



ADOCIA

Innovative Medicine

for everyone, everywhere

Letter to Shareholders

November 2023



A word from the CEO

Ladies and Gentlemen, Dear Shareholders,

Over the past few months, Adocia has undergone a truly pivotal period, opening a new chapter in its history.

The month of June was marked by the sudden withdrawal of our main lender, in a structurally difficult environment for biotechs on the financial markets. We successfully came out of this situation thanks to the exceptional value of the M1Pram project, which led Sanofi to acquire exclusive negotiating rights in exchange for a payment of €10 million. The conclusion of this agreement came along with the support of our historic investors, including co-founder Gérard Soula, Vester Finances and Bpifrance, who once again demonstrated their confidence by participating in our latest fund-raising, which reached €10 million.

Today, Adocia is based on three pillars, each of great value:

- M1Pram, the first “weight-loss insulin”, under exclusive option with Sanofi
- The maturity of our partnership with Tonghua Dongbao on BC Lispro and BC Combo
- AdoShell Islets, a disruptive cell therapy technology

M1Pram is positioned as the first insulin to offer weight loss, whereas other insulins are known to induce weight gain. The significant increase of obesity prevalence among people with type 1 or insulin-dependent type 2 diabetes – even though this population is not addressed by the latest obesity treatments – makes M1Pram a product of undeniable medical importance, with blockbuster potential.

We are pressing ahead with clinical development, with the priority of converting the option signed by Sanofi into a global partnership.

The second driver of Adocia's growth is our partnership with Tonghua Dongbao, China's leading insulin company. We are delighted to

have recently announced the successful completion of three clinical trials on BC Combo, entrusted to us by our partner. This new milestone is a major step forward. For BC Lispro, the second product covered by this partnership, Phase 3 clinical trials in China are due to be completed in 2024. The completion of the first Phase 3 on BC Lispro and the start of a Phase 3 on BC Combo are both subject to milestone payments of \$10 million each, which are expected in 2024.

Finally, AdoShell Islets is probably the most ambitious project in our portfolio, as it aims to cure people with type 1 diabetes through an islet transplantation solution that does not require the concomitant administration of immunosuppressive drugs. Our preclinical results have been the subject of oral presentations at the most prestigious scientific congresses covering cell therapy applied to diabetes: the ADA, EASD and IPITA. Aware of the hope that such a treatment represents for millions of patients, we are devoting considerable effort to preparing the entry of this project into the clinic, and also to establishing a partnership to develop this technology with a major pharmaceutical player.

Convinced that the coming months will continue to bring positive and transforming news to our Company, I would like to thank all our shareholders for their confidence and loyalty. I would also like to thank our team for their unfailing commitment, which has enabled us to successfully meet the challenges we have had to face together in the middle of this year.

I hope you enjoy reading this Letter to Shareholders.

Rest assured of our total commitment to growing Adocia, increasing the value of our Company and keeping you informed of our progress.

Olivier Soula,
Adocia CEO



2 Adocia News

Highlights

- May 15: appointment of Olivier Soula, PhD, MBA, as Chief Executive Officer, with the short-term objective of signing a partnership agreement on M1Pram. Gérard Soula is reappointed as Chairman of the Board of Directors.
- June 30: early repayment of the IPF Partners debt for €10.2 million. This releases the Company from the associated financial covenants and saves future interest payments.
- July 5: Adocia reaches agreement with Sanofi and raises completes a capital increase:
 - Sanofi pays Adocia €10 million in exchange for exclusive negotiating rights on M1Pram, in view of a global partnership;
 - At the same time, Adocia raises €10 million: i) a €5 million capital increase with historical investors, including Bpifrance and Gérard Soula, ii) the issuance of convertible bonds with Vester Finance for an additional €5 million.
- August 31: receipt of €500,000 in respect of the partial exercise by IPF Partners of its warrants. Since then, all IPF Partners' warrants have been subscribed, for a total amount of €2.5 million, and have been issued on the market.
- October 23: Adocia and its partner Tonghua Dongbao have announced positive results from three clinical trials on BC Combo. The data generated will be submitted to the Chinese regulatory authorities to support the application to enter the next clinical stage in China.
- November 9: data presented at various scientific conferences support that AdoShell® Islets is an immunoprotective, biocompatible implant for islet transplantation, without immunosuppression.

