

PRESS RELEASE

Lyon, October 25th, 2023



ADOCIA

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ADOCIA Reports Financial Results of Third Quarter 2023 and Provides an Update on its Activities

- Cash position of 16.8 million euros as of September 30, 2023, following transactions carried out in the third quarter of 2023:
 - Signature of an option agreement with Sanofi on M1Pram for €10m and continued negotiations for a global partnership
 - €10m financing (private placement and issuance of convertible bonds)
 - Full repayment of IPF Partners debt for €10.2m
 - Partial exercise of IPF Partners' warrants and receipt of €1.5m cash at the end of September (€2.1m to date, out of the total €2.5m expected)
- Continued cost-optimization policy and project prioritization
- Positive results on the three BioChaperone[®] Combo studies
- Presentation of AdoShell[®] Islets at the EASD international congress

6:00 pm CEST - 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 other metabolic diseases, reports today its third quarter financial results for 2023 and provides an update on its activities.

"Together with Tonghua Dongbao, we are delighted with the positive results obtained in the three BioChaperone Combo studies. Following on from BioChaperone Lispro, the insulin currently in phase 3, we are once again demonstrating the value of BioChaperone technology. We are also demonstrating the value of the team capable of inventing and industrializing a product as challenging as an innovative insulin", says Olivier Soula, Chief Executive Officer of Adocia. "This bodes very well for our new combination of insulin and Pramlintide. M1Pram is unique in its ability to replace prandial insulin and lose weight. Following the option agreement signed with Sanofi on M1Pram, we are actively pursuing our discussions with a view to reaching an agreement by the end of the year".

Third quarter 2023 financial results

"We continue to manage our cash flow prudently, maintaining a rigorous policy of external spending and controlled headcount reduction. Our priorities are clear, with resources currently focused on M1Pram and AdoShell Islets, and on actively supporting our Chinese partner for the development of BC Lispro and BC Combo," says Valérie Danaguezian, Chief Financial Officer. "In the absence of any new cash inflows from current or future partnerships, our cash position of nearly €17 million enables us to finance our activities until the end of July 2024. We are actively working on signing new partnerships and anticipate the receipt of milestone payments under the Tonghua Dongbao contract in order to significantly extend this cash horizon."

The main financial figures for the quarter are as follows:

Detail of the revenue

<i>In thousands of euros, IFRS standards (unaudited)</i>	09/30/2023 (3 months)	09/30/2022 (3 months)	09/30/2023 (9 months)	09/30/2022 (9 months)
Licensing revenues	77	103	238	5 000
Research and collaboration agreements	243	2 298	1 709	4 751
Revenue	320	2 402	1 947	9 751

The Company revenues are mainly derived from the licensing and collaboration agreements signed with Tonghua Dongbao (THDB) for the development, production and marketing of BioChaperone[®] Lispro and BioChaperone[®] Combo in China and other Asian territories.

In the third quarter of 2023, revenues reflect €0.2 million in services provided by Adocia's teams on BioChaperone[®] Combo and the completion of the three clinical trials in Europe, the positive results of which were announced on October 23.

At the end of September 2023, total revenues thus amounted to almost €2 million, including €1.5 million generated with THDB on BioChaperone[®] Combo activities and €0.5 million linked to an ongoing feasibility study on the AdOral[®] project.

In 2022, over the same period, revenues of €9.8 million were impacted by services provided for THDB on BC Combo, but also €4.8 million by the receipt in May 2022 of the milestone payment generated by the recruitment and dosing of the first patient in the Phase 3 program on BioChaperone[®] Lispro initiated by THDB in China.

Finally, and marginally now, licensing revenues include the impact of the application of IFRS 15 on the treatment of the upfront payment received from THDB in 2018, upon signature of the licensing agreements. This payment has been amortized over the development period initially provided for in the contract, resulting in an amount of €238 thousand in 2023, compared with €262 thousand in 2022.

Net Cash Position

The company's cash position stood at €16.8 million as of September 30, 2023, compared with €17.4 million as of December 31, 2022. This cash position takes particular account of the following receipts and disbursements:

- Sanofi's payment of €10 million under the M1Pram exclusivity agreement;
- The completion of a €10 million financing consisting of a €5 million private placement and the issue of €5 million in subscribed convertible bonds. As of the date of this press release, all convertible bonds issued by the company have been converted. In September 2023, Vester Finance declared that it had exceeded the threshold of 10% of the Company's capital, positioning itself as a significant shareholder in the Company;
- Repayment of IPF Partners debt in the amount of €10.2 million;
- The receipt of €1.5 million following the partial exercise of IPF Partners warrants. At the date of this press release, the total amount received by IPF Partners is €2.1 million, corresponding to the exercise of 84% of the warrants.

