), a combination of two complementary and synergistic hormones, pramlintide (an amylin analog) and prandial insulin. M1 PRAM (ADO09) was developed to improve postprandial glycemic control and long-term outcomes for people requiring treatment with prandial insulin.

In April 2019, Adocia announced the first positive clinical results of M1 PRAM (ADO09), obtained in a study of people with type 1 diabetes. In this study, the treatment with M1 PRAM (ADO09) resulted in a significant 85% reduction in glycemic excursions during the first two hours after the meal, compared to a treatment with Humalog® (lispro insulin, p <0.0001) and led to a postprandial glycemic control similar to that of separate injections with Humulin® (human insulin) and Symlin® (pramlintide).

Following these very encouraging clinical results, in June 2019 the Company launched a new Phase 1b clinical study to assess the safety and efficacy of M1 PRAM (ADO09) in subjects with type 1 diabetes over a 24-day treatment period. The study results are expected in March 2020.

From a financial perspective, in October 2019 the Company obtained a bond issue from IPF Fund II to finance its growth.

The IPF loan consists of the issue, in two equal tranches, of a total number of 15 million bonds, to each of which is attached a share subscription warrant (BSA), for a maximum amount of bond issue in principal of €15 million. The first tranche (Tranche A), amounting to €7.5 million, was subscribed on October 11th, 2019, at the signing of the contract. The second tranche (Tranche B) was subscribed on December 10th, 2019.

In terms of the organization, Adocia announced the departure of Dr. Rémi Soula, Director of Business Development and Legal Affairs to pursue other professional objectives. As a co-founder of Adocia, Rémi Soula contributed with talent and energy to the development of the company for 14 years.

Finally, from a legal perspective, 2019 was marked by the conclusion of legal proceedings initiated against Eli Lilly & Company in October 2017.

In August 2019, the Court of the American Arbitration Association (AAA) dismissed additional claims submitted by Adocia, valued at approximately $1.3 billion, for Eli Lilly's appropriation and misuse of confidential information and discoveries belonging to Adocia, as well as for the violation by Eli Lilly of several collaboration and confidentiality agreements. Eli Lilly's counterclaims, which totaled $188 million, were also dismissed by the Tribunal. On September 30th, 2019, Adocia announced that it had received payment of $14.3 million from Eli Lilly corresponding to the $11.6 million in damages, plus interest, which had been
awarded to Adocia in August 2018 by the AAA, as payment for a contractual milestone payment disputed by Eli Lilly.

In September 2019, Adocia and Eli Lilly jointly filed a consent judgment to conclude the civil litigation initiated by Eli Lilly at the Court of the Southern District of Indiana in October 2018. The consent judgment was registered by this very same Court on October 6, 2019, each party bearing its own legal fees and costs, with no other financial consequence.

Arbitration proceedings and civil action in the District Court of the Southern District of Indiana are concluded and final.

About Adocia

Adocia is a clinical-stage biotechnology company that specializes in the development of innovative formulations of therapeutic proteins and peptides for the treatment of diabetes and other metabolic diseases. In the diabetes field, Adocia’s portfolio of injectable treatments is among the largest and most differentiated of the industry, featuring five clinical-stage products. Adocia aims to expand its portfolio towards the treatment of other metabolic diseases and their comorbidities.

The proprietary BioChaperone® technological platform is designed to enhance the effectiveness and/or safety of therapeutic proteins while making them easier for patients to use. Adocia customizes BioChaperone to each protein for a given application. Adocia’s clinical pipeline includes four novel insulin formulations for the treatment of diabetes: two ultra-rapid formulations of insulin analog lispro (BioChaperone® Lispro U100 and U200), a combination of basal insulin glargine and rapid-acting insulin lispro (BioChaperone® Combo) and a combination of a prandial insulin with amylin analog pramlintide (M1 PRAM - ADO09). It also includes an aqueous formulation of human glucagon (BioChaperone® Glucagon) for the treatment of hypoglycemia. Adocia preclinical pipeline includes a combination of insulin glargine with GLP-1 receptor agonists (BioChaperone® Glargine GLP-1) for the treatment of diabetes and a ready-to-use combination of glucagon and a GLP-1 receptor agonist (BioChaperone® Glucagon GLP1) for the treatment of obesity. Adocia is also exploring in preclinical the potential of its M1 PRAM combination to treat people with type 2 diabetes suffering from neurological comorbidities, including Alzheimer’s disease.

