



Press Release

**Adocia: Financial results and business report for the first half of 2012**

- Progress of projects in line with the objectives
- Increase of operational revenue: + 90%
- Strong and controlled financial situation: 33.7 million euros in cash

**Lyon, September 3, 2012** – Adocia (NYSE Euronext Paris: FR0011184241 - ADOC), a biotechnology company specialized in the development of best-in-class medicines from already approved therapeutic proteins, announces today its financial results for the first half year 2012.

**Key events over the first half-year**

- **Initial Public Offering**, in February 2012, 25.3 million euros raised (net of operation related expenses) enabling the company to finance the development of its ambitious projects.
- **Achievement of milestones relating to the development of projects**, with notably phase IIa positive clinical results with the human fast acting Insulin project HinsBet<sup>®</sup> and phase II positive results for project for treatment of diabetic foot ulcer with BioChaperone<sup>®</sup> PDGF-BB.
- **Launch of the first clinical trial by Eli Lilly**, following the license agreement signed at the end of December 2011, for its ultra fast acting insulin analog project.
- **Issuance of the patent protecting BioChaperone<sup>®</sup> PDGF-BB formulations** by American and European agencies on its lead project for the treatment of chronic wounds.

**Main financial elements:**

- **A strong financial situation with 33.7 million euros in cash and cash equivalent at the end of June 2012**, i.e. an increase of 27.8 million euros over the period.  
This cash position results from the payment of 7.6 million euros related to the up-front payment received from our partner for the licensing contract signed at the end of 2011 and the 25.3 million euros raised in the company's initial public offering in February 2012.  
Cash flow generated by operational activities during the first half of the year amounts to +3.7 million euros.
- **Shareholders' equity amounts to 27.3 million euros at the end of June 2012 compared with 4.3 million euros at the end of December 2011**, reflecting the capital raised in the initial public offering of the company.
- **A half-year operating loss of 1.7 million euros compared with a 2.9 million euros loss recorded in the first half of 2011**. This improvement resulted mainly from the significant increase of operating revenue. The increase was more than 2 million euros (4.1 million euros over the period of 2012

compared with 2.2 million euros over the period of 2011), partially offset by the increase of 0.9 million euros in operating expenses (+ 16 % at 5.9 million euros compared with 5 million euros in 2011).

Gerard Soula, President and CEO of Adocia, commented *"These first six months of the year have been particularly rich in events. We thank our investors (historic and new) for giving us the financial resources to pursue our ambitious strategy with serenity. Our team has shown over the first six months of the year its skills and its commitment in order to ensure the development of our first license agreement according to its original plan and to meet milestones in the development of our research projects."*

Regarding this second half year, Gerard Soula added : *" We will pursue, together with our partner, the development of our project on ultra rapid insulin analog. Furthermore, we are actively preparing clinical trials on human fast acting insulin and on insulin combinations. We also intend to file our dossier in India for the Phase III clinical trial on diabetic foot ulcer and we are preparing one clinical trial in the US and one in Europe by 2013. Finally, our business development activities will be strengthened."*

*"Our level of cash today amounts to nearly 33 million euros, providing us with the financial strength to support our growth and meet defined milestones for our projects," said Valérie Danaguezian, administrative and Financial Director. "We are continuing our development, while making sure we dedicate our main resources to our core business, R&D, and thus keep our cash consumption under control."*

#### Next scheduled dates:

- **Tuesday September 4, 2012:** Presentation of first half year 2012 results at 2:30pm CET at NYSE Euronext, room Auditorium, 39 rue Cambon, Paris 1er
- **Monday September 24 to Tuesday September 25, 2012:** Attending Large & Midcap Event in Paris
- **Monday October 8 to Tuesday October 9, 2012:** Attending Biopartnering Future in Brussels
- **Tuesday October 30, 2012:** Q3 2012 revenue published

Adocia will participate in the 4th Congress of World Union of Wound Healing, WUWHS 2012 in Yokohama (Japan) from September 2 to 6 2012, in the 11th annual meeting of Diabetic Foot Society of India, DFSICON in Hyderabad (India) on September 7-8-9, in Bio India International Conference in Mumbai (India) on September 12-13 and in the 48th annual meeting of the European Association for the Study of Diabetes, EADS in Berlin (Germany) on October 1-2-3 2012.

#### Contact

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## Financial Results as of June 30, 2012:

The following table summarizes the half-year financial statements established in accordance with IFRS standards for the six-month period until June 30, 2012 and 2011.

<i>In thousands of Euros – IFRS Standards</i>	<b>June 30, 2012</b>	<b>June 30, 2011</b>
<b>Operating Revenue</b>	<b>4 107</b>	<b>2 153</b>
Research and development expenses	(5 094)	(4 386)
General Expenses	(776)	(656)
<b>Operating Expenses</b>	<b>(5 870)</b>	<b>(5 042)</b>
<b>Operational Results (loss)</b>	<b>(1 762)</b>	<b>(2 889)</b>
Net Financial Income	13	(19)
<b>Net Result (loss)</b>	<b>(1 749)</b>	<b>(2 908)</b>
Average number of shares outstanding (in thousands)	5 739	4 452
Net loss per share (in €)	(0,3)	(0,7)
<i>In thousands of Euros – IFRS Standards</i>	<b>June 30, 2012</b>	<b>June 30, 2011</b>
<b>Cash and cash equivalent</b>	<b>33 705</b>	<b>5 905</b>
Total asset	40 308	17 636
<b>Owners 'equity</b>	<b>27 325</b>	<b>4 330</b>

### Operational Products: first licensing revenue

The following table shows details of operational products for each period:

