ADOCIA

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PRESS RELEASE

Adocia announces third quarter 2016 financial results

- **Revenue of EUR 6.5 million for the third quarter, compared to EUR 6.2 million in 2015**
- **Solid cash position of EUR 57.5 million at September 30, 2016**

Lyon, France, October 12, 2016 – Adocia (Euronext Paris: FR0011184241 – ADOC), a clinical stage biopharmaceutical company focused on diabetes treatment with innovative formulations of approved proteins, announced today third quarter revenue and net cash position ending September 30,2016.

"During this quarter, we strengthened our strategic positioning in the field of diabetes treatment, notably with the stop of the BioChaperone PDGF project and the development of two new BioChaperone products combining a basal insulin with GLP-1s for type 2 diabetes treatment. GLP-1s are emerging as a therapeutic class complementary to insulins and glucagon," said Gérard Soula, President and CEO of the Company. "We expect to start clinical studies of our two most recent projects, BC Human Glucagon and BC Basal GLP-1, as soon as 2017."

• Detail of revenue for the third quarter of 2016

In K€ - IFRS rules (unaudited)	**3 months**		**9 months**	
	09/30/16	**09/30/15**	**09/30/16**	**09/30/15**
Licensing revenue	2 687	2 687	8 061	8 061
Research and collaborative agreements	3 824	3 530	10 385	10 864
Revenue	**6 511**	**6 217**	**18 446**	**18 925**

Revenues for the third quarter of 2016 were primarily derived from the ongoing Eli Lilly licensing agreement for the development of the ultra-rapid insulin analog, BioChaperone® Lispro.

Specifically, revenues included EUR 2.7 million in **licensing revenue** from Eli Lilly, reflecting the up-front payment received upon signing the deal. Under IFRS rules, the total up-front amount of EUR 40.8 million (USD 50 million) is recognized as revenue linearly over the expected duration of the program at the time of the signature of the agreement.

Additionally, as per the agreement, the company invoiced Eli Lilly EUR 3.8 million for internal and external expenses related to the co-development of the project. These expenses are accounted for as **research and collaborative agreements** revenue. This 8% increase compared to the third quarter 2015 reflects a particularly high activity carried out under this partnership over the period.

Consequently, over the first nine months, revenue amounted to EUR 18.5 million in 2016, compared to 18.9 million in 2015

- **Net cash position**

On September 30, 2016, cash and cash equivalents amounted to EUR 57.5 million, compared to EUR 72.1 million as of January 1, 2016.
To be note that the cash position at the end of September does not include EUR 6.8 million euros relating to the research tax credit based on 2015 eligible expenses, for which Adocia received the reimbursement on October 3, 2016.

Total operating cash flow for the nine months 2016 was EUR 14.5 million, compared to EUR 11 million during the same period 2015. This increase, in line with the operational plan, reflects the maturation of our projects leading to intensified clinical development as well as an increase in staff to support program advancement and the growth of the company.

The acquisition of the building in which the headquarters and the research center of the Company are located, was financed by a loan. Debt at September 30, 2016 totaled EUR 6.4 million, compared to EUR 0.8 million at the end of last year.

"This quarter is marked by revenues that remain high, which reflects the sustained and intense activity deriving from our partnership with Eli Lilly for the development of BioChaperone Lispro" commented Valerie Danaguezian, CFO of Adocia. "Following the collection of research tax credit for 2015, our cash position will progress from 57.5 million euros (as of end of September) to more than 64 million (as of early October). This strong cash position will allow us to finance the entire portfolio, which is now focused on diabetes treatment."

- **Main events for Q3 2016**

During this quarter, the Company achieved significant preclinical and clinical results that led to redefining strategy and focusing on diabetes treatment.

First, the Company announced results of the Phase 3 clinical trial conducted in India that evaluated BioChaperone PDGF-BB (BC PDGF) for the treatment of diabetic foot ulcer. As was made public in August 2016, BC PDGF did not meet the primary endpoint, which consisted in a significant improvement of wound closure compared to placebo after twenty weeks of treatment. Considering these results and the difficulty to address this indication, in particular

in light of the lack of standardized treatment of these wounds, the Company decided to halt all development on this project.