In 2018, Adocia and Chinese insulin leader Tonghua Dongbao entered a strategic alliance. In April 2018, Adocia granted Tonghua Dongbao licenses to develop and commercialize BioChaperone Lispro and BioChaperone Combo in China and other Asian and Middle Eastern territories. The licensing agreements included USD 50 million upfront and up to USD 85 million development milestones, plus double-digit royalties on sales. In June 2018, Tonghua Dongbao agreed to manufacture and supply active pharmaceutical ingredients insulin lispro and insulin glargine to Adocia globally, excluding China, to support Adocia’s portfolio development and commercialization.

Adocia aims to deliver “Innovative medicine for everyone, everywhere.”

To learn more about Adocia, please visit us at www.adocia.com
For more information please contact:

<table>
<thead>
<tr>
<th>Adocia</th>
<th>Adocia Press Relations Europe</th>
<th>Adocia Investor Relations USA</th>
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</table>
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Disclaimer

This press release contains certain forward-looking statements concerning Adocia and its business. Such forward-looking statements are based on assumptions that Adocia considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the “Risk Factors” section of the Reference Document filed with the French Autorité des marchés financiers on April 12, 2019 (a copy of which is available at www.adocia.com) and to the development of economic conditions, financial markets and the markets in which Adocia operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Adocia or not currently considered material by Adocia. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Adocia to be materially different from such forward-looking statements.

This press release and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy Adocia shares in any jurisdiction.
APPENDIX: Full year results for the year ended December 31st, 2019 – IFRS standards

The following table summarizes the Company’s income statement under IFRS for the fiscal year ended December 31st, 2019 and provides a comparison with fiscal year 2018.

<table>
<thead>
<tr>
<th>In (€) thousands</th>
<th>FY 2019 (12 months)</th>
<th>FY 2018 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (a)</td>
<td>2 143</td>
<td>47 389</td>
</tr>
<tr>
<td>Research and collaborative agreements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Licencing revenues</td>
<td>2 143</td>
<td>47 389</td>
</tr>
<tr>
<td>Other revenue (b)</td>
<td>5 992</td>
<td>6 541</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>5 861</td>
<td>6 368</td>
</tr>
<tr>
<td>Grants, public financing, others</td>
<td>131</td>
<td>173</td>
</tr>
<tr>
<td>Operating revenue (a) + (b)</td>
<td>8 134</td>
<td>53 930</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(23 307)</td>
<td>(25 760)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(6 848)</td>
<td>(18 463)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(30 155)</td>
<td>(44 223)</td>
</tr>
<tr>
<td>OPERATING INCOME (LOSS)</td>
<td>(22 021)</td>
<td>9 707</td>
</tr>
<tr>
<td>FINANCIAL INCOME (LOSS)</td>
<td>455</td>
<td>2 051</td>
</tr>
<tr>
<td>Tax</td>
<td>2 963</td>
<td>(4 144)</td>
</tr>
<tr>
<td>NET INCOME (LOSS)</td>
<td>(18 603)</td>
<td>7 615</td>
</tr>
<tr>
<td>Base earning per share (€)</td>
<td>(2.7)</td>
<td>1.1</td>
</tr>
<tr>
<td>Diluted earning per share (€)</td>
<td>(2.7)</td>
<td>1.0</td>
</tr>
<tr>
<td>GROUP NET PROFIT (LOSS)</td>
<td>(18 603)</td>
<td>7 615</td>
</tr>
</tbody>
</table>

Operating income

The Company’s operating income resulted from collaboration and licensing agreements and public funding of research costs. In 2019, operating income amounted €8.1 million compared to €53.9 million in 2018, based on the following breakdown:

