ADOCIA

innovative medicine
for everyone, everywhere

PRESS RELEASE

Adocia reports a strengthened cash position and intensifies clinical development

- **Cash position of EUR 49.8 million at the end of 2014, after executing the licensing agreement with Eli Lilly**
- **Burn rate for 2014 of EUR 10.5 million to support clinical development**
- **Intensification of clinical development of the insulin projects in 2015**

Lyon, March 10th, 2015 - Adocia (Euronext Paris: FR0011184241 - ADOC) announces today its annual financial results for 2014. The financial statements were approved by the board of directors on March 3rd, 2015 and will be submitted to the shareholders for approval at the next general meeting on May 27th, 2015.

Synthetic financial elements

The signature of the licensing agreement with Eli Lilly, with by the receipt of the initial payment of USD 50 million at the end of 2014, has limited impact on the 2014 operating income presented under IFRS rules, since the revenue is recognized linearly over the duration of the development plan as anticipated in the contract. Taking into account operating expenses, mainly research and development expenses, the financial statements for 2014 under IFRS rules present a net loss of EUR 20.8 million (compared to a net loss of EUR 4.3 million in 2013). However with respect to the financial statements established under French GAAP, this payment is recognized in its entirety in the 2014 revenue, leading to a net profit, after tax and employee profit-sharing, of EUR 23.7 million.

The burn rate for 2014 amounts to EUR 10.5 million and is stable compared to 2013 (EUR 11 million). The receipt of the initial payment from Eli Lilly at the end of 2014 enables the Company to present a cash position of EUR 49.8 million at December 31, 2014 (compared to EUR 19.4 million at the end of December 2013).

« We have been successful in 2014, first from a technical perspective, we achieved major results materialized on the commercial side by the signature of the license agreement with Eli Lilly. » comments Gérard Soula, Chief Executive Officer of Adocia. *« Our top priorities for 2015 are the execution of the development plan set out with Eli Lilly on BioChaperone® Lispro in order to prepare the launch of the phase III clinical trial, and the acceleration of the clinical development of BioChaperone® Combo (combination of a long-acting insuline glargine and fast-acting insulin lispro) and Hinsbet® (rapid human insulin) ».*

« 2014 was characterized by significant investments which made possible the signature of a major partnership» adds Valerie Danaguezian, Chief Financial Officer of Adocia. « We start 2015 with a cash position close to EUR 50 million which allows us to realize our ambitious development plan by pursuing our rigorous financial policy ».

A conference call will be held on Tuesday March 17, 2015 at 6 PM (CET)
Dial in number: (33) 1 70 77 09 22

Transcripts in French and English will be available on the website of the Company www.adocia.com

Key financial results

Under IFRS rules, the net result for 2014 is a loss of EUR 20.7 million, compared to a loss of EUR 4.3 million in 2013 due to:

- Income of EUR 0.7 million for 2014 compared to EUR 5.5 million in 2013,
- Research and development expenses totaled EUR 18.7 million versus EUR 11.4 million in 2013, due to the recognition in 2013 of the remaining balance to be amortized following the termination in July 2013 of the first contract with Eli Lilly (i.e. EUR 5,6 million),
- General and administrative expenses of EUR 2.7 million for 2014 compared to EUR 1.7 million in 2013.

The table below presents the income statement for 2014, with a comparison to 2013:

(IFRS - € thousands)	FY 2014 (12 months)	FY 2013 (12 months)
Revenue from licenses	383	5 636
Research and cooperation agreements	321	(47)
Revenue (a)	**704**	**5 588**
Research tax credit	3 461	3 215
Project and other financing	(2)	19
Other Income (b)	**3 459**	**3 234**
Total income (a)+(b)	**4 163**	**8 822**
Research and development expenses	(18 656)	(11 475)
General and administrative expenses	(2 668)	(1 649)
Operating expenses	**(21 324)**	**(13 124)**
OPERATING INCOME / (loss)	**(17 161)**	**(4 302)**
FINANCIAL INCOME	**524**	**9**
Tax expense	(4 078)	
NET INCOME / (loss)	**(20 715)**	**(4 293)**

The IFRS financial statements for the year ended December, 31, 2014, as well as the management discussion of these results are presented in the Appendix.

