



Advicenne reports its First Half Financial results as of June 30, 2023 and updates on its activities

- *51% increase in Sibnaya[®] gross sales to €0.96 million*
- *Significant reduction in operating losses to €2.9 million (vs. €4.4 million in H1 2022)*
- *€0.9 million improvement in cash flow from operations*
- *Cash position of €3.42 million*
- *Completion of European marketing coverage for Sibnaya[®]*
- *Launch of a capital increase with preferential subscription rights (“PSR”) for a gross amount of around € 6 million.*

Paris (France), September 11, 2023 – 6.00 pm CET – Advicenne (Euronext Growth Paris ALDVI - FR0013296746), a specialty pharmaceutical company dedicated to the development and commercialization of innovative treatments for those suffering from rare renal diseases, today reports its semi-annual financial results as of June 30, 2023, as approved on September 8, 2023, by the Board of Directors. The first half financial report is available on the Company’s website: www.advicenne.com.

Didier Laurens, Chief Executive Officer of Advicenne, commented: *« I am particularly satisfied with Advicenne's transformation into a commercial company, which has led to accelerating sales growth in the first half. We now cover the whole of Europe thanks to our various partnerships, and we have convincing long-term clinical data for our main product Sibnaya[®]. These elements are supporting our prospects for continued acceleration in growth. In this context, we are today announcing a capital increase with preferential subscription rights for shareholders. This operation has been made possible thanks to the strong support of our long-term shareholders, Bpifrance and Cemag Invest, and in respect of the investors who have been with us for several years. This financing will enable us to pursue our development and thus giving us sufficient means to reach operational profitability. I am particularly pleased for the patients and those around them, the Advicenne team for its daily commitment and all our shareholders. »*

Key Financial data

The key financial data for the first half of 2023 are presented in the table below. They come from the financial statements drawn up in accordance with IFRS and approved by the Board of Directors. The audit work has been carried out by the Statutory Auditors who, after limited review, have not identified any significant accounting anomalies or presentation. All financial statements and notes are available in the First Half Financial Report.

In K€	2023/06/30	2022/06/30
Gross sales¹	2 223	1 804
Revenues	1 723	1 934
Operating expenses	4 668	6 330
<i>R&D costs</i>	1 947	3 090
<i>Sales & Marketing costs</i>	510	635
<i>G&A costs</i>	1 641	1 989
Operating Result	-2 945	-4 396
Net income	-3 734	-4 813
Earnings per share (€/share)	-0,38	-0,48
Opening cash & cash equivalent	8 322	12 685
<i>Operating cashflow</i>	-3 709	-5 128
<i>Investing cashflow</i>	-623	-218
<i>Financing cashflow</i>	-568	-51
Closing cash & cash equivalent	3 417	7 288

- **Gross sales¹** came to €2.22 million in the first half of the current financial year, up 23% on the first six months of 2022. These sales were driven by strong growth for Sibnaya[®], up 51% to 0.96 million euros over the period.
- **Revenue from ordinary activities** amounted to €1.72 million, down 10.9% on the first half of 2022. This decline is due to the anticipated reduction in the Research Tax Credit (CIR) and the negative impact of taxes and rebates on gross sales.
- **Operating losses** was significantly reduced to €2.95 million, compared with a loss of €4.40 million a year earlier. R&D expenditure fell by 37% following the finalization of ADV7103 development in Europe. R&D expenditure is now mainly allocated to the development of ADV7103 in North America. Administrative and general expenses fell by 17%, reflecting the full impact of business reorganization and ongoing cost control efforts. Marketing and sales expenses do not yet reflect the ramp-up of efforts on Sibnaya[®] and the ongoing transition from a development company to a sales company.
- **Financial result** is a loss of €0.79 million as of June 30, 2023 (vs. a loss of €0.42 million in H1 2022). Interest expense on the two tranches of the EIB loan of €7.5 million and €5 million, amounted to €0.78 million, including €0.63 million in non-cash expenses. These expenses comprise cash interest, capitalized interest, and royalties. The balance of the financial result is made up of foreign exchange losses partially offset by gains on cash investments.
- **Net losses** were reduced by 22% to €3.73 million as of June 30, 2023, compared to a net loss of €4.81 million over the first six months of 2022.

¹ **Gross sales** correspond to the gross amount invoiced to customers for products that were delivered during the year. For countries where the price has not yet been agreed with Health Administration, the revenue for the year represents the Gross sales less rebates owed to Health Administrations. Such rebates are accrued based on the company's best estimate and/or claims received from the administration. They represented € 0.65 million in H1 2023 for total Gross sales of € 2.22 million and total revenue of € 1,58 million.



