



€11.8 million new financing package concluded

Theraclion continuing to develop the varicose vein business with unique non-invasive robotic treatment solution

New directors have joined the Board of Directors to support business expansion

Malakoff, 12 February 2019 – THERACLION (ISIN: FR0010120402; Ticker: ALTHE, eligible for the PEA-PME equity investment plan), an innovative company specialising in the development of medical equipment for echotherapy, notably for varicose veins, announces that it has signed a multi-tranche funding package of up to €11.8 million, with the immediate funding of a first tranche of €4.8 million. The strengthening of the company's finances is accompanied by the appointment of three new members to the Board of Directors, including two specialists in the health sector.

David Caumartin, CEO of Theraclion, said:

"In 2017, Theraclion made a clear strategic decision to grow its business on the treatment of varicose veins, building on its expertise acquired previously in echotherapy for pathologies affecting the breast and the thyroid.

Today's new funding will finance further steps in the implementation of this decision. Long-standing shareholders, new investors and specialist vascular medicine practitioners have shown their confidence in our innovative technology and positioning. The funding will enable us to achieve our goal of achieving European and US approvals and to demonstrate the commercial appeal of our non-invasive varicose vein treatment. This treatment being without postoperative pain and without an anaesthetist."

Funds raised for further development of varicose vein treatment

To develop further strategic initiatives in the treatment of varicose veins, Theraclion plans to take significant new steps in the short and medium term, using the additional resources provided by this financing.

In 2018, the efficacy and safety of varicose vein treatment using Echopulse® technology was borne out by very good clinical results, including in advanced and inoperable stages. At the end of 2018, Theraclion applied for marketing authorisation by filing an application for registration with the FDA¹ in the United States and an application for CE marking in Europe. However, these authorisations will not be sufficient to realise the full commercial potential of the varicose vein treatment using Echopulse® technology. As such, the company has set itself three major operating objectives to prepare and support its business efforts:

¹ FDA – Food and Drug Administration: regulatory authority in the field of healthcare in the US.



- **Drive adoption of the new transcutaneous treatment option for varicose veins among vascular Key Opinion Leaders (KOL) in Germany and the United States**, including the completion of a pivotal study of more than 200 treatments;
- **Achieve regulatory approval and market access in key geographies**, i.e. both marketing authorisation dossiers (FDA registration and CE marking) and reimbursement files with national health authorities, especially German authorities;
- **Streamline the Echopulse[®], high-intensity ultrasound treatment system**, to better serve the needs of the varicose vein treatment market.

The financing arrangement has been designed to give Theraclion the ability to fund these developments as progress is made.

In line with the operational deployment of the varicose vein treatment strategy, Theraclion will continue to market its breast fibroids and thyroid nodules treatment solutions based on the existing commercial system.

The Board of Directors has been strengthened

To reflect the strategic objectives and the Group's new financing, three new directors, namely Christopher S. Bödtker,² Ari Kellen, and Shawn Langer all investors, have joined the Board of Directors to share their expertise and experience. They will replace Sylvain Yon and Bernd von Polheim, who had resigned. Theraclion thanks Mr Yon and Mr Polheim for their contribution to the Board's work. The next Annual General Meeting to be held no later than June 30, 2019 will vote on ratifying these co-optations.

The Board of Directors now comprises the following members: Jean-Yves Burel (Chairman), Christopher Bödtker, Samuel Levy, Renaud Saleur, Ari Kellen, and Shawn Langer

About Christopher S. Bödtker

Christopher S. Bödtker is co-chairman of the private equity investment committee at Unigestion S.A. He was previously chairman of Akina Ltd, which merged with Unigestion in the end of 2016. Before that, Mr Bödtker was an Executive Vice President at LombardOdier. Earlier Mr Bödtker worked 13 years in the US, Asia and Europe for UBS, last as Managing Director in charge of Merchant Banking activities in Europe. Mr Bödtker sits on the board in various companies and private equity funds. He holds a dual-degree B.Sc. and an MBA from Babson College, USA.

About Ari Kellen

Dr Ari Kellen, a physician trained in South Africa, has three decades of experience in the global healthcare industry, including management consulting and major operational roles. During his 20+ years at McKinsey & Company, he advised a broad range of healthcare clients in pharmaceuticals and medical devices, followed by senior roles in Bausch Health Companies. Over the past two years he has been supporting early stage healthcare ventures.

About Shawn Langer

Dr Shawn Langer holds a doctorate in medicine from the University of Toronto. He has over two decades of experience in the healthcare sector. During his 15 years at McKinsey &

² Biographies of the new directors are provided at the end of this press release.



Company, Dr Langer advised healthcare clients in the pharmaceutical, biotech, medical device and healthcare sectors. More recently, he spent nearly five years investing in innovative companies for across the healthcare industry.

Overview of the €11.8M financing agreement

Under the terms of the agreement concluded on February 12th 2019, Theraclion has raised a first tranche amounting to €4.8 million from a group of investors.

- €4.376 million in the form of an issue of 5,470,000 shares at a price of €0.80 per share, representing a premium of 34% to the share price on 12th February 2019 (€0.596);
- €0.424 million in the form of bonds with a nominal value of €4,000 each, convertible into shares, each bond giving entitlement to conversion into 5,000 Theraclion shares, i.e. at a price of €0.80 per share. Bonds must be converted no later than 30 September 2020 and will not bear interest.

These issues are carried out with cancellation of preferential subscription rights on the basis of the 11th (private placement) and 12th (issue to a category of persons) resolutions of the General Meeting of 17 May 2018.