Key events in 2014

o Signature of a major licensing agreement with Eli Lilly

The licensing agreement with Eli Lilly signed on December 18, 2014 relates to the development of an ultra-rapid insulin Lispro associated with the BioChaperone technology. The financial terms are significant for Adocia with a total revenue potential of up to USD 570 million, subject to the achievement of certain development and regulatory milestones as well as certain sales objectives.

o Significant clinical advancement of the entire pipeline

During 2014, Adocia pursued the development and the broadening of its insulin franchise:

- BioChaperone Lispro, ultra rapid insulin: results of the first clinical study published in April 2014[1] demonstrated that BioChaperone Lispro is significantly faster than Humalog in type 1 diabetic patients. In a second clinical study[2], BioChaperone Lispro U100 showed a proportional dose-exposure and a linear dose-response when tested at 0.1; 0.2 and 0.4 U/kg.

- BioChaperone Combo, a combination of long-acting insulin glargine and fast-acting insulin lispro: results of the phase I-II clinical study published in February 2014[3] showed that the product developed by Adocia acted faster and longer than HumalogMix® (Eli Lilly).

- HinsBet, fast-acting human insulin: phase II clinical results published in February 2015[4] demonstrated that Hinsbet is superior to Humulin® (human insulin, Eli Lilly) and has an efficacy identical to Humalog® (insuline lispro, Eli Lilly) in the first hour.

Furthermore, Adocia obtained the Indian Agency's approval to begin a phase III clinical study of PDGF-BB for the treatment of diabetic foot ulcer. The first patients were recruited in December 2014.

In addition, Adocia continued to pursue collaborative agreements with major pharmaceutical companies through feasibilities studies on innovative formulation of monoclonal antibodies.

[1] Press release dated April 9, 2014 « Adocia reports positive results from phase IIa clinical study of ultra-fast acting BioChaperone® Lispro»
[2] Press release dated September 9, 2014 « Adocia Reports Positive Preliminary Results from Dose Response Clinical Study of Ultra-fast acting BioChaperone® Lispro U100 in Patients with Type 1 Diabetes»
[3] Press release dated February 27, 2014 « Adocia Announces Preliminary Positive Clinical Results for its Combination of Long-Acting Insulin Glargine and Fast-acting Insulin Analog Lispro, BioChaperone® Combo»
[4] Press release February 5, 2015 « Adocia reports positive results from phase IIa clinical study of fast-acting human insulin, HinsBet® »

Perspectives for 2015

A first clinical study phase Ib/IIa evaluating BioChaperone lispro was initiated on January 20, 2015 within the clinical development plan defined with Eli Lilly. Other clinical studies on BioChaperone Lispro U100 are planned for 2015.

A bioequivalence feasibility study sponsored by Adocia is expected to be launched during the second quarter of 2015[5] to evaluate BioChaperone Lispro U200, a concentrated formulation.

The clinical development of BioChaperone Combo and HinsBet is expected to ramp up in 2015.

For BioChaperone Combo, Adocia plans to launch three clinical studies on the:

- Effect of BioChaperone Combo, injected after a meal, on glycaemia in patients with type 2 diabetes, planned in the second quarter of 2015,
- Evaluation of the pharmacokinetic and pharmacodynamic characteristics of BioChaperone Combo in patients with type 2 diabetes, also planned in the second quarter of 2015, and
- Dose-response of BioChaperone Combo in patients with type 1 diabetes, planned in the fourth quarter of 2015.

For HinsBet, two clinical studies are being prepared:

- A study evaluating the effect of HinsBet U100 on glycaemia of patients with type 1 diabetes, after a meal, planned in Europe in the fourth quarter of 2015, and
- The evaluation of the pharmacokinetic and pharmacodynamic characteristics of HinsBet U500, planned in Europe in the fourth quarter 2015.

Adocia is pursuing a dual strategy for its project related to the treatment of diabetic foot ulcer. In India, results of the on-going phase III clinical study are expected mid-2016. In Europe and in the US, the objective is to prepare the launch of two clinical phase III studies mid-2016. For that purpose, the development of a PDGF at the European and American quality standards, cGMP, was launched during the first quarter of 2015.