<table>
<thead>
<tr>
<th>In (€) thousands</th>
<th>FY 2019 (12 months)</th>
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</thead>
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<tr>
<td>Revenue (a)</td>
<td>2 143</td>
<td>47 389</td>
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<tr>
<td>Research and collaborative agreements</td>
<td>0</td>
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<td>Licencing revenues</td>
<td>2 143</td>
<td>47 389</td>
</tr>
<tr>
<td>Grants, public financing, others (b)</td>
<td>5 992</td>
<td>6 541</td>
</tr>
<tr>
<td>OPERATING REVENUE (a) + (b)</td>
<td>8 134</td>
<td>53 930</td>
</tr>
</tbody>
</table>

In 2018, revenue resulted in €37.1 million from the partnership and licensing agreement with Tonghua Dongbao Pharmaceuticals Co. Ltd (THDB) for the development, production and marketing of BioChaperone® Lispro and BioChaperone® Combo in China and other territories.
In 2018, revenue also included $11.6 million, or €10.3 million, corresponding to a contractual milestone payment contested by Eli Lilly, for which Adocia obtained a favorable arbitration judgment in August 2018. The Company received $14.3 million, or €13 million, from Eli Lilly in September 2019 relating to the milestone payment plus interest.

In 2019, the Company recognized revenue in the amount of €2.1 million corresponding to a partial upfront payment of the $50 million, or €41.1 million, that was received in April 2018 upon signature of the two licensing agreements with Tonghua Dongbao. The revenue recognized in 2019, is related to research and development services provided by Adocia to Tonghua Dongbao, and 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 duration of the contract.

As of December 31st, 2019, the portion of the upfront payment still to be recognized as revenue amounts to €1.9 million and is accounted for as unearned income.

Other operating income in 2019 included a research tax credit for €5.9 million, compared to €6.4 million in 2018. The decrease of €0.6 million is in line with the reduced amount of eligible research and development expenses recorded in 2019.

Operating expenses

The table below shows a breakdown of operating expenses by function for the fiscal years ended December 31st, 2019 and December 31st, 2018:

<table>
<thead>
<tr>
<th>In (€) thousands</th>
<th>FY 2019 (12 months)</th>
<th>FY 2018 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development expenses</td>
<td>(23,307)</td>
<td>(25,760)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(6,848)</td>
<td>(18,463)</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td>(30,155)</td>
<td>(44,223)</td>
</tr>
</tbody>
</table>

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 2019, these expenses amounted to €23.3 million compared to €25.8 million in 2018.

The activities in the 2019 financial year focused mainly on the support for the partnership with Tonghua Dongbao as well as the development of the Company's portfolio, including the clinical development of the M1 PRAM (ADO09) project with two clinical studies conducted during the year.

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. These expenses also included fees and expenses related to the arbitration procedure against Lilly, which had a significant impact in 2018. In 2019, these expenses were lower and offset by insurance reimbursements in the amount of $4 million (€3.6 million) in November 2019 resulting from the absence of a gain in the second stage of the arbitration.
General and administrative expenses amounted to €6.8 million in 2019 compared to €18.5 million in 2018. This decrease of €11.7 million is explained by the wind-down of expenses related to the legal proceedings against Eli Lilly, which ended in September 2019.

Research and Development expenses represented 75.3% of the operating expenses in 2019 compared to 76.4% in 2018, when restated for the costs related to the arbitration proceedings against Lilly.

The table below shows a breakdown of operating expenses by type of expense for the fiscal years ended December 31st, 2019 and December 31st, 2018:

<table>
<thead>
<tr>
<th>In (€) thousands</th>
<th>FY 2019 (12 months)</th>
<th>FY 2018 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases used in operations</td>
<td>1706</td>
<td>2188</td>
</tr>
<tr>
<td>Payroll expense</td>
<td>13054</td>
<td>13327</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>890</td>
<td>1574</td>
</tr>
<tr>
<td>External expenses</td>
<td>13110</td>
<td>25537</td>
</tr>
<tr>
<td>Taxes and contributions</td>
<td>235</td>
<td>553</td>
</tr>
<tr>
<td>Depreciation, amortization &amp; provisions</td>
<td>1159</td>
<td>1044</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td><strong>30155</strong></td>
<td><strong>44223</strong></td>
</tr>
</tbody>
</table>

The cost of consumed materials, products and supplies decreased to €1.7 million in 2019 compared to 2018, as a result of additional purchases of raw materials needed for the manufacturing of clinical batches in 2018.

