PRESS RELEASE

Lyon, April 24th, 2024

ADOCIA

innovative medicine
for everyone, everywhere

ADOCIA Announces Full Year 2023 Financial Results and Provides a Corporate and Financial Update

- Cash of €13.0m (million) as of December 31, 2023 (€17.4m as of December 31, 2022), including:
  - The signing of an exclusivity agreement with Sanofi on M1Pram and payment of €10m
  - The July 2023 €10m financing operation
  - The contract termination with IPF Partners, resulting in the repayment of all IPF debt (€10.2m) and the receipt of €2.5m from the exercise of its warrants
- Cash position subsequently bolstered by March 2024 financing operation, consisting of a €2m private placement and a financing line with Vester Finance. The full utilization of the latter could extend the cash runway to Q3 2025
- Advances with our flagship products and interest from potential partners:
  - Continuation of partnership discussions with Sanofi on M1Pram and preparation for phase 2b study in the United States
  - Preparation of the first clinical study and partnership discussions on AdoShell® technology
  - Progress of the BioChaperone® Lispro phase 3 program and discussions between the Chinese regulatory authorities and partner Tonghua Dongbao on the next clinical steps for BioChaperone® Combo in China

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 obesity, announces today its annual financial results as of December 31, 2023. The consolidated financial statements contained herein were approved by Adocia's board of directors on April 23, 2024. These statements will be presented to shareholders for approval at the next annual general meeting on June 13, 2024.

Valérie Danaguezian, Adocia Chief Financial Officer, said: "*In fiscal year 2023, the company succeeded in improving its financial situation by reducing drastically its indebtedness, and the transaction with Vester Finance in March 2024 should enable us to extend our cash runway to the third quarter of 2025*."

"We are in an excellent position to create value for our shareholders, with a mature partnership in China expected to generate substantial revenues, negotiations underway with a world-leading pharmaceutical company, and great interest expressed in our cell therapy technology," added Olivier Soula, Chief Executive Officer. *"With our new financial position, we can accelerate product development and conclude partnerships."*

Financial highlights

The following table summarizes the financial statements under IFRS for the year ended December 31, 2023 with a comparison to the year ended December 31, 2022:

In (€) thousands, Consolidated financial statements	**FY 2023 (12 months)**	**FY 2022 (12 months)**
Revenue	2 150	11 447
Grants, Research tax credit, others	3 899	5 914
Operating revenue	**6 048**	**17 361**
Research and development expenses	(14 813)	(25 898)
General and administrative expenses	(5 479)	(4 359)
Operating expenses	**(20 293)**	**(30 257)**
OPERATING INCOME (LOSS)	**(14 244)**	**(12 896)**
Other operating revenue and expenses	0	11 199
OPERATING INCOME	**(14 244)**	**(1 698)**
FINANCIAL INCOME (LOSS)	**(6 916)**	**(4 727)**
Tax	(2)	(476)
NET INCOME (LOSS)	**(21 162)**	**(6 901)**

The Company's results for 2023 are characterized by:

A net loss of €21.2m (million) in 2023, compared with a loss of €6.9m in 2022, mainly due to:

- **Revenue** of €2.2m in 2023 (compared with €11.4m in 2022), including €1.5m from activities with Tonghua Dongbao (THDB) on BioChaperone® (BC) Combo and €0.6m from a feasibility study on the AdOral® project.

  By way of comparison, 2022 sales of €11.4m included (i) services performed for THDB on BC Combo, and (ii) a €4.8m milestone payment received in May 2022 on recruitment and dosing of the first patient in THDB's phase 3 BC Lispro program in China.

- **Other operating income** of €3.9m, comprising (i) the Research Tax Credit (CIR) of €3.4m generated on expenses for the 2023 financial year, down from the 2022 CIR (€5.9m) reflecting the drop in eligible operating expenses, and (ii) the €0.5m Bpifrance grant accounted for as income, following the recognition of the technical and commercial failure of an Insulin project dating back to 2012.

