



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

- A cash position of nearly 14 million euros as of March 31, 2023
- Negotiations are underway with the Company's main lenders, notably to adjust financial covenants
- Several partnerships under negotiation, in particular with M1Pram for which discussions are at an advanced stage

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 first quarter financial results for 2023 and provides an update on its activities.

"We are aware of the Company financial situation and are working, in priority, to conclude a partnership for our flagship product M1Pram. This partnership would allow us to develop this product under the best possible conditions and ensure Adocia's long-term financing," said Gérard Soula, Chairman and CEO of Adocia. "We are also conducting discussions on our other platforms. Based on our preclinical results, we recently signed a first feasibility study on AdOral[®] with a pharmaceutical company for the oral delivery of one of their proteins. The success of Rybelsus[®] demonstrates the value of this platform. Finally, our recent results obtained with AdoShell[®] Islets are attracting the interest of several companies involved in cell therapy".

First quarter 2023 financial results

The main financial figures for the quarter are as follows:

DETAIL OF THE REVENUE

<i>In thousands of euros, IFRS standards (unaudited)</i>	03/31/2023 (3 months)	03/31/2022 (3 months)
Licensing revenues	109	86
Research and collaboration agreements	703	494
Revenue	812	580

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 first quarter of 2023, revenues mainly reflect the services provided by Adocia's teams in relation to the collaboration signed with THDB on the BioChaperone® Combo project to conduct three clinical studies in Europe.

License 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 license agreements. This payment has been amortized over the development period initially provided for in the contract and results in an amount of €109,000 in the first quarter of 2023, compared to €86,000 in 2022.

Total revenues at the end of March 2023 amounted to €0.8 million compared to €0.6 million in 2022 for the same period.

Net Cash Position

The Company cash position amounted to €13.9 million on March 31, 2023, compared to €17.4 million on December 31, 2022. This position includes €4.3 million received in February 2023 in connection with the mobilization of the 2022 research tax credit. On a comparable basis, cash used in operations for the first three months of the year amounted to €7.8 million, which was lower than last year (€8.8 million).

Net financial debt (excluding IFRS 16 impacts and derivatives) amounted to €21.5 million at the end of March 2023, compared with €24.1 million on December 31, 2022. The decrease in debts is mainly due to (i) the partial repayment of the IPF Partners loan (-€1.1 million), (ii) the conversion (for an amount of -€0.7 million at the end of March 2023) of the bonds convertible into shares known as "OC 1124" issued by the Company in December 2022 and (iii) the repayment of the PGE loans (-€0.4 million).

The cash position of €13.9 million at the end of March would allow the Company to finance its activities until September 2023, but does not permit, since the end of March 2023, to respect the financial commitments (covenants) taken with its lenders. To avoid the possibility of the loan falling due in the event of default, the company has entered into negotiations with its main lenders, in particular to adjust its financial commitments in order to extend its cash horizon and thus enable it to pursue the discussions initiated in recent months with potential partners.

Indeed, Adocia is actively pursuing several options that would allow it, if they were to materialize in a positive manner, to significantly strengthen its cash position: signing of a partnership, monetization of future royalties, and fund raising. If none of these options were to succeed, and if no agreement were to be reached with its lenders, the Company cash position would be reduced to the end of June 2023.

Management is actively pursuing all options in parallel and remains confident that it can extend its cash position.

1st Quarter Highlights

M1Pram

We are currently in advanced negotiations to enter into a global partnership for M1Pram.

More than 40 million people worldwide have Type 1 Diabetes and are overweight or obese. To date, there is no therapeutic solution for these patients. M1Pram has demonstrated remarkable weight loss results in people with

Type 1 Diabetes over 4 months. These results are comparable to those obtained by the new blockbusters semaglutide and tirzepatide, when used for Type 2 Diabetes. However, since these products are not approved for Type 1 Diabetes, M1Pram has a unique position for obese people living with Type 1 Diabetes.

For the second year in a row, the medical journal Diabetes, Obesity and Metabolism, has made the latest M1Pram results for its cover story ([A co-formulation of pramlintide and insulin A21G \(ADO09\) improves postprandial glucose and short-term control of mean glucose, time in range, and body weight versus insulin aspart in adults with Type 1 Diabetes by Grit Andersen MD et al.](#)).

BioChaperone® Lispro and BioChaperone® Combo - partnership with Tonghua Dongbao

The two Phase 3 studies on BioChaperone Lispro are progressing according to schedule.

In order to finance its operations for short and medium term, the company has initiated discussions with potential financial partners to monetize a portion of the future BioChaperone Lispro royalties set forth in the contract with Tonghua Dongbao.

The three Phase 1 studies on BioChaperone Combo, in preparation for the Phase 3 studies, are following the established development plan.

Consultations with the CDE, the Chinese health authority, are planned on both programs.

AdoShell® Islets

The AdoShell® platform is attracting the interest of many pharmaceutical companies involved in cell therapy. Discussions are underway with major players in the field.

During the first quarter, six human pancreases were collected for application in AdoShell Islets. They have provided new preclinical efficacy data necessary for the preparation of a first clinical study. The selection of a clinical candidate has been made and the scaling up for human application is underway. The team is now working on the preparation of a clinical trial application to the regulatory authorities.

An oral presentation has been accepted for the prestigious ADA meeting (83rd Scientific Sessions of American Diabetes Association, June 23-26, 2023). The presentation will be entitled: "*AdoShell Islet, a novel biomaterial for allogeneic islet encapsulation, demonstrated insulin secretion for six months in immunocompetent diabetic rats*" and will be held on June 23 at 2:00 pm (PDT).

AdOral®

Adocia recently signed a contract for a feasibility study based on its AdOral® platform to develop an oral formulation of a protein currently administered subcutaneously. This project is in line with the prospect of applying this platform to many therapeutic proteins currently injected subcutaneously. The example of the success of Rybelsus®, oral formulation of semaglutide, shows the value of this approach.

Most Diabetes and obesity medications are injected on a daily or weekly basis, which is an additional burden for patients and a barrier to the initiation of these treatments. The most effective active ingredients are proteins that naturally degrade in the gastrointestinal tract, so there is a real technical challenge in developing oral forms to meet an important unmet medical need.

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).

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innovative medicine
for everyone, everywhere



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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 21, 2022 (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.

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