ADOCIA

innovative medicine
for everyone, everywhere

Press Release

Adocia Reports Operational and Financial Results for the First Half of 2014

- **Major clinical results reported on two formulations based on insulin**
- **Sound financial position with approximately EUR 16 million in cash at June 30,2014**

Lyon (France), July 24, 2014 - Adocia (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 six months ended June 30, 2014.
IFRS half year financial results for the period from January 1st to June 30th 2014 have been submitted to a limited review by financial auditors and validated by our Board Meeting held on July 23, 2014. The 2014 half year financial report is available on Adocia's website, Financials/Documentation/Financial Report.

Significant events of the first half of 2014:

- **Announcement of remarkable clinical results**, first with the product BioChaperone® Combo, combination of basal insulin glargine and fast insulin Lispro and, secondly, with ultra-fast acting insulin BioChaperone Lispro.
- **Continuation of clinical development** for both formulations: April 2014 marked the initiation of a Phase II dose-effect study with the formulation BioChaperone Lispro. In addition, the Company expects during the second semester to commence a Phase II dose-effect study with the BioChaperone Combo, a combination of long-acting insulin glargine and fast-acting insulin lispro. In July the Company commenced a third insulin based product: BioChaperone human insulin (HinsBet®) as an alternative to insulin analogs for prandial glycemic control.
- **Strengthening the portfolio of insulin formulations:** Adocia is developing a fourth product: a concentrated formulation of insulin Lispro (Lispro BioChaperone U300) to treat patients using insulin pumps and for patients with severe insulin resistance, which requires substantial doses of insulin.
- **Increase of the visibility of the company in the USA,** through the implementation of an ADR program (American Deposit Receipt) and the presentation of the successful clinical results at the American Diabete Association Scientific sessions.

"We are particularly pleased with the performance of our two innovative formulations of insulin. The interest shown by several large pharmaceutical companies for these two products confirms our strategic choices. Our next goal is to license these two projects, while actively pursuing their development" stated Gérard Soula, President and CEO of Adocia.

Financial highlights as of June 30, 2014:

The following table summarizes the half-year financial statements reported in accordance with IRFS standards for the six-month period ended June 30, 2014 compared with the six-month period ended June 30, 2013:

In € thousand - IFRS Rules	**30/06/2014**	**30/06/2013**
Operating revenue	**1 874**	**2 739**
Research and development expenses	(6 607)	(6 460)
General and administrative expenses	(826)	(926)
Operating expenses	**(7 433)**	**(7 386)**
Operating income (loss)	**(5 559)**	**(4 647)**
Financial net income	14	25
Net income (loss)	**(5 545)**	**(4 622)**
Average number of shares (in thousands)	6 212	6 203
Net loss per share (in €)	(0,9)	(0,7)

- **A sound financial position:** With the receipt in June of EUR 3.2 million granted under the French research and development tax credit (*Crédit d'Impôt Recherche*) the Company reported cash and cash equivalents at June 30, 2014 of EUR 15.9 million. The Company's burnt rate was EUR 3.5 million for the first six months of 2014.

- **An operational loss of EUR 5.5 million** for the first half of 2014 compared with EUR 4.6 million for 2013 semester**:**
  - **Operational expenses are relatively flat** at EUR 7.4 million compared with the same period last year: The increase in the clinical expenses for the first half of the year have been offset by decreases in preclinical and subcontracting expenses;
  - **Operational income** of EUR 1.9 million represents a decrease of 32% compared with the same period in 2013, reflecting the decrease of the revenue. On June 30, 2013, the licensing revenues recorded in the Profit and Loss account resulted from the agreement signed in 2011 with Eli Lilly and terminated in July 2013.

"We continue to develop our portfolio of products while maintaining our strict policy of managing expenses" stated Valérie Danaguezian, Chief Financial Officer. "Our cash burn-rate is in line with our forecast and our cash position at approximately EUR16 million allows us to confidently ensure the financing of our operational plan."

Upcoming events:

Below is a list of events Adocia plans to participate in through the end of the year:

- **SFAF** (*French Society of Financial Analyst*): Presentation of first half financial results September 9
- **Large & Midcap Event:** October, 2 and 3; Paris.
- **EASD** (European Association for the Study of Diabetes): September 15-19; Vienna,
- **PODD** (Partnership Opportunities in Drug Delivery): October 14-15; Boston
- **BIO Europe:** November 3-5; Frankfurt,
- **BBC** (Boston Biotech Conferences): November 12-13; New York.

