

ADOCIA Grants Sanofi an Exclusive Right to Negotiate a Partnership on M1Pram for 10 Million Euros and Obtains Commitment from Investors to Provide 10 Million Euros in Financing

- Sanofi pays Adocia 10 million euros in exchange of an exclusive negotiation right on the M1Pram product with a view to establish a global partnership
- Adocia has obtained commitments from investors including Bpifrance and Gérard Soula to participate in a capital increase of 5 million euros, and from Vester Finance to simultaneously issue convertible bonds for an additional 5 million euros in a single tranche
- Adocia will proceed with the early repayment of its debt to IPF Partners, its main lender
- Adocia's ordinary shares will resume trading on Euronext Paris on Thursday July 6, 2023, at 9:00 am CEST
- Adocia management will hold a web conference on Thursday, July 6, at 6:00 pm CEST

LYON, France--([BUSINESS WIRE](#))-- Regulatory News:

Adocia (Euronext Paris: FR0011184241 – ADOC), a clinical-stage biopharmaceutical Company focused on the research and development of innovative therapeutic solutions for the treatment of diabetes and obesity, announced today that it has signed an exclusivity agreement with Sanofi for M1Pram. The payment of 10 million euros to Adocia gives Sanofi the exclusive right to negotiate a worldwide partnership for the product. Payment of this sum is due to take place in the next few days, subject to usual conditions.

M1Pram is an innovative combination of insulin and pramlintide developed by Adocia to become the reference rapid-acting insulin for people with diabetes and obesity. Phase 2 clinical results in overweight and obese people with type 1 diabetes showed exceptional weight loss with good glycemic control. M1Pram aims to address a major unmet medical need for this population, estimated at nearly 40 million people worldwide.

"We are very pleased with this agreement with Sanofi. This commitment enables us to accelerate the development of M1Pram while pursuing discussions on a partnership agreement," commented Olivier Soula, CEO of Adocia.

Concomitantly, Adocia will raise 10 million euros, through a 5 million euros private placement to which Gérard Soula, Chairman of Adocia's Board of Directors, and Bpifrance have committed, in addition to the issuance of 5 million euros in convertible bonds, to which Vester Finance and European investors have committed. These operations, which will have a dilutive impact, will be subject to a prospectus approved by the Autorité des Marchés Financiers.

"We have obtained the commitment of all investors for these two fund-raising operations, and we are working on their implementation. The conditions of these operations will be defined at a later date, in accordance with the resolutions approved at the last Annual General Meeting and will be the subject of an ad hoc communication as soon as they are finalized," comments Valérie Danagezian, Adocia's Chief Financial Officer.

Reasons for trading suspension

Since March 31, 2023, Adocia has not been in compliance with its financial covenants towards IPF Partners, the Company's main lender, but has entered into active discussions with all its lenders to adjust these covenants and/or restructure its debt. This situation was communicated by the Company to its shareholders, in particular with the publication of the 2022 annual results and again with the publication of the Q1 2023 results.

On June 1, 2023, IPF Partners formally notified Adocia to pay the sum of 9.8 million euros by Friday June 2, 2023, at the latest, reason why Adocia requested the suspension of its listing on Euronext Paris.

At the time, the company was in discussions with Sanofi and working on structuring a fund-raising round, in particular to meet IPF Partners' request. A memorandum of understanding was finally signed between IPF Partners and Adocia to suspend debt payments until June 30, 2023.

Following these events, the agreement reached with Sanofi and the firm commitments obtained from investors, Adocia decided to proceed with the early repayment of its loan with IPF Partners for an amount of 9.8 million euros, thus freeing itself from the associated financial covenants and saving the amount of future interests.

It was in this context, Adocia's management estimated that it was impossible to provide the market with full and clear information on its situation to date.

"I would like to thank our shareholders for their patience during this voluntary suspension of the trading, which was necessary in this uncertain and contrasting context. We are delighted today to be able to announce the signature of an agreement by a world leader in insulin, and the improvement of our financial situation," says Olivier Soula, CEO of Adocia.

Trade resumption and perspectives

Adocia's ordinary shares will resume trading on Euronext Paris on Thursday, July 6, 2023, at 9:00 am CEST.

As a result of the financial transactions described above, the Company should receive 20 million euros by the end of July 2023, and will repay 9.8 million euros to its lender IPF Partners. The company also intends to prioritize its product portfolio in order to extend its cash horizon to the end of Q2 2024.

Finally, the Company also expects to receive two payments from its partnership with Tonghua Dongbao in 2024, subject to milestone achievement: a 10 million dollars payment triggered by the end of the first phase 3 study underway on BioChaperone[®] Lispro, and a 10 million dollars payment triggered by the start of the phase 3 clinical program on BioChaperone[®] Combo. These payments would provide the Company with sufficient cash until the end of 2024.

About M1Pram

M1Pram is an innovative combination of insulin and pramlintide, an amylin analog. M1Pram has been developed to replace the rapid-acting insulins that people with diabetes inject at mealtime. The unique feature of M1Pram is that it provides glycemic control equivalent to the latest generation insulins, while promoting weight loss in overweight and obese patients. Overweight contributes to many comorbidities, notably cardiovascular, to which people with diabetes are already overexposed, while traditional insulins contribute to weight gain. To date, no drug has been approved for the treatment of obesity in people with type 1 diabetes. M1Pram addresses an important unmet medical need by combining glycemic control and weight loss.

In clinical trials conducted by Adocia to date, M1Pram has demonstrated statistically superior weight loss compared to insulin lispro (Humalog[®]) in a patient population with a Body Mass Index (BMI) greater than 25kg/m².

In October 2022, at the EASD, Europe largest diabetes congress, Adocia announced the exceptional results obtained by M1Pram in a phase 2 study, with a loss of -5.56kg in the M1Pram arm versus -0, 57kg in the lispro (Humalog[®]) comparator arm (p=0.03) at 16 weeks of treatment, in a study sub-population with a BMI greater than 30kg/m². The weight loss achieved with M1Pram didn't reach a plateau at the end of the study period. M1Pram also confirmed that it was equivalent to Humalog[®] in glycemic control, as safe in terms of hypoglycemia risk, and as convenient in terms of use and number of injections.

About Adocia

Adocia is a biotechnology Company specializing in the discovery and development of therapeutic solutions in the field of metabolic diseases, primarily diabetes and obesity.

The Company has a broad portfolio of drug candidates based on four proprietary technology platforms:

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

Adocia holds more than 25 patent families. Based in Lyon, the Company has about 100 employees. Adocia is listed on the regulated market of Euronext[™] Paris (Euronext: ADOC; ISIN: FR0011184241).

Disclaimer

This press release contains certain forward-looking statements concerning Adocia and its business. Such forward-looking statements are based on assumptions that Adocia considers as being reasonable. However, there can be no guarantee that the estimates contained in such forward-looking statements will be achieved, as such estimates are subject to numerous risks including those which are set forth in the “Risk Factors” section of the universal registration document that was filed with the French Autorité des marchés financiers on April 26, 2023 (a copy of which is available at www.adocia.com), in particular uncertainties that are linked to research and development, future clinical data, analyses, and the evolution of the economic context, the financial markets and the markets in which Adocia operates.

The forward-looking statements contained in this press release are also subject to risks not yet known to Adocia or not considered as material by Adocia as of this day. The occurrence of all or part of such risks could cause that actual results, financial conditions, performances, or achievements of Adocia be materially different from those mentioned in the forward-looking statements.

This press release and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy Adocia’s shares in any jurisdiction.

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