Second, during this quarter, important clinical developments contributed to the progress of the three projects focused on innovating formulations of insulins for the treatment of diabetes:

- Active development of BioChaperone Lispro, the ultra-rapid formulation of insulin analog lispro, was pursued in partnership with Eli Lilly. In particular, clinical results from the ongoing Phase 1b study in people with type 1 diabetes using insulin pumps are expected during the fourth quarter.
- A study of BioChaperone Combo, the unique combination of basal insulin glargine and prandial insulin lispro was launched in people with type 2 diabetes. This study aims at documenting the effect of BioChaperone Combo, injected at the time of the meal, on postprandial glycemic control, compared to that obtained with either premix insulin Humalog® Mix25TM (Eli Lilly) or separate injections of Lantus® (Sanofi) and Humalog® (Eli Lilly). Results for this study are expected during the first quarter of 2017.
- As for HinsBet, a rapid-acting formulation of human insulin using BioChaperone, clinical results from the Phase 1b study measuring its effect on postprandial glycemic control are expected in the next few weeks.

Third, building on the expertise acquired in the past ten years to position itself as a center for excellence in protein formulation of the treatment of diabetes, the Company announced it would strengthen its portfolio with two new projects:

- The first, BioChaperone Human Glucagon, was announced in June. It aims to develop an aqueous formulation of human glucagon for the rescue treatment of severe hypoglycemia and to allow its use in a dual hormone artificial pancreas system.
- The second, BioChaperone Basal GLP-1, was announced in September. It combined basal insulin glargine with a GLP-1 receptor agonist. Two combinations are under development: BioChaperone Glargine Dulaglutide and BioChaperone Glargine Liraglutide.

With the launch of those two projects, the Company now has one of the most competitive portfolio targeting the treatment of diabetes, as its innovations answer the double challenge of medical performance and improved pharmaco-economics for healthcare.

Next meetings

ADOCIA intends to attend the following events in the coming months:

- **Bio Europe** November 7th -9th 2016 in Cologne (Germany)
- **Jefferies Global Healthcare Conference** November 16th &17th 2016 in London (UK)
- **Actionaria** November 18th &19th 2016 at the palais des congrès in Paris
- **Deutsches Eigenkapital Forum** November 21st - 23rd in Frankfurt (Germany)
- **Oppenheimer & Co. 2016 Life Sciences Summit** November 29th in New York (USA)
- **20th ODDO Conference** January 5th & 6th 2017 in Lyon
- **JP Morgan 35th Annual Healthcare Conference** January 9th - 13th 2017 in San Francisco (USA).

About ADOCIA

Adocia is a clinical-stage biotechnology company that specializes in the development of innovative formulations of already-approved therapeutic proteins. Adocia's insulin formulation portfolio, featuring four clinical-stage products and one preclinical product, is among the largest and most differentiated in the industry.

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 in order to address specific patient needs.

Adocia's clinical pipeline includes four novel insulin formulations for the treatment of diabetes: two ultra-rapid formulations of insulin analogs (BioChaperone Lispro U100 and U200), a rapid-acting formulation of human insulin (HinsBet U100) and a combination of insulin glargine and a rapid-acting insulin analog (BioChaperone Combo). Adocia is also developing an aqueous formulation of human glucagon (BioChaperone Glucagon), two combinations of insulin glargine with GLP-1s (BioChaperone Glargine Dulaglutide and BioChaperone Glargine Liraglutide) and a concentrated, rapid-acting formulation of human insulin (HinsBet U500), all of which are in preclinical development.

In December 2014, Adocia signed a partnership with Eli Lilly for the development and commercialization of the BioChaperone Lispro projects.

Adocia aims to deliver "Innovative medicine for everyone, everywhere."

To learn more about Adocia, please visit us at www.adocia.com

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