<i>In thousands of Euros – IFRS Standards</i>	<b>June 30, 2012</b>	<b>June 30, 2011</b>
<i>Research Contracts and collaborative development contracts</i>	<i>1 398</i>	<i>1 037</i>
<i>Licenses Revenue</i>	<i>1 151</i>	<i>-</i>
<b>Turnover (a)</b>	<b>2 549</b>	<b>1 037</b>
Grants, public funding and tax credit research(b)	1 558	1 116
<b>Operating revenue (a) + (b)</b>	<b>4 107</b>	<b>2 153</b>

- Operating revenue on June 30, 2012 has risen more than 90% compared with those registered over the same period in 2011. This increase comes primarily from the licensing contract signed at the end of December 2011 for the development of a new formulation of a fast acting insulin analog. The up-front payment of 10 millions of dollars made pursuant to such agreement is booked as revenue on a linear basis throughout the expected duration of the clinical duration of the clinical development program as planned in the terms of the contract, leading to the recognition of 1 million euros as revenue for the first semester of 2012.

In addition, over the second quarter of 2012, the company received 0.2 million euros due to the achievement of a milestone determined in the contract.

- Furthermore, within the framework of this agreement, Adocia's expenses related to the development of the licensed project are supported by the partner. This partnership, as well as the continuation of collaborative agreements on monoclonal antibodies, leads to an increase of 35% of research and collaborative development revenue in the first six months of 2012 compared to the first half of 2011.
- The other operating revenue products are mainly constituted by the tax credit research for a total amount of 1.6 million euros compared with 1.1 million euros as at June 30, 2011. This increase is mainly explained by the increase of research and development expenses eligible over the period concerned.

### **Operating expenses:**

<i>In thousands of Euros – IFRS Standards</i>	<b>June 30, 2012</b>	<b>June 30, 2011</b>
Research and Development expenses	(5 094)	(4 386)
General and administrative expenses	(776)	(656)
<b>Operating expenses</b>	<b>(5 870)</b>	<b>(5 042)</b>

- Operating expenses increased by more than 16%, or more than 0.9 million euros rising from 5 million euros for the first six months of 2011 to 5.9 million euros for the first six months of 2012. Close to 87% of operational expenses are accounted for by research and development expenses. They reflect increased efforts concerning various projects in the portfolio.
- The main types of operating expenses concern:
  - External expenses related to the subcontracting of preclinical and clinical studies, which represent more than 45% in total operational expenses and which are up more than 17% compared to the first six months of 2011.
  - Wages and salaries represent the second area of expenses with more than 37% of the total and are up of 9% compared to first six months of 2011.

### **Balance sheet items**

- At June 30, 2012, the amount of cash and cash equivalents held by the company amounts to 33.7 million euros, compared with 5.9 million euros at December 31, 2011.
- Shareholder's equity has increased from 4.3 million euros at the end of December 2011 to 27.3 million euros at the end of June 2012, mainly reflecting capital increases due to the IPO (+25.3 million euros) and including the loss of the six first months of 2012.
- Financial debts, amounting to 2.5 million euros at the end fin June 2012, mainly concern repayable advances received from the French Agency Oséo innovation.

## About Adocia

### ***“Innovative medicine for everyone, everywhere”***

Adocia is a biotechnology company specialized in the development of best-in-class medicines with already approved therapeutic proteins.

Adocia is specialized in insulin therapy and the treatment of the diabetic foot ulcer, one of the main complications of diabetes. Worldwide, more than 366 million individuals are currently suffering from diabetes (with a forecast of 552 million individuals by 2030, i.e. a 51% increase, reaching 70% in emerging countries). 15% of these patients will develop a foot ulcer during their lifetime. The markets targeted by Adocia represent more than USD 20 billion (USD 17 billion for insulin therapy and USD 3 billion for diabetic foot ulcer healing).

Through its BioChaperone<sup>®</sup> state-of-the-art technological platform, Adocia intends to enhance the effectiveness and safety of therapeutic proteins and their ease of use for patients, with the aim of making these medicines accessible to the broadest public.

Adocia successfully completed two phases I and II studies on the formulation of a fast-acting human insulin and obtained promising phase I/II results on a diabetic foot ulcer-healing product. Adocia also confirmed the value of its technology for the formulation of a fast-acting insulin analog by signing an exclusive worldwide license agreement with a major pharmaceutical company. Furthermore, Adocia is developing a unique combination of fast-acting insulin and slow-acting insulin, for an optimal insulin therapy with one single product.

### ***To be a global leader for the formulation of therapeutic proteins***

Based on its experience and recognised know-how, Adocia has extended its activities to the formulation of monoclonal antibodies, which are gold standard molecules for the treatment of numerous chronic pathologies (oncology, inflammation, etc.). In this field, Adocia is engaged in collaborative programs with two major pharmaceutical companies.

Adocia's therapeutic innovations aim at bringing solutions to a profoundly changing global pharmaceutical and economic context, characterized in particular by the increased prevalence and impact of the targeted pathologies, population growth and ageing, the need to control public health expenditures and increasing demand from emerging countries.

Adocia is listed on the regulated market of NYSE Euronext in Paris (ISIN Code: FR0011184241, mnemonic code / Reuters / Bloomberg: ADOC, ADOC.PA, ADOC.FP), and its share is included in the Next Biotech index.

For more information: [www.adocia.com](http://www.adocia.com)

## 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 to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the “Risk Factors” sections of the prospectus registered by the Autorité des marchés financiers on January 25, 2012 under number 12-034 (a copy of which is available on [www.adocia.com](http://www.adocia.com)) and to the development of economic conditions, 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 currently considered material by Adocia. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Adocia to be materially different from such forward-looking statements.*

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