



## PRESS RELEASE

## Adocia presents financial results for the first half of 2015 highlighting strong growth

- **A cash position at the end of June 30, 2015 amounting to € 72.8 million strengthened by the proceeds from the € 32 million private placement with healthcare specialist investors**
- **A strong growth in revenue to € 12.7 million (compared to € 0.2 million in the first half of year 2014)**
- **A net profit of € 6.7 million (versus a € 5.5 million loss in June 30, 2014)**

**Lyon, July 21, 2015** – Adocia (Euronext Paris: FR0011184241 – ADOC) announced today its financial results for the first six months ended June 30, 2015. IFRS half year financial 2015 consolidated statements have been subject to a limited review by the statutory auditors and were approved at the Board of Directors' meeting held on July 20, 2015.

*« During the first half year, Adocia has carried out a real transformation with a strong growth of its business, its cash position, and its international visibility. Recent clinical results obtained from our BioChaperone® Lispro project, in collaboration with Eli Lilly, and the launch of two new studies of BioChaperone Combo are true catalysts to generate added value,» commented Gérard Soula, Adocia CEO. "The international ambitions of Adocia are strong and the entry of new shareholders and the creation of the US subsidiary are key elements for this strategy".*

**A conference call in French will be held on Wednesday 22, 2015 at 6 PM (CET)  
Dial in number: +33 (0)1 70 77 09 22**

You will be able to listen to the conference by dialing +33 (0)1 72 00 15 01 followed by the code 295 558# within 90 days. An audio file will also be available on the website of the Company [www.adocia.com](http://www.adocia.com)

## Key financial results

The table below summarizes the condensed consolidated interim financial statements prepared for the six-months periods ended June 30, 2015 and June 30, 2014:

<i>In thousands of Euro – IFRS rules</i>	<b>06/30/2015</b>	<b>06/30/2014</b>
<b>Operating revenue</b>	<b>16 674</b>	<b>1 874</b>
Research and development expenses	(10 298)	(6 607)
General and administrative expenses	(1 561)	(826)
<b>Operating expenses</b>	<b>(11 858)</b>	<b>(7 433)</b>
<b>Operating income (loss)</b>	<b>4 815</b>	<b>(5 559)</b>
Financial income	1 904	14
<b>Net income (loss)</b>	<b>6 719</b>	<b>(5 545)</b>
Average number of outstanding shares (in thousands)	6 531	6 212
Net earnings per share (in €)	1,0	(0,9)
Net earnings per share (in €)- <i>on a fully diluted basis</i>	1,0	(0.9)

The financial results of the Company at June 30, 2015 are characterized by:

- **A solid financial position:** as a result of the 32 million euro increase in capital realized in March 2015 from a private placement of nearly 10% of its share capital from healthcare specialist investors, the Company shows a cash position as of June 30, 2015 amounting to 72.8 million euro. The cash needed to finance operations amounted to 7.1 million euro in the first six months of 2015.
- **A positive net result of 6.7 million euro over the first half of 2015** compared to 5.5 million euro loss for the first half of 2014:
  - **Operating income** of 16.7 million euro is significantly higher compared to last year, and results primarily from the research and collaborative contract signed with Eli Lilly.  
As of June 30, 2014, revenue amounted to 1.9 million euro and consisted of research tax credit (« Crédit Impôt Recherche ») and revenues generated from feasibility studies relating to the development of innovative formulations of monoclonal antibodies.
  - **Operating expenses of 11.8 million euro** were 60% higher than the expenses recorded last year over the same period, reflecting the sharp increase in clinical and preclinical activities.

«The continued development of our projects is resulting in a controlled increase of our operating expenses in line with our plan." adds Valérie Danaguezian, CFO." We have secured our financial position by executing a private placement in the first quarter, and our cash position of € 72.8 million as of June allows us to continue to develop the Company and ensure its growth".

## Keys events of the first half of 2015:

The year 2014 closed with the announcement of the signing of a major licensing collaboration with Eli Lilly, relating to the development of a formulation of an ultra-rapid insulin analog lispro. As per this licensing contract, the Company received an upfront fee of 50 million dollars at year end, enabling it to start 2015 with a cash position close to 50 million euro.

At the end of March 2015, in order to strengthen its cash position, the Company completed a private placement of approximately 32 million euro. Highly respected investors, specialized in the health sector, such as BVF, KKR, and Alken, invested in the Company. As of the end of June 2015, the Company has a position of 72.8 million euro in cash & cash equivalents.

