



PRESS RELEASE

Adocia announces first quarter 2017 financial results

- **EUR 19.4 million in revenue, including EUR 18.8 million resulting from the termination of the partnership with Eli Lilly, with no impact on cash position,**
- **Cash position of EUR 52 million at March 31, 2017**

Lyon, April 18th, 2017 – 7:30am CET- Adocia (Euronext Paris: FR0011184241 – ADOC - the “Company”), a clinical stage biopharmaceutical company focused on diabetes treatment with innovative formulations of approved proteins, today announced first quarter 2017 revenue and its cash position ending March 31, 2017.

“This first quarter of 2017 was marked by the unexpected decision of Eli Lilly to terminate our collaboration and to favor its own competing internal project. Following this decision, we regained the rights to BioChaperone® Lispro and are currently executing all necessary actions to complete the termination of the partnership. In parallel, we are evaluating various opportunities for new partnerships. We are also reviewing the economic potential of this new class of ultra-rapid insulin, as the first product of this class was recently approved in Europe. Based on our first clinical results we are convinced of the strong potential of BioChaperone Lispro in this market.” said Gérard Soula, President and Chief Executive Officer of Adocia.

“Furthermore, we are pursuing the development of our portfolio of products, in particular the clinical development of BioChaperone Combo and preparing for the start of clinical trials with our new programs. We believe that the results of these studies should serve to confirm Adocia’s position as one of the leaders in the development of innovative products for the treatment of diabetes.”

- **Detail of revenue for the first quarter of 2017**

	03/31/2017	03/31/2016
	<i>(3 months)</i>	<i>(3 months)</i>
Licensing revenue	18,819	2,687
Research and collaborative agreements	598	4,112
Revenue	19,417	6,799

Revenue for the first quarter of 2017 were primarily derived from the Eli Lilly licensing agreement signed in December 2014 for the development of the ultra-rapid insulin analog, BioChaperone Lispro. In January 2017, Adocia announced the decision of Eli Lilly to terminate the collaboration on BioChaperone Lispro.

This decision impacted first quarter 2017 revenue by EUR18.8 million. Indeed, since December 2014, under IFRS rules, the initial up-front payment of EUR 40.8 million was recognized as revenue linearly over the expected duration of the program at the time of the signature of the agreement. The termination of the contract with Eli Lilly led to the recognition in Q1 2017 of the remaining non-amortized amount of EUR 18.8 million. **This licensing revenue** has no impact on the Company's cash position, as the up-front payment was received in full in December 2014.

As per the agreement, the Company has invoiced Lilly for external and internal development expenses related to the project developed within the partnership. This clause remains in effect for a period of 4 months following Lilly's announcement of the termination of the contract. For the first quarter of 2017, this amounted to EUR 0.6 million and was accounted for as **research and collaborative agreements** revenue.

- **Cash position**

On March 31, 2017, cash and cash equivalents amounted to 52 EUR million, compared to EUR 58 million as of January 1, 2017.

Total operating cash flow for the first quarter 2017 amounted to EUR 6 million, compared to EUR 7.5 million during the first quarter 2016.

Of note, the Company expects in the next few months to receive the reimbursement of the research and tax credit for 2016 expenses that should favorably impact its cash position by EUR 7.8 million.

Financial debt at March 31, 2017 totaled EUR 6.9 million and is mainly comprised of the 2016 loan contracted to finance the purchase of Adocia's premises. At December 31, 2016, the debt totaled EUR 7 million.

- **Key events in the first quarter of 2017**

The beginning of the year was marked on January 26, 2017 by the decision of Eli Lilly to terminate the license and collaboration partnership which was signed in December 2014. This decision opened a 4-month period ("wind-down period") during which contracts, data and manufactured material are being transferred to Adocia. Based on BioChaperone Lispro dossier, the clinical phase 3 program is ready to be initiated and Adocia is actively seeking a partner to conduct these trials.

Regarding BioChaperone Combo, the results of the ongoing clinical study phase 1/2 monitoring postprandial glycemc control (meal-test study) in people with type 2 diabetes are expected in the second quarter of 2017.

Adocia is also preparing a dose-response study in people with type 1 diabetes, which should start during the second quarter of 2017.

For Hinsbet, Adocia's strategy is to license this product to a regional diabetes player to development and launch this product in emerging countries.

In January 2017, Adocia announced the launch of a new program: multi-hormonal combinations for the treatment of type 1 diabetes. This new preclinical program further strengthens Adocia's portfolio dedicated to the treatment of diabetes. Last year, Adocia added two other preclinical programs: BioChaperone Human Glucagon and BioChaperone Glargine GLP-1.

Adocia expects to initiate a first-in-man clinical study with BioChaperone Glucagon in the second quarter and first-in-man clinical studies of BioChaperone Glargine GLP-1 and the multi-hormonal prandial combinations (BioChaperone Lispro Pramlintide or BioChaperone Lispro Exenatide) in the fourth quarter of 2017.

About ADOCIA

Adocia is a clinical-stage biotechnology company that specializes in the development of innovative formulations of already-approved therapeutic proteins. Adocia's portfolio of therapeutic proteins for the treatment of diabetes, featuring four clinical-stage products and six preclinical-stage products, is among the largest and most differentiated in the industry.

The proprietary BioChaperone technological platform is designed to enhance the effectiveness and/or safety of therapeutic proteins while making them easier for patients to use. Adocia customizes BioChaperone to each protein for a given application in order to address specific patient needs.

Adocia's clinical pipeline includes four novel insulin formulations for the treatment of diabetes: two ultra-rapid formulations of insulin analogs (BioChaperone Lispro U100 and U200), a rapid-acting formulation of human insulin (HinsBet U100) and a combination of basal insulin glargine and rapid-acting insulin lispro (BioChaperone Combo). Adocia is also developing an aqueous formulation of human glucagon (BioChaperone Human Glucagon), two combinations of insulin glargine with GLP-1s (BioChaperone Glargine Dulaglutide and BioChaperone Glargine Liraglutide), two combinations of insulin Lispro with synergistic prandial hormones (BioChaperone Lispro Pramlintide and BioChaperone Lispro Exenatide), and a concentrated, rapid-acting formulation of human insulin (HinsBet U500), all of which are in preclinical development.

Adocia aims to deliver "Innovative medicine for everyone, everywhere."

To learn more about Adocia, please visit us at 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 filed with the French Autorité des marchés financiers on April 11, 2017 (a copy of which is available on 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.