Finally, in 2015, Adocia expects to continue pursuing its collaborations on the development of innovative formulation of monoclonal antibodies and the development of its DriveIn® nanotechnology platform for the treatment of cancer.

To achieve these ambitious goals, Adocia plans to increase the number of its staff. The creation of the US subsidiary early March 2015, as well as the recruitment of Stephen Daly and Dr Simon Bruce[6] were key steps in the implementation of this strategy.

[5] Press release dated January 20, 2015 « Adocia initiates a clinical study on the post-meal effect of ultra-rapid BioChaperone Lispro insulin formulation»

[6] Press release dated March 5, 2015 “Adocia opens a subsidiary in the USA and is pleased to appoint Simon Bruce, MD and Stephen Daly»

Next events:

. April 27-28, 2015: Adocia will attend the SmallCap Event in Paris
. April 14, 2015: Publication of revenue for 1Q2015

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 the 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 dose-response clinical study (Phase IIa) is scheduled for the second 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

Drive*In*® 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 index.

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

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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 French *Autorité des marchés financiers* (Financial Markets Authority) on April 24, 2014 under number R14-020 (a copy of which is available on www.adocia.com) and , in particular to the uncertainties linked to research and development, future clinical data and analysis, 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 therein do not constitute an offer to sell, nor the solicitation of an offer to purchase or subscribe for, ADOCIA shares in any country.

APPENDIX: Full year results for the year ended December 31, 2014
IFRS rules

STATEMENT OF COMPREHENSIVE INCOME (in € thousands)	12/31/2014	12/31/2013
Revenue	704	5 588
Other income	3 459	3 233
Total income	**4 163**	**8 822**
Operating expenses excluding additions and reversals	(20 928)	(12 764)
Additions to and reversals of depreciation,	(397)	(360)
PROFIT/LOSS FROM ORDINARY OPERATING ACTIVITIES	**(17 161)**	**(4 302)**
Financial income	608	169
Financial expense	(84)	(160)
FINANCIAL INCOME/EXPENSE	**524**	**9**
PROFIT/LOSS BEFORE TAX	**(16 637)**	**(4 293)**
Tax expense	(4 078)	
NET PROFIT/LOSS	**(20 715)**	**(4 293)**
Non-controlling interests		
GROUP NET PROFIT/LOSS	**(20 715)**	**(4 293)**
Base earnings per share (€)	(3,3)	(0,7)
Diluted earnings per share (€)	(3,3)	(0,7)
GROUP NET PROFIT/LOSS	**(20 715)**	**(4 293)**
Actuarial adjustments on defined pension liabilities	*(73)*	*(5)*
Deferred taxes	*24*	*2*
Unclassified elements in the Group net profit/loss	*(49)*	*(3)*
TOTAL PROFIT/LOSS FOR THE YEAR	***(20 764)***	***(4 296)***

Operating income

The company's total income, derived from public financing of research expenses and from cooperation and licensing agreements, amounted to EUR 4.2 million and EUR 8.8 million, respectively, in the fiscal years ended December 31, 2014 and December 31, 2013, as shown in the breakdown below:

(IFRS - € thousands)	FY 2014 (12 months)	FY 2013 (12 months)
Revenue from licenses	383	5 636
Research and cooperation agreements	321	(47)
Income (a)	**704**	**5 588**
Grants, public financing and research tax credits (b)	3 459	3 233
Total income (a)+(b)	**4 163**	**8 822**

Income in 2014 amounts to EUR 0.7 million compared to EUR 5.6 million in 2013, representing a decrease by EUR 4.9 million explained by the following items:

Licensing revenue in 2014 is revenue received under the agreement signed with Eli Lilly on December 18, 2014 for the development of an ultra-rapid insulin based on BioChaperone technology, property of ADOCIA.
Pursuant to this agreement, ADOCIA received at end of December 2014 a non-refundable initial upfront-payment of USD 50 million (EUR 41 million). Under IFRS rules, this amount is recognized in revenues linearly over the duration of the clinical development plan, as anticipated at the time of the signature of the agreement. Therefore, an amount of EUR 0.4 million was recognized for the 2014 fiscal year.