About Adocia

To be a global leader in the innovative delivery of insulins and therapeutic proteins.
Adocia is 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.
Adocia has successfully completed two Phase I and IIa studies of a fast-acting human insulin formulation (HinsBet), two Phase I and IIa studies of an ultra-fast-acting insulin lispro (BioChaperone Lispro U100), a Phase I/II of a unique combination of insulin glargine, the gold-standard of basal insulin and insulin lispro, a fast-acting insulin analog (BioChaperone Combo) and one Phase II clinical study of its product based on PDGF-BB for treating diabetic foot ulcer (BC PDGF-BB).
A dose-escalation Phase IIa study of BioChaperone Lispro U100 is ongoing. The German regulatory agency approved In July 2014 the start of a Phase IIa clinical study for HinsBet and a dose-escalation Phase IIa study of BioChaperone Combo is scheduled for the fourth quarter 2014. Finally, the company is preparing a first clinical study of a new ultra-fast concentrated insulin formulation based on insulin lispro (BioChaperone Lispro U300) for 2015.
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
Drive*In*® is a nanotechnology which is remarkably efficient in delivering active compounds into cancer cells. This new 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 at providing 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 Paris (ISIN: FR0011184241; Reuters/Bloomberg ticker: ADOC, ADOC.PA, ADOC.FP) and its share price is included in the Next Biotech index.
American Depositary Receipts representing Adocia common stock are traded on the US OTC market under the ticker symbol ADOCY.
For more information: www.adocia.com

Contact
Gerard Soula - contactinvestisseurs@adocia.com
Chairman and CEO
Tel.: +33 4 72 610 610

Relations média
ALIZE RP
Caroline Carmagnol - Sophie Colin
caroline@alizerp.com scolin@alizerp.com
adocia@alizerp.com
Tel.: +33 170 225 390

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 24, 2014 under number R.14-020 (a copy of which is available on hhtp://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, 2014:

Operating revenues

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

In € thousands –IFRS rules	**30/06/2014**	**30/06/2013**
Research and collaborative agreements	*186*	*(47)*
Income from licenses	-	*952*
Revenue (a)	**186**	**905**
Grants, public financing and research tax credits (b)	1 688	1 834
Operating revenues (a)+(b)	**1 874**	**2 739**

Operating revenues for the first half of 2014 ended June 30 decreased by 32% compared with those reported during the same period in 2013.

- Revenue totaling EUR 0.2 million as of June 30, 2014 is essentially resulting from on-going research and collaborative contracts related to the formulation of monoclonal antibodies. For the same period, last year, revenue was EUR 0.9 million due to the amortization of the initial up-front payment received under the contract signed with Eli Lilly in December 2011 and terminated in July 2013.
- The other operating revenues products are mainly constituted by the tax credit research for a total amount of approximately EUR 1.8 million compared with approximately EUR 1.9 million as of June 30, 2013. They are on line with the level of the research and development expenses eligible over the period concerned.

Operating expenses

In € thousands –IFRS rules	**30/06/2014**	**30/06/2013**
Research and development expenses	(6 607)	(6 460)
General and administrative expenses	(826)	(926)
Operating Expenses	**(7 433)**	**(7 386)**

- Operating expenses at EUR 7.4 million recorded in the first half were flat compared with those reported last year.

- Nearly 89% of operational expenses are related to research and development expenses, and reflected the continuation of strong R&D activities and tight control of general and administrative and other overhead activity.

    - o External expenses, which represent nearly 52% of the total operating expenses were flat compared with last year's same period: the decrease in preclinical and subcontracting expenses was offset by the increase in the clinical expenses (+ EUR 1.2 million) and reflected the development and the maturity of Adocia's pipeline.

    - o Wages and salaries represent the second significant area of expenses and represented 40% of total operating expenses, compared with 39% of total operating expenses for the first half of 2013.

Balance sheet income

In € thousands –IFRS rules	**30/06/2014**	**31/12/2013**
Cash and cash equivalents	**15 929**	**19 415**
Total Assets	19 845	24 729
Equity	**13 881**	**19 130**
Financial debts	**2 393**	**2 317**

- As of June 30, 2014, cash and cash equivalents totaled EUR 15.9 million, compared with EUR 19.4 million as of December 31, 2013.

- Shareholder's equity decreased from EUR 19 million at the end of December 2013 to EUR 13.9 million at the end of June 2014, mainly reflecting the loss reported for the first six months of 2014.

- Outstanding debt, amounting to EUR 2.4 million at the end of June 2014, mainly advances received from the French Agency for innovation (Oséo) about osteoporosis and insulin projects.