- **Operating expenses** of €20.3m, a reduction of €10m compared with 2022. This reflects lower R&D expenses, partly offset by higher overheads.
    - The €11m decrease in research and development expenses is mainly due to lower clinical expenditures. In 2022, this item was impacted by expenses related to the three clinical trials, which ended in 2023, carried out as part of the partnership with THDB on BC Combo. The year 2023 was also marked by a close monitoring of headcounts and expenses in a tight financial context.
    - The €1.1m increase in overheads compared with 2022 is mainly due to legal and consulting expenses incurred in connection with (i) the restructuring of IPF Partners debt, and to a lesser extent, (ii) the financing transactions carried out.
- Negative **financial income** of €6.9m is mainly due to (i) interest paid on the state guaranteed loan (PGE) and on the loan taken out with IPF Partners through its repayment in July 2023 for €0.8m, and (ii) changes in fair value of convertible bonds and IPF warrants, which had no impact on cash.
- **The net loss** for 2023 of €21.2m declined versus 2022 (loss of €6.9m). This decrease is mainly due to the positive effect in 2022 of the sale-leaseback transaction on the head office, which generated income of €11.2m.
- For the record, **a non-current operating income** of €11.2m was recognized in 2022 following the sale-leaseback of the head office in March 2022. This transaction resulted in a net cash inflow of €18.9m and generated a book gain of €16.6m. This has been restated in accordance with IFRS16, and only the portion constituting the rights transferred to the purchaser-lessor appears under other non-current operating income.

A cash position of €13.0m as of December 31, 2023 (compared with €17.4m as of December 31, 2022).

The cash position at year-end 2023 reflects the following main receipts and disbursements, mainly in the second half of 2023:

- Payment in July 2023 by Sanofi of €10m related to the M1Pram exclusivity agreement;
- €10m financing package consisting of a €5m private placement and a €5m convertible bond issue. All the convertible bonds issued by the Company were converted at the end of September 2023, and Vester Finance declared that it had exceeded the threshold of 10% of the Company's capital, thus positioning itself as a significant shareholder in the Company;
- Repayment of €10.2m debt to IPF Partners;
- Receipt of €2.5m from the exercise of all IPF Partners' warrants.

Cash used in operating activities for 2023 was €14.9m, lower than last year (€19.5m), on a comparable basis (excluding financing operations).

Debt (excluding IFRS16 impacts and derivatives) of €5.7m as of December 31, 2023, compared with €24.1m as of December 31, 2022, representing a net decrease of €18.4m.

This significant reduction is mainly due to (i) the repayment of the IPF Partners loan in full, (ii) the conversion of all convertible bonds into shares issued (-€6.8m compared with December 31, 2022) (iii) the payment of maturities

linked to the PGE (State Guaranteed Loan for -€0.8m) and (iv) the advance of €0.5m from Bpifrance on the HinsBet® program initiated in 2012 and subsequently discontinued.

Cash runway and outlook

As of December 31, 2023, the company had cash and cash equivalents of €13.0m, enabling it to finance its current operations until July 2024, excluding any income from existing or future partnerships.

On March 21, 2024, the Company raised €2m in capital and set up an equity financing line (PACEO) with Vester Finance for up to 1,700,000 shares.

With a €3m cash injection received on the signing of this transaction, the company's cash runway has been extended to November 2024, and to Q3 2025 assuming use of the entire PACEO based on the share price at the time of its implementation.

In addition, Adocia is still in exclusive negotiations with Sanofi for a global partnership on M1Pram, and is expecting two milestone payments of $10m each in the second half of 2024, linked to progress on the BioChaperone® Lispro and BioChaperone® Combo projects in partnership with Tonghua Dongbao.

Lastly, the Company still considers accessing the financial markets to finance its research.