In 2013, revenues were impacted by the end of the first licensing contract signed with Eli Lilly in December 2011. The initial payment of EUR 7.6 million under the 2011 contract was also recognized linearly over the clinical development plan anticipated in the contract. Early termination of the license, announced in July 2013, had resulted in the recognition in 2013 of the remaining balance to be amortized, i.e., EUR 5.6 million.

Revenue from research and collaborative development contracts during 2014 totaled EUR 0.3 million and result mainly from feasibility studies contracts on innovative formulations of monoclonal antibodies. During 2013, the ongoing contracts did not generate any revenues.

Public funding for research expenditures in 2014 consisted primarily of the French research and development tax credit. It amounted to EUR 3.5 million in 2014, slightly above the 2013 amount.

Operating expenses

The table below gives a breakdown of the operating expenses by business function for the fiscal year ended on December 31, 2014 and 2013:

EXPENSES BY FUNCTION (in € thousands)	**12/31/2014**	**12/31/2013**
Research and development costs	(18 656)	(11 475)
Administrative costs	(2 668)	(1 649)
Operating expenses	**(21 324)**	**(13 124)**

Research and development expenses include mainly the payroll costs of employees assigned to research and development operations, subcontracting costs (including preclinical and clinical studies), intellectual property rights expenses and the costs of materials (reagents and other consumables) and pharmaceuticals products. These expenses amounted to EUR 11.5 million and EUR 18.7 million for the fiscal year ended on December 31, 2013 and 2014, respectively. These expenses represent 87% of the total operating expenses for these two periods.

General and administrative expenses include expenses for employees not directly working on research and development, as well as expenses for services related to management of the Company and business development. General and administrative expenses amounted respectively to EUR 1.7 million and EUR 2.7 million for the fiscal year ended on December 31, 2013 and 2014. These expenses represented 13% of the total operating expenses during these two periods.

The table below gives the breakdown of the operating expenses by nature of expenses for 2014 and 2013:

(IFRS - € thousands)	FY 2014 (12 months)	FY 2013 (12 months)
Purchases used in operations	961	612
Payroll expense	11 025	5 445
External expenses	8 319	6 614
Taxes and contributions	622	93
Depreciation, amortization and provisions	397	360
Other current operating revenue and expenses	0	
Operating expenses	**21 324**	**13 124**

The cost of supplies and consumable materials increased by more than 40% between the fiscal year ended in December 31, 2013 and 2014, reflecting the purchase of specific materials required for the production of the BioChaperone polymers and for the clinical trials.

Employee benefits increased significantly between 2013 and 2014, as a consequence of the exceptional results achieved by the Company during the year, that were materialized, first, by the exceptional allocation of start-up company stock purchase warrants ("BSPCE"). In accordance with IFRS rules, these warrants were recorded at their fair value for a total amount of EUR 3.3 million in 2014. For 2013, this amount totaled EUR 80 thousand.

Excluding this element that has no impact in French GAAP, nor on the cash position of the Company, payroll expenses totaled EUR 7.6 million, representing an increase of EUR 2.2 million or an increase of40% compared to the amount recorded in 2013. This increase is due to:

- Grant of special bonuses for Adocia employees following the signature of the licensing agreement with Eli Lilly,
- Recording, for the first time since the creation of the Company, of an amount for the employee profit-sharing. Indeed, the recognition in the French GAAP

financial statements of the full amount due pursuant to the signature of the licensing agreement, the initial payment received end of 2014 (EUR 41 million) resulted in the recognition of a net taxable profit of EUR 11.9 million and to an employee profit-sharing plan in an amount of EUR 0.5 million,
- The increase of Full Time Equivalents (FTE) which went from 69.2 at the end of December 2013 to 74.6 at the end of December 2014.

