

## PRESS RELEASE

Lyon, October 25<sup>th</sup>, 2022



# ADOCIA Reports its Cash Position and Revenue for the Third Quarter of 2022 and Provides Business Updates

- A cash position of EUR 20.1 million as of September 30, 2022
- An increase in collaboration revenues of EUR 2.3 million for the quarter, compared to EUR 0.4 million for the same period last year
- Quarter highlights on the product portfolio:
  - Exceptional weight loss (-5.56 kg) and a good glycemic control with M1Pram, in a Phase 2 study in People with Type 1 Diabetes and Obesity<sup>1</sup>
  - A preclinical proof of concept on AdoShell<sup>®</sup> Islets for the treatment of Type 1 diabetes by cell therapy, without the use of immunosuppressive treatments, thus achieving a world first<sup>2</sup>

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 other metabolic diseases, reports its Cash Position and Revenue for the Third Quarter of 2022 and Provides Business Updates.

## Revenue & Net Cash Position

The main financial figures for the quarter are as follows:

### DETAIL OF THE REVENUE

<i>In thousands of euros, IFRS standards (unaudited)</i>	09/30/2022 (3 months)	09/30/2021 (3 months)	09/30/2022 (9 months)	09/30/2021 (9 months)
Licensing revenues	103	106	5 000	332
Research and collaboration agreements	2 298	423	4 751	599
<b>REVENUE</b>	<b>2 402</b>	<b>529</b>	<b>9 751</b>	<b>931</b>

<sup>1</sup> See press release dated October 6, 2022.

<sup>2</sup> See press release dated September 7, 2022

The company's revenue primarily stems from the licensing and collaboration agreements with Tonghua Dongbao (THDB) for the development, manufacturing, and commercialization of BioChaperone® Lispro and BioChaperone® Combo in China and other territories in Asia.

For the third quarter of 2022, the revenue includes EUR 2.2 million from a collaboration signed with THDB for services provided by Adocia's teams on the BioChaperone® Combo project to conduct three clinical studies in Europe.

Licensing revenues include the impact of the application of IFRS 15 on the treatment of the upfront payment received from THDB in 2018, upon signature of the license agreements. This payment has been recognized over the initial expected development period with an impact of 262,000 euros in 2022, compared to 332,000 euros in 2021.

Total revenues at the end of September 2022 increased to EUR 9.8 million euros compared to 0.9 million euros in 2021 over the same period.

## NET CASH POSITION

The company has a cash position of EUR 20.1 million as of September 30, 2022, compared to EUR 15.2 million as of December 31, 2021. The increase in cash is explained by the sale of the building in March 2022, which resulted in a net cash inflow of EUR 18.9 million<sup>3</sup>, and the EUR 4.2 million milestone payment received from THDB. In September 2022, the company received the reimbursement of the Research Tax Credit on 2021 expenses for a total of EUR 4.6 million.

Cash consumption from operations in the first nine months of the year amounted to EUR 14 million, in line with last year (EUR 13.8 million), on a comparable basis (excluding financing transactions).

Net financial debt (excluding IFRS 16 impacts and derivative debts) amounted to EUR 19.8 million as of September 30, 2022, compared with EUR 33.3 million as of December 31, 2021. The significant decrease in debts is due to (i) the partial repayment of the IPF Partners loan (EUR -4.7 million) including EUR 2 million of early repayments following the exercise of a contractual option, (ii) the conversion (for an amount of EUR -4.7 million at the end of September 2022) of convertible bonds called "OCA 1023" issued by the company in October 2021 and (iii) the early repayment of the loans (EUR -4.2 million) related to the sale of its laboratory and office complex. Financial debt has therefore decreased very significantly since December 31, 2021, with repayments amounting to EUR 13.7 million.

In September 2022, Adocia signed a letter of intent to set up a financing operation for an amount of EUR 6 million in the issuance of convertible bonds, which will take place at the beginning of the fourth quarter of 2022. This strengthened cash position (EUR 26 million on a proforma basis) should ensure the financing of activities over the next 12 months.

The company is actively seeking to conclude strategic partnerships for its various products, in order to accelerate the development of its research projects and to respect the IPF Partners' cash covenant at the beginning of the second quarter of 2023.