Focus: Agreement with Sanofi on M1Pram

After several months of discussions, Adocia was pleased to conclude last July an agreement with Sanofi, one of the world leaders in the insulin field. The payment of €10 million to Adocia gives Sanofi a time-limited exclusive right to negotiate a worldwide partnership for the product. This commitment enables Adocia to accelerate the development of M1Pram while continuing discussions with Sanofi in view of signing a partnership, hoped for by the end of this year.

M1 Pram is a combination of rapid-acting insulin and pramlintide, an amylin analog. It is currently the only weight-loss treatment developed for patients under intensive insulin therapy. M1Pram is intended to meet a major unmet medical need in this population, estimated at around 40 million worldwide.

Phase 2 clinical results in overweight and obese patients with type 1 diabetes showed exceptional weight loss with good glycemic control. The potential efficacy of this product places it on a par with the most effective weight-loss treatments currently on the market: (Ozempic®, Novo Nordisk) et tirzepatide (Mounjaro®, Eli Lilly). However, none of them is approved for this population of people suffering from Type 1 Diabetes and Obesity.

M1Pram, or the story of an innovation

You-Ping Chan, R&D Director

Amylin, a satiety hormone co-secreted with insulin by pancreatic beta cells, was discovered in 1987. This hormone, absent in people with type 1 diabetes, was the subject of extensive research, and in 2005, the first amylin analog - pramlintide - was approved by the FDA as an adjunct to rapid insulin therapy for type 1 and type 2 diabetes. Symlin® achieved limited commercial success, mainly because it required three additional injections per day, in patients already injecting insulin at least four times a day.

Combining insulin and amylin therefore seemed the obvious solution to fully reveal the therapeutic value of amylin in the treatment of insulin-dependent diabetes. However, this co-formulation has long remained a technical challenge for several players in the field.

In 2017, You-Ping Chan, "M1Pram" project leader, proposed a simple and elegant solution. He identified M1, the circulating metabolite of glargine (one of the world's most used insulins, under the name Lantus®, Sanofi), as one that could be combined with pramlintide to give a stable solution. Insulin M1, which differs from human insulin by just one amino acid, presented interesting characteristics, notably its pharmacological properties similar to those of a rapid-acting insulin. Adocia's multi-disciplinary team transformed this idea into a product and brought it to clinical proof of concept for its efficacy in weight loss combined with good glycemic control. Since then, three successful clinical trials have been conducted.

"At the time, we immediately understood the importance of this molecule, and after a number of laboratory trials, we filed a patent application for the co-formulation of M1 and pramlintide, a patent now granted in the United States, Europe and Japan. We absolutely wanted to offer the possibility of improving the treatment of insulin-dependent people with diabetes, without sacrificing their quality of life. Today, I'm delighted by the prospect of a partnership with Sanofi, which brings the availability of M1Pram to these patients much closer."



Our presence in the scientific news



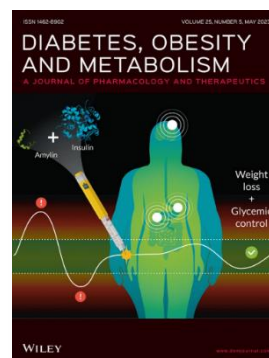
*Adocia has given several oral presentations at prestigious congresses: the **American Diabetes Association**, the **European Association for the Study of Diabetes**, and **IPITA-IXA-CTRMS** (International Pancreas Islets Transplantation Association, International Xenotransplantation Association, Cell Transplant and Regenerative Medicine Society).*

*Medical and Project teams in charge of **AdoShell** unveiled our latest results: insulin secretion maintained after seven months in immunocompetent rats with AdoShell Islets implant. This approach of an innovative biomaterial that protects pancreatic islets could revolutionize cellular therapy for diabetes.*

Adocia has once again made the cover of the leading journal "Diabetes, Obesity and Metabolism"! The publication detailing the performance of M1Pram (ADO09, Phase 1b study) on glycemic control and weight loss attracted the attention of the scientific community.