External expenses include essentially preclinical and clinical development costs, sub-contracting expenses as well as intellectual property expenses. These expenses increased by 25%, from EUR 6.6 million in 2013 to EUR 8.3 million in 2014. This EUR 1.7 million increase results from the intensification of the clinical development leading to the increase in sub-contracting related to:

- Preparation, production and release of the clinical batches needed for the clinical trial studies that took place in 2014, and also in early 2015,
- Management of the clinical studies conducted in 2014, especially on the insulin products, and subcontracted to Profil GmbH (Clinical research Organization).

Taxes increased by EUR 0.5 million between 2013 and 2014, in particular the contribution to the companies added value tax (CVAE) and additional taxes, as a result of the significant increase of the revenues as calculated under French GAAP in 2014.

Net financial result

Financial income totaled EUR 0.2 million in 2013 compared to EUR 0.6 million in 2014, representing a EUR 0.4 million increase as a result of the foreign exchange gain realized on the receipt of the up-front payment of USD 50 million pursuant to the licensing agreement with Eli Lilly.

Interest on investments in 2014 totaled EUR 80 thousand compared to EUR 160 thousand in 2013. The Company's cash investment policy favors absence of risk on principal and, wherever possible, guaranteed minimum performance.

Financial expenses including unrealized conversion differences and interests calculated on conditional advances decreased from EUR 160 thousand in 2013 to EUR 84 thousand in 2014.

Income tax expenses

With EUR 41 million net sales recognized according to French GAAP, the Company had a net profit before tax of EUR 24.8 million euros. The deferred tax losses that could be carried forward on this profit were limited to EUR 12.9 million. As a consequence, the taxable profit for 2014 amounted to EUR 11.9 million led to the recognition of a total amount of tax of EUR 4.1 million.

The remaining deferred losses to be carried forward, after imputation made in 2014, amounts to 37 million euros. These losses are not time-barred. However, the amount of the deferred losses that may be used to offset net profit in a given year is limited to an annual amount of EUR 1 million plus 50 % of the amount corresponding to the taxable profit of the exercise exceeding EUR 1 million.

The Company cannot determine with certainty when its cumulated deferred tax loss deferred would be used. No deferred tax asset has been recognized in 2014.

Net loss

The net loss was EUR 4.3 million in 2013 and EUR 20.7 million in 2014, with a loss per share of EUR 0.7 euro and EUR 3.3 euros.

Balance sheet statements

The balance sheet totals as of December 31, 2013 and December 31, 2014 were EUR 24.7 million and EUR 52.5 million, respectively.

Current assets

Current assets totaled EUR 23.5 million and EUR 50.8 million on December 31, 2013 and December 31, 2014. They are comprised essentially of the “cash and cash equivalents”, “research tax credit” (for the 2013 loss only) and “VAT receivables” items.

The “cash and cash equivalents” item went from EUR 19.4 million as of December 31, 2013 to EUR 49.8 million as a result of the up-front payment received from Eli Lilly at the end of December 2014 for a total EUR 41 million (USD 50 million).

Non-current liabilities

Non-current liabilities comprised three items: “long-term financial debts”, “long-term provisions” and “other non-current liabilities”. The total amount of non-current liabilities at the end of fiscal years 2013 and 2014 totaled EUR 2 million and EUR 30.7 million, respectively.

The increase of EUR 28.7 million comes from the “other non-current liabilities” that includes the long term part of the initial up-front payment received from Eli Lilly for a total of USD 50 million (EUR 40.7 million). Indeed, under IFRS rules, this amount has been recognized in revenue for a total EUR 0.4 million, the unamortized balance being recorded in non-current liabilities (long term part of EUR 29.6 million) and current liabilities (short term part of EUR 10.8 million).

Current liabilities

Current liabilities totaled EUR 3.5 million in 2013 and EUR 19.3 million for 2014. They are comprised of trade receivables (EUR 1.8 million in 2013 and EUR 2.6 million in 2013), and other current liabilities (EUR 1.2 million in 2013 and EUR 15 million in 2014) reflecting the short term part of the unamortized balance of the up-front payment received in 2014 from Eli Lilly.

Annual financial report for 2014 and « Reference Document »:

The 2014 annual financial report will be included in the Company’s “Reference Document” to be filed with the Autorité des Marchés Financiers in April 2015.