During the first half year, the Company pursued the development of its product portfolio:

- BioChaperone Lispro: this project, in collaboration with Lilly, is part of a sustained development program. A Phase Ib clinical study was launched early January to measure the effect of ultra-fast insulin Lispro BioChaperone administered after standardized meals on post-prandial blood glucose. The results of this study, published partially in late June, showed a significant 61% reduction in the overall two-hours glucose excursion for BioChaperone Lispro versus Humalog. Other studies are being prepared and should be launched in the second half 2015.
- The human rapid insulin, HinsBet: the results of the Phase IIa clinical study launched end of 2014 were published in early February and showed that HinsBet has an early effect, similar to a fast-acting insulin analog such as Humalog® and greater to that of the recombinant human insulin, such as Humulin. Adocia is pursuing the clinical development of this innovative formulation with a concentration of 100 UI/ml. The Company also plans to develop a concentrated formulation U500, particularly interesting for patients with type 2 diabetes who are severely insulin resistant and who often require daily doses two or three times higher than standard doses.
- BioChaperone Combo: the unique combination of insulins glargine and lispro. After obtaining promising clinical results in 2014, the Company prepared during the first half two clinical trials that were launched in early July:
  - The first Phase Ib clinical trial is designed to evaluate the improvement of postprandial glucose control in subjects with type 1 diabetes after a single injection of BioChaperone with meals, compared to HumalogMix®.
  - The second Phase Ib clinical trial relates to subjects with type 2 diabetes and is designed to compare the pharmacodynamic profile of BioChaperone Combo, to that of HumalogMix, compared to injections of Lantus® and Humalog®.
- BioChaperone PDGF-BB for the treatment of diabetic foot ulcer: the phase III clinical study is ongoing in India. Results are expected for the first half of 2016.

Adocia also continues to conduct feasibility studies on innovative formulations of monoclonal antibodies with major pharmaceutical and biotech partners. Over the first half of the year, and due to the priority given to insulin projects, the research efforts on DriveIn project have been slowed down.

From an organizational perspective, in March 2015 the Company created a subsidiary in the US composed of a General Manager and a Chief Medical Officer. The objective is to strengthen the presence of the Company among the pharmaceutical and biotech companies and increase its visibility in this high-priority market, while also being closer to the US financial community.

## Upcoming events:

Below is a list of events Adocia plans to participate in the next months:

- **EASD** (European Association for the Study of Diabetes): September 15-18; Stockholm (Sweden),
- **Kepler Chevreux Autumn Conference**: September 16-18; Paris (France),
- **European Large & Midcap Event**: October, 7 and 8; Paris (France),
- **BIO Europe** : November 2-4; Munschen (Germany),
- **Healthcare & Biotechnology Conference (Société Générale CIB)** : November 5; Paris (France),
- **Actionaria**: November 20-21; Paris (France),
- **Piper Jaffray Annual Healthcare Conference**: December 1<sup>er</sup> and 2<sup>nd</sup>; New York (USA).

## About Adocia

### ***To be a global leader in the innovative delivery of insulins and therapeutic proteins***

Adocia is a clinical stage biotechnology company that specializes in the development of innovative formulations of already approved therapeutic proteins. It has a particularly strong expertise in the field of insulins. Adocia's proprietary BioChaperone® technological platform is designed to enhance the effectiveness and safety of therapeutic proteins and their ease of use for patients.

In December 2014, Adocia signed a partnership with Eli Lilly for the development and commercialization of its new formulation of insulin lispro, BioChaperone Lispro, previously tested successfully in two phase Ib/IIa studies.

Adocia will continue to develop its fast-acting human insulin formulation internally. Two clinical studies are planned over 2015, a post-meal glucose control study with HinsBet U100 and a PK/PD study with HinsBet U500. Adocia is also actively continuing the development of its BioChaperone Combo, a unique combination of insulin Glargine, the gold-standard of basal insulin and insulin lispro, a fast-acting insulin analog. A third clinical study, a dose-response in type 1 diabetic patients, is also scheduled for the fourth quarter of 2015.

In addition, Adocia launched a phase III clinical study in India on its product based on PDGF-BB for treatment of the diabetic foot ulcer (BioChaperone PDGF-BB) in August 2014.

Adocia has extended its activities to the formulation of monoclonal antibodies, which are gold-standard biologics for the treatment of various chronic pathologies (cancer, inflammation, etc.). Adocia is engaged in collaborative programs with two major pharmaceutical companies in this field.

### ***Fighting cancer with targeted treatments***

DriveIn® is a nanotechnology which is intended to significantly improve delivery of active compounds into cancer cells. This new proprietary platform constitutes an exceptional opportunity to enter the oncology market by improving the efficacy of both already approved treatments and novel proprietary molecules.