Payroll expenses totaled €13.1 million in 2019 compared to €13.3 million in 2018. Given the recruitments conducted in 2019, the average workforce rose from 129.4 full-time equivalents (FTE) in 2018 to 133.4 FTE in 2019, an increase of 3%. In 2019, personnel expenses remained at a level comparable to 2018.

The share-based payments line of €0.9 million in 2019 reflects the impact of the plans implemented in previous years. The €0.7 million decrease is related to the vesting of several share-based plans in 2018 and driven by a lower valuation of the plans granted in 2018 and 2019. In accordance with IFRS 2, these expenses correspond to the fair value of the 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 administrative expenses and totaled to €13.1 million in 2019, decreasing by €12.4 million compared to 2018. This is mainly due to the lower legal fees incurred for the proceedings against Eli Lilly as well as insurance reimbursements obtained in 2019. External expenses restated for these fees and reimbursements thus amounted to €14.1 million in 2019, compared to €15 million in 2018.

Taxes totaled €0.2 million in 2019 compared to €0.6 million in 2018.

Depreciation and amortization increased by €0.2 million to €1.2 million in 2019.
Net financial income/expense

The net financial income amounted to €0.5 million in 2019, compared to €2.1 million in the previous year, due to the following:

- Recognition of €0.8 million, compared to €1.6 million in 2018, for the accrued interest calculated on the contractual milestone payment of $11.6 million. Eli Lilly made a total payment of $14.3 million or €13 million in September 2019;

- An increase in interest of €0.3 million on borrowings related to the subscription of the bond issue with IPF Fund II;

- Revaluation of the fair value of the warrants granted to IPF Fund II of €0.2 million, with no impact to the Company's cash position, in accordance with IAS 32.

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

Corporation tax

In 2019, the Company was successful in its claim for corporate income tax related to the tax treatment of the upfront payment for a contract signed with Eli Lilly in 2014. In September 2019, the Company received €3.4 million including €0.1 million in interest in arrears. As a result, the Company cancelled its carry-back receivable of €0.3 million and recognized a tax income of €3 million.

The carryforward tax losses, after allocation of the fiscal deficit subject to the standard tax rate for the 2019 financial year, was €136.4 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

The net loss for 2019 totaled €18.6 million compared to a net profit of €7.6 million in 2018. The net loss per share for 2019 amounted to €2.68 per share, compared to a net profit of €1.10 per share in 2018.

Balance sheet analysis

Non-current assets

Non-current assets amounted to €9.7 million at the end of 2019, compared with €9.1 million in 2018. The investments in 2019 of €2 million are mainly for the completion of the renovation work on two 450 m² platforms intended for the activities of the Analysis department (€1.8 million including external fittings and furniture) and the purchase of scientific and IT equipment (€0.2 million). These investments are partially offset by depreciation for the year amounting to €1.2 million.

Current assets

Current assets amounted to €52.2 million at December 31st, 2019 compared to €61.0 million at December 31st, 2018, consisting of the following items:

- "Cash and cash equivalents" increased from €39.8 million at December 31st, 2018 to €43.7 million at December 31st, 2019. The €3.8 million increase in 2019 reflects (i) the subscription of a bond issue from
IPF for a total of €15 million, (ii) the collection of $14.3 million, or €13 million, from Eli Lilly for the first part of the arbitration proceedings completed in September 2019, (iii) a level of expenditure similar to that of last year, after restating expenses related to the legal proceedings against Eli Lilly.

- Other current assets amounted to €8 million at December 31st, 2019 and consisted mainly of the receivable related to the research tax credit (CIR) of €5.9 million. At December 31st, 2018, this item amounted to €21 million. The €13 million decrease is mainly due to the collection of the receivable resulting from the favorable outcome of the first part of the arbitration proceedings initiated by Adocia against Eli Lilly, amounting to €11.9 million at the end of 2018, and the decrease in the research tax credit, which amounted to €6.4 million in 2018.