Highlights of the year 2023

Product pipeline

The year 2023 was marked by progress with our flagship products, notably M1Pram and AdoShell® Islets, which attracted the interest of potential partners with a view to establishing licensing agreements. At the same time, Adocia continued to support its partner Tonghua Dongbao in the development of BioChaperone® Combo and BioChaperone® Lispro. Finally, Adocia established *in vivo* proofs of concept for its AdOral® and its AdoGel® technology platforms. Adocia is seeking partnerships for these technology platforms.

Major clinical advances and the deployment of technological platforms

- **M1Pram: towards a global partnership to meet a major unmet medical need**

This fixed combination of insulin analogues and amylin is intended to provide a solution to the problem of obesity in people with type 1 diabetes or insulin-dependent type 2 diabetes. In the United States, 65%[1] of type 1 diabetic patients are overweight or obese, representing more than one million people. Also in the United States, 85% of type 2 diabetics are overweight or obese[2] of whom 5% are insulin-dependent, also more than one million people.

[1] Conway B, Miller RG, Costacou T, Fried L, Kelsey S, Evans RW, Orchard TJ. Temporal patterns in overweight and obesity in Type 1 diabetes. Diabet Med. 2010. Apr;27(4):398-404. doi: 10.1111/j.1464-5491.2010.02956.x. PMID: 20536510; PMCID: PMC3129711.

[2] Epidemiology of Obesity and Diabetes and Their Cardiovascular Complications

On July 5, 2023, Sanofi and Adocia signed an agreement granting Sanofi exclusive rights to negotiate a worldwide partnership for M1Pram (and other insulin-pramlintide combinations developed by Adocia). Sanofi paid Adocia €10m for the acquisition of this right.

On the clinical development front, the M1Pram Medical Advisory Board met in December 2023 to finalize the protocol for a forthcoming phase 2b study. This clinical program, involving 140 patients with type 1 diabetes and a BMI>30kg/m², is currently being prepared in the United States. Manufacturing of clinical batches is underway, to ensure the launch of the phase 2b study in the third quarter of 2024.

- **AdoShell® Islets: a strategic priority**

In 2023, new data on AdoShell® Islets, an immunoprotective biomaterial containing islets for the treatment of diabetes by cell therapy, were communicated at the prestigious CTRMS international congresses of ADA, EASD and IPITA-IXA. The data support AdoShell® Islets as a biocompatible immunoprotective material for islet transplantation, without immunosuppression. *In vivo*, in diabetic mouse models, the survival of encapsulated islets is maintained after a seven-month study without immunosuppression, and efficacy has been established with the ability to control hyperglycemia. Designed to be implanted via minimally invasive surgery, AdoShell® Islets has demonstrated exceptional biocompatibility.

Adocia is actively working on the preparation of a first clinical trial. Adocia is preparing interactions with regulatory authorities to validate the proposed development plan. AdoShell® Islets could then be clinically tested as early as 2025.

Discussions are underway to establish a partnership for the technology.

- **BioChaperone® Combo: three positive clinical studies**

Positive results from three clinical studies conducted on BioChaperone® Combo (CT046 - 47 and 48) were announced in 2023. Conducted by Adocia in Germany, these studies were fully funded by Tonghua Dongbao, to whom BC Combo was licensed in 2018. Conducted on people with type 1 and type 2 diabetes, and on healthy Chinese volunteers, the studies demonstrated the efficacy of BioChaperone® Combo combined with a good safety and tolerability profile.

The various clinical studies conducted confirm the potential of BioChaperone® Combo to reduce postprandial hyperglycemia and the risk of hypoglycemia compared with the reference premix insulin Humalog® Mix, while ensuring basal control over 24 hours. The data generated support the objective of effective dosing in one or two doses per day. The overall evaluation showed that BioChaperone® Combo has a good benefit/risk ratio, supporting its clinical development in the next phase.

Tonghua Dongbao is currently discussing the next development steps with the Chinese regulatory authorities. Treatment of the first BC Combo phase 3 patient, expected in 2024, will trigger a $10m milestone payment (out of a maximum $50m in milestone payments, followed by royalties on future sales).

