



Half year results 2019

Revenues increased by 52%
Net loss reduced by 54%
Operating costs reduced by 30%

Malakoff, 16 September – THERACLION (ISIN: FR0010120402; Ticker: ALTHE, eligible for the PEA-PME equity investment plan), an innovative company specializing in the development of medical equipment for echotherapy, notably for varicose veins, today announces its half year 2019 results ended 30 June 2019 and updates on major developments since the beginning of the year .

Highlights of the first half of 2019:

Theraclion reached important milestones in the deployment of its strategy for the development of a varicose vein treatment solution, while continuing commercial success in its historical markets (thyroid nodules and breast fibroadenomas).

In April, Theraclion obtained the CE mark for its SONOVEIN® varicose vein treatment solution, enabling commercialization in Europe. In May Theraclion signed the first commercial agreement with a leading clinic in the United Kingdom, the Whiteley Clinic. The Whiteley Clinic immediately initiated commercial veins treatments.

In addition, Theraclion has sold four Echopulse® treatment solutions in Germany, for the treatment of thyroid nodules and breast fibroadenomas. Extended reimbursement for echotherapy care for these two conditions is now broadly available in Germany, Europe's most populous country with over 80 million inhabitants.

As a reminder, in February, Theraclion set up a € 4.8m financing that could be raised to a maximum of € 11.8m. The purpose of this funding is to give Theraclion the means to implement its strategy: develop a varicose vein treatment solution and demonstrate its commercial relevance, whilst simultaneously drive commercialization of its Echopulse® treatment solutions further. The first tranche of € 4.8 million was exercised on the date of the signing of the agreement.

Outlook

Theraclion is continuing its work with a view to achieving the three operational objectives that the company has for varicose veins treatment: to reinforce the effectiveness of SONOVEIN® varicose veins treatment, to attract the support of opinion leaders (KOL) - mainly in Germany and in the US - and finalize the adaptation of technology to SONOVEIN®. At the same time Theraclion maintain its effort to drive sales for its Echopulse® treatment solutions.

The company confirms its objective of accelerating its growth momentum in the second half of 2019, with expected sales growth between 30% and 50% overall over 2019.

Results of Theraclion SA in the first half of 2019

€ '000	06/30/2019	06/30/2018	Var. %
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Sales	963	862	+12%
Subsidies	338	6	+169%
Other revenue	15	0	n.a.
Total revenues	1 316	868	+52%
Cost of Goods Sold	-527	-518	+2%
External charges	-1 146	-2 053	-44%
People costs	-1 667	-2 084	-20%
Other operating costs	-194	-389	-50%
Total operating costs	-3 525	-5 044	-30%
EBIT	-2 218	-4 176	+47%
Financial results	-87	-121	+28%
Non current results	-47	-25	-88%
Tax Credit	680	710	-4%
Net Result	-1 673	-3 611	+54%
Average headcount (FTE)	25	32	-22%

Accounts approved by the Board of Directors on September 12th, 2019.

First half 2019 revenues up 52%

In the first half of 2019, Theraclion SA achieved commercial turnover of € 963,000, up 12% compared to the first half of 2018. Equipment sales increased by 11% over the half-year. Theraclion sold four Echopulse® treatment solutions in Germany (compared to one in the first half of 2018), benefiting from a broader reimbursement acceptance by insurers of the echotherapy treatments. Recurring sales of consumables and services, grew by 5 percentage points compared to the first half of 2019, to nearly 21% of sales for the period. Initial sales of consumables for SONOVEIN® varicose vein treatment solution related to the first commercial treatments took place in the second quarter.

After taking into account grants that mainly include the first tranche of the Eurostar project (€ 331,000), Total Revenues reached € 1,316,000 compared with € 868,000 at the end of June 2018.

Substantial reduction in net loss due to growth and cost control

The results for the first half of 2019 reflect the cost reduction initiatives undertaken in 2018, including a decrease in operating expenses of € 1.5 million; a decrease of 30%. Merchandise purchases, linked to sales growth increased by 2% compared to the turnover increase of 12%. External expenses decreased by 44% to € 1.1 million. In 2018, these charges included the costs of the clinical study carried out to obtain the CE mark for the treatment of varicose veins. Finally, staff costs also decreased by 20% to € 1.7 million, the average workforce for this half-year amounting to 25 employees, compared with 32 in the first half of 2018.

The financial result of -€ 87,000 is mainly due to the capitalized interest on the repayable TUCE advance.

The research tax credit amounted to € 680,000 at the end of June 2019. It includes a tax credit



of € 302,000 from a litigation claim relating to prior years and paid in the first half of 2019. The research tax credit for the first half of 2019 of € 378,000 is down 47% due to the payment of the Eurostar grant and the decrease in research expenditure.

Net loss of € 1,673 thousand for the first half of 2019 was reduced by 54% - compared to the first half of 2018.

At June 30, 2019, Theraclion's available cash position amounted to € 3.1 million. Given cash on hands and expected cash flow, including potentially cash from € 11,8 million financing package, Theraclion believes in its ability to cover cash requirements over the next 12 months.

About Theraclion

Theraclion develops an innovative, high-technology echotherapy solution using therapeutic ultrasound to treat varicose veins non-invasively with its SONOVEIN® product. The SONOVEIN has received the CE mark in April 2019 and uses no catheter, no injection of chemicals and no incisions. No operating rooms are required. It's based on the company's previous experience with its Echopulse® solution. Echopulse allows a non-invasive tumor ablation through ultrasound-guided high-intensity focused ultrasound (HIFU) of breast fibroadenomas and thyroid nodules.

Varicose veins are a common pathology and generated 5 million interventions annually, according to the Millenium research Varicose Vein Device Market Study 2015.

Theraclion's solutions are based on a combination of ultrasound imaging and therapeutic ultrasound, providing accuracy and ease of use to practitioners.

Based in Malakoff, near Paris, France Theraclion has brought together a team of 25 people, 50% of whom are dedicated to R&D and clinical trials.

For more information, please visit Theraclion's website: www.theraclion.com

Theraclion is listed on Euronext Growth Paris



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