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 €5.3 million at December 31st, 2019, compared to €7.5 million at December 31st, 2018, which reflect the intense activity at the end of the year 2018 and legal fees incurred in connection with the proceedings against Lilly.

- "Financial debt" totaling €21.2 million at December 31st, 2019, increasing by €14.1 million compared to the previous year. This increase is mainly due to the subscription of a bond issue in two tranches in October 2019 and December 2019, with warrants, for a total of €15 million from IPF Fund II. The Company also subscribed to a bank loan for €1.2 million for building renovation. The short-term "current financial debts" amounted to €2.6 million as of December 31st, 2019 compared to €2.2 million for the previous year.

- "Long-term provisions" mainly comprise provisions of retirement benefits, which totaled €3.1 million for fiscal year 2019 versus €2.8 million for fiscal year 2018.

- "Other liabilities" for 2019 included tax and social security liabilities which amounted to €2.4 million, a decrease of €0.3 million from the previous year due to the absence of a provision, at the end of 2019, for the added value contribution. In 2019, other liabilities also included €1.9 million, versus €4 million last year, in deferred revenue related to the agreement signed with THDB in April 2018.

Cash and financing

Debt financing

As of December 31st, 2019, 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 is planned for 2020 and should make it possible to close this dossier.

In addition, the Company uses other financial liabilities to finance the acquisition of lab equipment and materials. Future obligations under these leasing contracts amounted to €0.4 million as of December 31st, 2019.
The Company contracted its first bank loan, in 2016, to finance the purchase of the building that it has occupied since its creation as well as adjoining parking and a second loan, in 2019, to finance building renovations. At the end of 2019, the outstanding capital of these bank loans amounted to €5.5 million.

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.

As of December 31st, 2019, Adocia’s financial debt was €21.1 million, with a short-term (less than a year) component of €2.6 million.

Cash flows

<table>
<thead>
<tr>
<th>In (€) thousands, Consolidated financial statements, IAS/IFRS</th>
<th>FY 2019 (12 months)</th>
<th>FY 2018 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow generated by operating activities</td>
<td>(9,655)</td>
<td>6,313</td>
</tr>
<tr>
<td>Net cash flow in connection with investment transactions</td>
<td>(2,054)</td>
<td>(1,034)</td>
</tr>
<tr>
<td>Net cash flow in connection with financing transactions</td>
<td>15,529</td>
<td>(216)</td>
</tr>
<tr>
<td>Changes in net cash</td>
<td>3,820</td>
<td>5,063</td>
</tr>
<tr>
<td>Cash and cash equivalents at the start of the year</td>
<td>39,841</td>
<td>34,778</td>
</tr>
<tr>
<td>Cash and cash equivalents at year-end</td>
<td>43,661</td>
<td>39,841</td>
</tr>
</tbody>
</table>

Net cash flow from operations

For fiscal year 2019, net cash outflows related to operations amounted to €9.7 million compared to a net cash inflow of €6.3 million in the previous year.

Net cash flow in 2019 included:

- Collection of $14.3 million, or €13 million, from Eli Lilly following the favorable outcome of the first part of the arbitration proceedings,
- Reimbursement of insurance of $4 million, or €3.6 million, following the absence of a gain in the second part of the arbitration against Eli Lilly,
- Collection of €3.4 million relating to the corporate income tax claim for year 2014 and the treatment of the upfront payment paid by Eli Lilly.

In 2018, the collection of an upfront payment from Tonghua Dongbao Pharmaceuticals Co. Ltd amounted to €37.2 million, or $45 million, net of withholding tax in China.

Net cash flow from investments

Cash consumption related to investment transactions was €2.1 million in 2019, compared to €1 million in the previous year.

In 2019, the Company renovated two 450 m² platforms intended mainly for the activities of the Analysis department, including exterior fittings and furniture for €1.8 million.