Cash outflows from operating activities for the first nine months of the year came to €10.6 million, lower than last year's figure of €14 million, on a like-for-like basis (excluding financing operations).

Net financial debt (excluding IFRS 16 impacts and derivative instruments) stood at €5.8 million at the end of September 2023, compared with €24.1 million as of December 31, 2022. The significant decrease in debt of €18.3 million stems mainly from (i) the repayment of the IPF Partners loan in full, (ii) the conversion of all convertible bonds into shares issued (i.e. -€6, 8 million compared with end-December 2022) (iii) the payment of PGE loan maturities (State Guaranteed Loan for €0.8 million) and (iv) Bpifrance's waiver of €0.5 million on the Hinsbet program initiated in 2012 and discontinued.

3rd Quarter Highlights

BIOCHAPERONE® COMBO

The three clinical studies conducted on BioChaperone® Combo (CT046 - 47 and 48) proved positive. Conducted on people with type 1 and type 2 diabetes, and on healthy Chinese volunteers, the studies demonstrated that BioChaperone® Combo is effective, with a good safety and tolerance profile.

The different clinical studies conducted confirm the potential of BC Combo to reduce postprandial hyperglycemia and the risk of hypoglycemia, while providing 24-hour basal control. The data generated support the goal of effective once- or twice-daily dosing. The overall assessment showed that BioChaperone® Combo had a good benefit/risk ratio, supporting its clinical development in the next phase.

Conducted by Adocia in Germany, these studies were fully funded by Tonghua Dongbao, to which BC Combo was licensed in 2018.

M1PRAM

In July 2023, Sanofi was granted an exclusive right to negotiate a worldwide licensing agreement for M1Pram (and other insulin-pramlintide combinations developed by Adocia). This agreement was accompanied by a payment of €10 million. Discussions are progressing, with our aim is to conclude a licensing agreement by the end of 2023.

A Phase 2b clinical program, including 140 patients with type 1 diabetes and a BMI >30kg/m², is currently being prepared in the United States.

ADOSHELL® ISLETS

AdoShell® Islets, an immunoprotective biomaterial containing islets of Langerhans for the treatment of diabetes by cell therapy, has been selected for two oral presentations at prestigious international congresses.

The presentation given at the 59th annual congress of the EASD (European Association for the Study of Diabetes) attracted the attention of researchers and physicians specialized in islet transplantation, thanks to unpublished data on long-term in vitro functionality and in vivo efficacy. The excellent safety profile, with no inflammatory reactions or fibrosis, was further confirmed.

At the joint IPITA-IXA-CTRMS congress on October 28, Adocia will present the results of the work carried out to determine the specificities of AdoShell® Islets for its application in humans. In parallel, Adocia is continuing its search for partners for AdoShell®.

BIOCHAPERONE® LISPRO

The pivotal Phase 3 program with BioChaperone Lispro, conducted in China by Adocia's partner Tonghua Dongbao, continues its course. The study involves 1,300 type 1 and type 2 diabetic patients recruited from over 100 centers across China, and the last patient last visit (LPLV) would be the trigger for the payment process of the \$10 million.

ADORAL®

Aiming to overcome the challenge of oral peptide administration, AdOral is attracting the interest of several biopharmaceutical companies. In particular, its application to semaglutide, for which it increases oral bioavailability by up to 5-fold, compared with marketed oral semaglutide, has led to discussions which are still ongoing.

The AdOral technology has also been tested on a pharmaceutical partner's peptide. This study could lead to the conclusion of a licensing agreement.

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 more than 80 employees. Adocia is listed on the regulated market of Euronext™ Paris (Euronext: ADOC; ISIN: FR0011184241).

Contact

Adocia

Olivier Soula

CEO

contactinvestisseurs@adocia.com

+33 (0)4 72 610 610

www.adocia.com

Ulysse Communication

Adocia Relations Presse et Investisseurs

Pierre-Louis Germain

Bruno Arabian

adocia@ulyse-communication.com

+ 33 (0)6 64 79 97 51



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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 as being reasonable. However, there can be no guarantee that the estimates contained in such forward-looking statements will be achieved, as such estimates are subject to numerous risks including those which are set forth in the "Risk Factors" section of the universal registration document that was filed with the French Autorité des marchés financiers on April 26, 2023 updated by the amendment of 26 July 2023 (D.23-0346-A01) and amendment of 13 September 2023 (D.23-0346-A02), available at www.adocia.com,

in particular uncertainties 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.