- **BioChaperone® Lispro: phase 3 progresses in China**

The extensive phase 3 program for BioChaperone® Lispro initiated in 2022 is currently underway. Led by partner Tonghua Dongbao, the program involves 1,300 people with type 1 or type 2 diabetes in over 100 clinical research centers in China. The last patient last visit (LPLV) scheduled for the second half of 2024 will trigger a $10m

payment. The contract provides for a maximum amount of $30m, contingent on the achievement of future development milestones through to product registration. Double-digit royalty payments on future sales of Tonghua Dongbao are also planned.

Preparatory work for phase 3 trials in the United States and Europe has been completed, with positive opinions received from the FDA and EMA. The company is continuing its search for partners to initiate the pivotal program until it obtains marketing authorization for these territories, and to ensure its commercialization.

New proprietary technology platforms to improve peptide delivery

- **AdOral®: oral delivery of peptides to replace injections**

Adocia has developed an oral peptide delivery technology, making it possible to switch from injectable to oral forms. In addition to improving patients' quality of life and compliance, oral forms of peptides may be of interest in terms of product lifecycle management, avoiding the difficulties associated with large-scale production of sterile injectables. An initial application to semaglutide, a GLP-1 receptor agonist used in the treatment of diabetes and obesity, has validated this technology in preclinical studies, demonstrating significantly improved bioavailability compared with Rybelsus, the marketed oral form of semaglutide.

The AdOral® technology is currently being studied on peptides from two pharmaceutical partners, and discussions are underway to determine the next steps in these collaborations.

- **AdoGel®: long-acting peptide delivery to reduce the number of injections**

AdoGel® has been designed to enable long-term delivery of GLP-1, to reduce the number of annual administrations from 52 to 12, and to reduce the production of auto-injectors. Designed for monthly release, AdoGel® Sema avoids an initial concentration peak and ensures semaglutide release with a pseudo-zero order profile in animals.

Changes in governance

In May 2023, Adocia announced the appointment of Olivier Soula as Chief Executive Officer, by decision of the Board of Directors which met on May 11, 2023 in Paris. Olivier Soula succeeds Gérard Soula, who was reappointed Chairman of the Board of Directors.

Post-period events

In March 2024, the company announced that it had raised €2m from its two main shareholders and a member of its management team and had signed an equity financing line with Vester Finance representing up to 12% of its capital. The details of this operation are described in our press release of March 21, 2024[3].

[3] *Press Release, March 21, 2024, https://www.adocia.com/composants/uploads/2024/03/ADOCIA-PR-March-2024-Financing.pdf*

2024 Milestones

- **BioChaperone® Lispro:** end of phase 3 in China expected in the second half.
- **BioChaperone® Combo**: Start of the next clinical trials currently under discussion between Tonghua Dongbao and the Chinese regulatory authorities.
- **M1Pram**: start of phase 2b in the U.S.A., in people with type 1 diabetes and a BMI >30kg/m², scheduled for the third quarter.
- **AdoShell® Islets:** preparation of regulatory interactions for first-in-human study.
- Continued deployment of the **AdoGel® and AdOral®** technology platforms.

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 an initial application in pancreatic cells transplantation; and 4) AdoGel®, a long-acting drug delivery platform.

Adocia holds more than 25 patent families. Based in Lyon, the company has about 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
Bruno Arabian
Nicolas Entz

adocia@ulysse-communication.com
+ 33 (0)6 87 88 47 26

ELIGIBLE PEA PME

European Rising Tech LABEL

ADOC LISTED EURONEXT

ADOCIA
innovative medicine
for everyone, everywhere

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 inherent in research and development, future clinical data, analyses, and the evolution of the economic context, the financial markets and the markets in which Adocia operates, which could impact the Company's short-term financing requirements and its ability to raise additional funds.

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.