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.

Mai 2023. [Grit Andersen et al.](#)



Adocia, **in collaboration with Human Cell**

Design, has published results on EndoC-βH5 cells, the latest generation of human β-pancreatic cell models.

[B. Blanchi et al.](#)

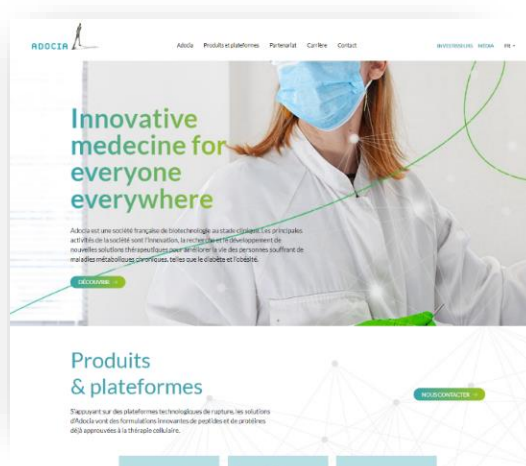
Launch of the new website!

Adocia has given itself a fresh look, with the launch of a new website!

Designed to facilitate our communication with our shareholders, you'll find a section dedicated to "investors" with all regulatory and stock market information.

Don't hesitate to visit it to learn more about our products and technology platforms:

www.adocia.com



Next milestones in our portfolio

2024

Clinical studies

- BC Lispro: end of Phase 3
- BC Combo: initiation of Phase 3
- M1Pram: initiation of Phase 2b

Preclinical Proof of Concept Studies

- AdoGel Sema, hydrogel for long-acting delivery of peptides

First in Human trials Preparation

- AdoShell Islets, cell therapy by implantation of Islets of Langerhans
- AdOral Sema, oral formulation of a GLP-1

3 Finance

Key Financials as of September 30, 2023

Company financing

- 95m€ raised since inception
- 135m\$ received from partnerships

Expected milestones payment

- 80m\$ + royalties, as per contract with Tonghua Dongbao

Cash position: **16,8m€**

Debt (excluding derivatives and IFRS16): **5,6m€**

Three questions for Valérie Danaguezian,

Adocia Chief Financial Officer



1. What do you take away from the events of recent months?

From a financial standpoint, the last few months have been eventful! We have lived through them with intensity, in close collaboration with our partners who have supported us at every stage: our shareholders, our banks, the AMF, our statutory auditors, our lawyers and, of course, our employees.

Today, we are in a healthier financial position, free of our senior debt and associated covenants. We can confirm today that IPF Partners has converted all its warrants and that all the shares issued have been placed on the market.

Vester Finance, our financial partner, has converted all its bonds and issued a declaration of threshold crossing (10%). We are delighted that

they have taken a position as a core investor in Adocia's capital.

We've come out of the last few months even stronger, and even more convinced of the value of our company.

2. What does "project prioritization" imply?

When we published our financial results at the end of September, we stated that we had a cash flow horizon to the end of July 2024, in a scenario that does not include any new financial income from existing or future partnerships.

In this context, we must remain cautious, and this means keeping a careful control on our total payroll and a rigorous management of our expenditures.