**« Innovative medicine for everyone, everywhere »**

Adocia's therapeutic innovations aim to provide solutions in a profoundly changing global pharmaceutical and economic context, characterized by (i) an increased prevalence and impact of the targeted pathologies, (ii) a growing and ageing population, (iii) a need to control public health expenditures and (iv) an increasing demand from emerging countries.

Adocia is listed on the regulated market of Euronext in Paris (ISIN: FR0011184241; Reuters/Bloomberg ticker: ADOC, ADOC.PA, ADOC.FP) and is included in the Next Biotech, Tech 40 and SBF 120 indexes.

American Depositary Receipts representing Adocia common stock are traded on the US OTC market under the ticker symbol ADOCY.

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



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**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' section of the Reference Document registered by the Autorite des marches financiers on April 30, 2015 under number R.15-032 (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.

This press release and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy Adocia shares in any jurisdiction.

## APPENDIX: Financial Results as of June 30, 2015

The following table provides details on operating income for each period:

### Operating revenue

<i>In thousands of Euro – IFRS rules</i>	<b>06/30/2015</b>	<b>06/30/2014</b>
<i>Research and collaborative agreements</i>	7 334	186
<i>Licensing revenue</i>	5 375	-
<b>Revenue (a)</b>	<b>12 709</b>	<b>186</b>
Grants, public financing and research tax credits (b)	3 965	1 688
<b>Operating income (a)+(b)</b>	<b>16 674</b>	<b>1 874</b>

The consolidated operating income at June 30, 2015 increased significantly compared to those recorded in the same period in 2014.

**Revenues** of 12.7 million euro at June 30, 2015 resulted primarily from the collaborative and licensing agreement signed with Lilly end of 2014 which impacts the revenues at two levels:

- Revenues from the collaboration agreement amounting to 7.3 million euro, Lilly supporting all internal and external costs related to the project
- License revenue of 5.3 million euro corresponding to the amortization of the initial payment of 50 million dollars received in December 2014, linearly amortized over the duration of the program as anticipated at the time of the signature of the agreement.

Last year, over the same period, revenue of 0.2 million euro exclusively resulted from on-going research and collaborative contracts related to the formulation of monoclonal antibodies.

**Other operating income** consists of the Research Tax Credit ("Crédit Impôt Recherche") for 2.9 million euro for the first half 2015 compared to 1.7 million euro in 2014. This increase reflects increase in activity.

Furthermore, in early June 2015, the Company obtained from Oseo the decision of a partial failure of the bone reconstruction project (osteoporosis) leading to the recognition of a grant of 1.05 million euro (balance of 0.5 million euro to be paid on September 30, 2015).

## Operating expenses

<i>In € thousands- IFRS rules</i>	<b>06/30/2015</b>	<b>06/30/2014</b>
Research and development expenses	(10 298)	(6 607)
General and administrative expenses	(1 561)	(826)
<b>Operating Expenses</b>	<b>(11 858)</b>	<b>(7 433)</b>

Consolidated operating expenses for the first half 2015 have increased significantly compared to last year: 11.9 million euro compared to 7.4 million euro representing a 60% increase:

- External costs, which represent almost 57% of total operating expenses, amounted to 6.8 million euro in 2015 compared to 3.8 million euro for the same period in 2014. Acceleration of clinical and preclinical developments explains this increase, and reflects the progress in our portfolio.
- Personnel costs represents the second significant area of expenses with 35% of total operating expenses compared to 40% for the first six months 2014. The increase from 3 million euro in 2014 to 4.1 million euro in 2015 reflects the additional resources needed for the development of projects: Full Time Equivalents (FTE) went from 72 on average over the first six months 2014 to 81 for the first half 2015.

Nearly 87% of operating expenses relate to research and development's expenditures and reflect the continuation of strong R&D activity and tight control of general and administrative and other overhead activity.

## Balance sheet items

<i>In € thousands – IFRS rules</i>	<b>06/30/2015</b>	<b>12/31/2014</b>
<b>Cash and cash equivalents</b>	<b>72 757</b>	<b>49 800</b>
Total Assets	82 250	52 544
<b>Equity</b>	<b>39 402</b>	<b>2 505</b>
<b>Financial debts</b>	<b>1 363</b>	<b>2 414</b>

On June 30, 2015, the amount of cash and cash equivalents held by the Company amounted to 72.7 million euro compared to 49.8 million euro at December 31, 2014.

Shareholders' equity increased from 2.5 million euro at the end of December 31, 2014 to 39.4 million euro at the end of June 2015, mainly reflecting the increase in capital carried out in March 2015.

Financial debts, amounting to 1.4 million euro at June 2015, mainly concern refundable advances from the French Agency for Innovation (Oséo), for the insulin project and the remaining part of the advance on osteoporosis project whose final payment amounting to 0.5 million euro is expected in late September.