- **Net cash outflow from operations** reached €3.71 million in the first half of 2023 (vs. €5.13 million in H1 2022), reflecting sales growth and control of operating expenses. Cash flow from operations improved by almost 0.9 million euros in the first half.
- **Net cash outflow from investments** amounted to €0.62 million over the period (vs. €0.22 million in H1 2022). The implementation of a new production tool at Sibnaya[®] has reached milestones leading to scheduled payments.
- **Financing cash outflow** amounted to €0.57 million over the period (vs. €0.05 million in H1 2022). The amounts paid reflect the start of repayment of the State Guaranteed Loans at the end of 2022, as well as the cash portion of financial expenses.
- As of June 30, 2023, Advicenne had a **cash & cash equivalent position of €3.42 million**. As of the date of this document, Advicenne has financial visibility until the course of the first quarter of 2024 (see 2022 universal registration document).

H1 2023 Operating Highlights

Presentation of 72-month results of ADV7103 in the treatment of distal Renal Tubular Acidosis (dRTA). The results show that the product is well tolerated with positive impact on clinical criterion studied. These results were presented at the European Renal Association (ERA) congress held in June 2023 in Milan². Analysis of the results are continuing and will be published in several scientific conferences over the coming weeks.

The launch in Europe of Sibnaya[®] (a fixed-dose combination of potassium citrate and potassium hydrogen carbonate), now Advicenne's leading product, has met with several successes:

- Continued growth in gross sales to €0.96 million, up 51%, and 128% in volume over the first half of the current year. The lag in growth in value and volume is largely due to the implementation of partnerships and the transfer pricing structure.
- The implementation of sales structures in France and the UK is beginning to bear fruit. In France, the number of patients treated is increasing significantly throughout the country. In the UK, several agreements with leading hospitals were signed during the period, with several more to follow in the second half of the year.
- Partnerships are progressing according to plan. Applications for reimbursement and pricing, or for early access, have been filed in the main European countries. Marketing applications have also been filed in two Middle Eastern countries.
- As promised, territorial coverage has been extended thanks to agreements with Avanzanite Bioscience B.V. and SPA. Sibnaya[®] distribution now covers 36 European countries and 6 countries in the Middle East. The agreements with Avanzanite and FrostPharma have recently been extended under the same economic conditions as the initial contracts. The first agreement has been extended to Ireland, Malta, and Cyprus. The second has been extended to the Baltic States.

² Bertholet A et al. 2023. *Nephrol. Dial. Transplant.* 38 (Suppl 1, abstract 6649)



- To date, all partners have recorded sales in their respective geographical areas, particularly in Germany, Denmark, Spain, and certain Eastern European countries. The first sales have also been recorded in the Middle East, thanks to the implementation of early access programs.

In the USA, the company is continuing its discussion to optimize the development of ADV7103 and its commercial potential:

- The Company is continuing its regular exchanges with the U.S. Food & Drug Administration (FDA) and has informed the latter of the latest developments in European clinical development, in particular the 72-month clinical data in dRTA. The Company is currently exploring ways of using these data to optimize clinical development in the United States of America.
- The Company is also pursuing discussions with several potential partners across the Atlantic. With its orphan drug status in genetic dRTA in the USA, a clinical program ready to restart and a clear regulatory path in genetic dRTA, ADV7103 is attracting a great deal of interest.
- In cystinuria, Advicenne is preparing answers to reply USFDA questions related to the orphan drug application for ADV7103 in the indication and is working with several opinion leaders on an optimal development plan with a view to market authorization.

About Company's activity and governance

- The Company remains very vigilant in controlling its cash flow. The allocation of available resources is dictated by the commercial development of Sibnaya[®] in Europe, the continuous improvement of production processes and the creation of value.

At the last Combined General Meeting of June 8, 2023, all directors whose terms were up for renewal were re-elected. Mr. Philippe Boucheron was re-elected Chairman of the Board by the Board of Directors.

2023 outlook confirmed

Advicenne confirms its business outlook for 2023. Advicenne expects further acceleration in sales growth for Sibnaya[®] in Europe. In the United States, Advicenne will pursue regulatory and clinical work to develop the potential value of ADV7103 in dRTA and cystinuria. Finally, the Company may also enter into new commercial agreements covering new geographical areas.

Launch of a capital increase with preferential subscription rights ("PSR") for a maximum amount of around €6 million

In this context, the Company is today launching a capital increase with shareholders' pre-emptive subscription rights for a maximum amount, including issue premium, of around €6 million, through the issue of a maximum number of 2,489,287 new ordinary shares (the "New Shares") at a unit subscription price of 2.41 euros (the "Capital Increase"). The legal framework and terms of the transaction are described in a press release issued today and available on the Company's website. (<https://advicenne.com/investors/>).



About Advicenne

Advicenne (Euronext: ALDVI) is a specialty pharmaceutical company founded in 2007, specializing in the development of innovative treatments in Nephrology. Its lead product Sibnaya[®] (ADV7103) has received its Marketing Approval for distal renal tubular acidosis in EU and GB. ADV7103 is currently in late-stage development in cystinuria in Europe and in dRTA and cystinuria in the US and in Canada. Headquartered in Paris, Advicenne, listed on the Euronext Paris stock exchange since 2017, has now been listed on Euronext Growth Paris since its transfer on March 30, 2022. **For additional information, see: <https://advicenne.com/>.**

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