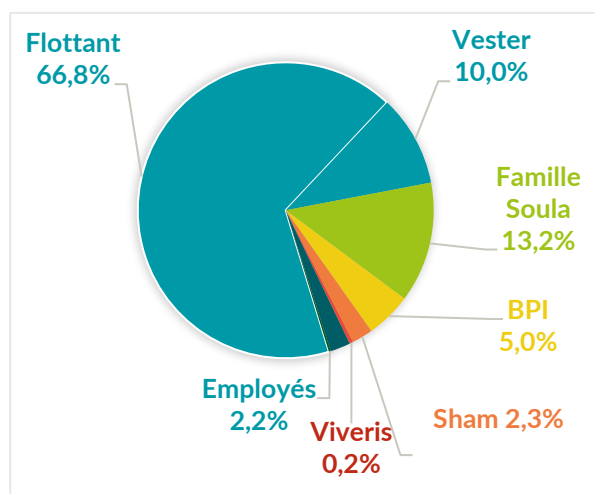
At the same time, we must continue to innovate and generate scientific results. We have therefore prioritized our resources on M1Pram and AdoShell Islets, which are the two most value-creating projects for Adocia in the short and medium term. I would like to remind that clinical developments on our most advanced programs (BC Lispro and BC Combo) are fully funded by Tonghua Dongbao.

3. How do you analyze strong movements in the share price (ADOC)?

Over the past few weeks, Adocia has featured on numerous occasions in the SRD's list of the sharpest rises, as well as the sharpest falls. The share price, which was around €4 at the end of May, now stands at around €8.5 in mid-November, with significant volumes, which is a good performance in a biotech sector suffering from the bearish context and risk aversion. Market capitalization reflects this, with a mid-November value of around €120 million.

It's worth noting that the fields of diabetes and obesity are currently attracting a great deal of interest from the general public, investors and industrial players alike. I'm convinced that our products are ideally suited to these booming markets.

Shareholder ownership and share



Structure, as of October 25, 2023



Share/Volume

Source : Euronext, November 21, 2023

Stock Market Information

Listed on Euronext Paris (ADOC)

■ 14 millions shares outstanding

Analysts' coverage

■ Kepler Chevreux – Julie Telliez

■ Oddo – Oussema Denguir

ADOC
LISTED
EURONEXT



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Adocia and its shareholders

Adocia took the floor on several occasions, to address questions from shareholders and journalists on the events of the summer.

Find all interviews on our website: ([Media – Videos](#)).

Olivier Soula – Le Journal des Biotechs



Jérémy Benattar – Investisseur.TV



Olivier Soula – Bourse et Valeurs, Lyon Pole Bourse



Webconférence du 06 juillet 2023



Olivier Soula, La Bourse et la Vie, Investor Access



Olivier Soula, LSX Investival Showcase



Don't miss our next Investors Rendez-Vous!

[Ajouter à mon agenda](#)

The banner features a vibrant background with overlapping circles in shades of blue, purple, and pink. The text 'INVESTIR DAY' is prominently displayed in large, bold, white capital letters. Below it, the date '28 NOV 2023' and the location 'CARROUSEL DU LOUVRE' are written in a smaller, white, sans-serif font.

Adocia : des solutions innovantes, du diabète vers l'obésité

Adocia est heureux de vous inviter à Investir Day qui se tiendra le mardi 28 novembre 2023 au Carrousel du Louvre.

Nous serons ravis de vous accueillir sur notre espace n° 116 pour répondre à toutes vos questions.

Retrouvez le management d'Adocia à 16h55, en salle 2, pour une présentation intitulée : "Des solutions innovantes, du diabète vers l'obésité". Olivier Soula, co-fondateur et nouveau CEO, présentera ses ambitions pour Adocia.

Adocia est spécialisée depuis près de 20 ans dans le développement de traitements innovants pour les millions de personnes atteintes de diabète et d'obésité. Deux produits, dont un en Phase 3, sont en partenariat avec un leader chinois, Tonghua Dongbao. Récemment, Sanofi a pris une option pour la négociation d'une licence sur un produit de rupture au potentiel de blockbuster.

[Je m'inscris gratuitement](#)

For more information

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