



Theraclion's growth continues in 2016

- 2016 sales of €1.9 million, up 8%
- 24 echotherapy centers, up 71%
- 291 routine clinical treatments¹, up 300% compared to 2015
- 3 key achievements in reimbursement in Germany and France
- 4 new regulatory approvals

Malakoff, February 3, 2016 – THERACLION (Alternext, FR0010120402 – ALTHE, eligible for PEAPME plans), a company specializing in leading-edge medical equipment for echotherapy, has today reported its sales for the 2016 financial year ended December 31, 2016.

David Caumartin, Chief Executive Officer of Theraclion, said: *"In 2016, the number of centers providing routine clinical echotherapy to their patients continued to increase. 10 new centers were equipped, representing growth of 71% on the 14 centers operating in 2015. To speed up adoption of its innovative and ground-breaking technology by its strategic customers, Theraclion sells equipment and also leases it or charges on a per treatment basis. This strategy paved the way for the number of routine clinical treatments¹ to quadruple in 2016 compared to the previous year. Germany, where several health insurers already reimburse the cost of the procedure, remained the company's principal market. With the number of insurance companies reimbursing echotherapy rising, this situation is set to remain the same in 2017."*

Further sales growth in 2016

| € 000s | 2016 | 2015 | % growth vs. 2015 |
|-----------------------------------|--------------|--------------|-------------------|
| Sales | 1,889 | 1,531 | +23% |
| from equipment sales | 1,575 | 1,407 | +12% |
| from equipment rent | 187 | 82 | +129% |
| from consumables | 75 | 42 | +78% |
| from services | 45 | | |
| Non-recurring income ² | | 217 | n/a |
| Sales | 1,892 | 1,748 | +8% |

Theraclion recorded seven system sales in 2016, including two cases in which customers decided to exercise their option to buy systems at the end of the leasing period. This clearly demonstrated their confidence and satisfaction with the Echopulse system. Five commercial agreements were signed in 2016 which enabled access to echotherapy in clinical routine¹. These agreements, limited in time, generate lease and consumables revenues which could potentially become system sales.

¹ Treatments in clinical routine generate payment by the patient or a paying agency in contrast to the clinical trials subsidized by Theraclion.

² In 2015, Theraclion sold a system installed earlier in connection with clinical trials at a European university to a private clinic. For accounting purposes, this sale of equipment previously accounted for as a non-current asset represents non-recurring income.



The growth in uptake of the Echopulse solution has largely been supported by three factors:

- Support from opinion leaders, including via seven well-known scientific publications and numerous scientific and medical papers at conferences and seminars;
- Fivefold reduction in treatment times made possible by the new BEAMOTION procedure;
- Development of the thyroid indication: the excellent clinical results achieved in benign thyroid nodules have boosted demand in this indication and have won over numerous prestigious centers such as the Bürgerhospital Frankfurt (which operates on approximately 1,500 patients with thyroid diseases p.a.), which decided to buy the Echopulse system it had been leasing.

71% increase in the number of centers offering routine clinical treatment

At the end of 2016, Theraclion's echotherapy solution was available to patients at 24 centers (16 sites owning their systems and eight sites in leasing or pay per use), compared to 14 in 2015: 11 in Germany, four in France, two in the United Kingdom, one in Spain, two in Italy, one in Romania, one in Turkey, one in Switzerland, and one in Hong Kong.

Germany is now Theraclion's largest market. There is strong demand for the treatment of thyroid nodules with the Echopulse. A growing number of Krankenkassen (German health insurers) reimburse the cost of Theraclion's non-invasive procedures.

3 new major agreements, foundation of the reimbursement's access in France and Germany

In **France**, the **French National Health Authority** (*Haute Autorité de Santé*, HAS) approved in late December 2016 the exceptional reimbursement of its Echopulse® medical device for the treatment of breast fibroadenomas. A total of 12 renowned centers are set to take part in the *Forfait Innovation* medical cost-benefit study. The cost of the treatments at these centers will be reimbursed by the national health insurance system at a rate comparable to that set for surgery for the 30-month patient enrolment and monitoring period. These arrangements will remain in place until a decision on a permanent level of reimbursement per echotherapy treatment for breast fibroadenomas can be made based on analysis of data from the study.

Theraclion's strong growth in Germany continued, with its sales rising by 56% and its installed base doubling in size. These results reflect the quality and number of clinical studies carried out in Germany, the company's direct sales force, its participation at the leading national medical congresses and, of course, the expansion achieved in health insurance coverage—12 million people are now insured for Echopulse treatments.

- In September 2016, German insurer Allgemeine Ortskrankenkasse (AOK) Bremen/Bremerhaven, the leading insurer in the Bremen region, entered into a reimbursement agreement covering the echotherapy treatment of thyroid nodules and breast fibroadenomas. It is one of the eleven regional arms of AOK, Germany's largest insurance group, which covers over 24.7 million people, or around one-third of the German population.
- In January 2017, the Die Techniker (TK) public insurance company, Germany's largest insurance company covering close to 9.7 million members, confirmed that it would reimburse the cost of echotherapy procedures for thyroid nodules.



Other key event of 2016

In August 2016, **Theraclion successfully completed a rights issue** that raised a total of €9,629,337 in gross new capital through the issue of 1,610,257 new shares at a price of €5.98 per share. **Furui Medical Sciences, a leading player in the Chinese healthcare industry, subscribed for shares accounting for 51.6% of the rights issue. As a result, it is now Theraclion's second-largest shareholder**, with a stake of around 19%. The high level of take-up of the rights issue by existing shareholders (84%) demonstrated their confidence. In total, Theraclion raised close to €11.5 million in 2016, enabling it to invest in its expansion.

Extension of commercial presence and obtaining four new regulatory approvals

Theraclion expanded its commercial presence in 2016 in two new countries: Singapore and Romania. In addition, three new regulatory approvals were obtained in 2016 in Singapore, Thailand and Saudi Arabia and one in January 2017 in South Korea.

"These new marketing approvals are a game-changer for 2017. South Korea alone represents as large a market for us as Germany. Thermal ablation techniques, including by echotherapy, have been widely adopted there. The approval of our Echopulse system in January 2017 was great news", concluded David Caumartin.

About Theraclion

Theraclion is a French company specializing in high-tech medical equipment using therapeutic ultrasound. Drawing on leading-edge technologies, Theraclion has designed and manufactured an innovative solution for echotherapy, the Echopulse®, allowing non-invasive tumor treatment through ultrasound-guided high-intensity focused ultrasound. Theraclion is ISO 13485 certified and has received the CE mark for non-invasive ablation of breast fibroadenomas and thyroid nodules. Based in Malakoff, near Paris, France Theraclion has brought together a team of 34 people, half of whom are dedicated to R&D and clinical trials. For more information, please visit Theraclion's website: www.theraclion.com.

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