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<sup>3</sup> See the press release dated March 28, 2022

## Portfolio updates on the third quarter

### M1PRAM

Adocia announced, on June 21, 2022, positive results from its Phase 2 clinical trial (CT041) in people with type 1 diabetes comparing M1Pram, a combination of prandial insulin (M1) and an amylin analogue (pramlintide), to insulin lispro (Humalog<sup>®</sup>, Eli Lilly).

A *post-hoc* analysis, presented at EASD (European Association for the Study of Diabetes) in September 2022, showed an exceptional weight loss of -5.56 kg at 16 weeks in the sub-population with a BMI >30kg/m<sup>2</sup>, versus -0.57 kg in the Humalog<sup>®</sup> group (p=0.03)<sup>1</sup>.

Better appetite control was also expressed by patients in the satisfaction survey (82.4% with M1Pram vs. 43.2% with Humalog).

Both treatments were well tolerated and good overall glycemic control (TIR<sup>4</sup> and HbA<sub>1c</sub>) was maintained.

M1Pram is the only treatment developed to date that addresses the unmet medical need of obesity in people with Type 1 diabetes. M1Pram aims to replace mealtime insulins for overweight or obese people with diabetes.

### CELL THERAPY: ADO SHELL<sup>®</sup> ISLETS

Adocia announced on September 7, 2022, that AdoShell Islets, an immunoprotective synthetic biomaterial containing islets, achieved glycemic control in immunocompetent diabetic animals, without insulin or immunosuppressants, during a 132-day study. These remarkable results constitute a world first, acclaimed by the scientific community.

In this study, islets of Langerhans encapsulated in AdoShell, have been implanted in immunocompetent diabetic rats. The insulin secreted by the transplanted islets was measured for 132 days and no slowing of secretion was observed during the duration of the study. At the end of the experiment, the graft was removed, resulting in an observable drop of insulin secretion and rise in blood sugar levels, the animals rapidly returning to their diabetic state. At the same time, the animals in the control group (diabetic rats that did not receive AdoShell Islets) were unable to control their blood sugar levels.

Additional ongoing studies in diabetic rats confirm these initial results: glycemic control is observed in 4 diabetic rats for 110 days. This study is still ongoing, as well as studies on diabetic pigs.

The first application of AdoShell Islets is to improve current transplantation protocols, using donor pancreases. In parallel with this development, Adocia also aims to develop its technology from stem cells, which would ultimately make it possible to overcome the limit of the number of donors and thus treat a greater number of patients.

### BIOCHAPERONE<sup>®</sup> LISPRO

The pivotal Phase 3 program with the ultra-rapid insulin BioChaperone Lispro is progressing on schedule in China, with more than half of the patients already screened. Fully funded by the partner Tonghua Dongbao, this study enrolls more than 1,300 people with Type 1 and Type 2 diabetes, recruited in more than 100 centers across China.

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<sup>4</sup> TIR: Time In Range

## BIOCHAPERONE® COMBO

In May 2022, Tonghua Dongbao and Adocia initiated 3 clinical studies in Europe (CT046, CT047 and CT048) with BioChaperone Combo, the fixed combination of insulin glargine and lispro. The studies are on schedule, with half of the patients already randomized. Preliminary results are expected in the first quarter of 2023. This clinical program should enable Tonghua Dongbao to file the dossier with the China Drug Agency (CDE) to obtain approval to start a pivotal phase 3 program in China.

## BIOCHAPERONE® LISPRAM

The pilot trial to evaluate the pharmacokinetics, pharmacodynamics and efficacy of BioChaperone LisPram (a fixed combination of insulin lispro and an amylin analogue) is underway.

Conducted in collaboration with Prof. Ahmad Haidar of McGill University, Canada, the study aims to compare BioChaperone LisPram in a closed-loop system versus insulin lispro administered by pump, in patients with Type 1 diabetes. The clinical phase of the study has been completed and results will be communicated in the fourth quarter of 2022.

## 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 three 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 a first application in pancreatic cells transplantation for patients with "brittle" diabetes.

Adocia holds more than 25 patent families.

Based in Lyon, the company has about 100 employees. Adocia is listed on the regulated market of Euronext™ Paris (Euronext: ADOC; ISIN: FR0011184241).

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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 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 Autorit  des march s financiers on April 21, 2022 (a copy of which is available at [www.adocia.com](http://www.adocia.com), in particular uncertainties that are linked to research and development, future clinical data, analyses, and the evolution of the economic

context, the 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 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.