Characteristics of Tranche 2 and Tranche 3 are detailed in [Annex 1](#). Investors committed to vote in favor of the resolutions related to Tranches 2 and 3, and to ratify the appointment of the three new directors at the next general meeting Annual.

All intellectual property rights held by Theraclion will be pledged as security for the repayment of any amount due in respect of the bonds in the various tranches.

The dilution resulting from the various tranches of the Financing is presented in [Annex 2](#). Following the first tranche, the distribution of the share capital within Theraclion will be as follows:

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Non diluted

	Shares	% Ownership	Voting rights	% Voting rights
Investors*	5, 470,000	38.3%	5,400,000	32.5%
Funds managed by Truffle Capital	1,514,726	10.6%	2,701,609	16.1%
Furui	1,208,651	8.5%	2,417,302	14.4%
Public	6,052,894	42.4%	6,235,570	37.1%
Treasury shares	31,850	0.2%	0	0.0%
Total	14,208,121	100.0%	16,754,481	100.0%

** Investors represents the securities acquired under Tranche 1*

Diluted

	Shares	% Ownership	Voting rights	% Voting rights
Investors*	6, 000,000	40.5%	6,000,000	34.6%
Funds managed by Truffle Capital	1,514,726	10.2%	2,701,609	15.6%
Furui	1,208,651	8.2%	2,417,302	13.9%
Public	6,052,894	40.9%	6,235,570	35.9%
Treasury shares	31,850	0.2%	0	0.0%
Total	14,808,121	100.0%	17,354,481	100.0%

** Investors represents the securities acquired under Tranche 1*

About Theraclion cash position

The amount of € 4.8 million raised under Tranche 1, together with sales expected to grow in 2019, reimbursement of tax credits and the cash from the previous arrangement with Nice & Green³ will cover Theraclion's cash needs for the next 12 months.

Risk factors

³ Theraclion may draw up to 6 tranches from Nice & Green remaining that could lead up to an €1.8M additional financing (see press release dated June 11, 2018)

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Detailed information regarding THERACLION, related notably to its business, its results and its risk factors is presented in the annual financial report on the fiscal year ending December 31st, 2017 and the semi-annual financial report dated June 30th, 2018, which are made available, together with other regulated information and press releases, on the company's website www.theraclion.com.

About Theraclion

Theraclion is developing an innovative high-tech echotherapy solution using therapeutic ultrasound for the treatment of varicose veins. With its expertise in echotherapy for the non-invasive ablation of breast adenofibromas and thyroid nodules, pathologies for which the company has obtained CE marking and for which it commercialises treatments, Theraclion is adapting its solution to provide an innovative solution – non-invasive, with no post-operative pain and without an anaesthetist – for the treatment of varicose veins. This venous pathology is highly prevalent worldwide and is the cause of approximately 5 million procedures per year according to the Millennium Research Varicose Vein Device Market Study 2015. Theraclion's Echopulse® technological solution is a high-tech, precise, easy-to-use and easy-to-handle ultrasound medical imaging tool for practitioners.

Located in Malakoff, near Paris, Theraclion brings together a team of 25 people, more than half of whom are dedicated to R&D and clinical trials.

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

Theraclion is traded on Euronext Growth Paris
Eligible for the PEA-PME equity investment plan
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ANNEX 1

Characteristics of Tranche 2 and Tranche 3:

Subject to the further authorisation of the General Annual Meeting for the year ended 31 December 2018 and in exchange for the subscription of shares at a premium under Tranche 1, Theraclion has undertaken to issue free warrants for the Investors, giving them the option to subscribe for convertible bonds under the following terms and conditions:

- €3 million in the form of bonds with a nominal value of €4,000 convertible into shares each bond giving entitlement to conversion to 5,000 Theraclion shares. Such bonds must be converted no later than 30 June 2021. They will not bear interest.
- €4 million in the form of bonds with a nominal value of €4,000 convertible into shares, each bond giving the right to conversion to a number of Theraclion shares calculated on the basis of a share issuance price equal to 80% of the volume-weighted average price of the share observed over the 20 trading days preceding the issuance date of the free warrants. These Bonds must be converted no later than 30 June 2022. They will not bear interest.



ANNEX 2

DILUTION RESULTING FROM THE FINANCING

Impact of the issuance of Tranches 1, 2 and 3 on shareholder participation

The impact of the issue of new ordinary shares under Tranches 1, 2 and 3 described above on the shareholding in the capital of the shareholders (calculated on the basis of 8,440,088 shares comprising the capital as at 31 December 2018 and 14,400,113 shares on a fully diluted basis on the same date), would be as follows:

In %	Shareholder participation in%	
	Before dilution	After dilution
Before issue of new shares	1,00%	0,61%
After issue of 5,470,000 new shares subject to Tranche 1	0,61%	0,44%
After issue of 530,000 new shares in case of conversion of 106 Bonds Tranche 1	0,58%	0,43%
After issuance of 3,750,000 new shares in case of conversion of 750 Bonds Tranche 2	0,46%	0,36%
After issue of 8,333,333 new shares (1) in case of conversion of 1,000 Bonds Tranche 3	0,32%	0,26%

(1) The number of shares to be issued in case of conversion of Bonds_{T3} is given as an indication in the event that all Bonds_{T3} would be converted at a reference price of 0.477 euro corresponding to 80% of the closing price of 11th February 2019.



Impact of the issuance of Tranches 1, 2 and 3 on equity

The impact of the issuance of new ordinary shares under Tranches 1, 2 and 3 described above on the share of the company's equity (calculated on the basis of 8,440,088 shares making up the capital as at the 31 December 2018 and 14,400,113 shares on a fully diluted basis on the same date), would be as follows:

Euro per share	Annual equity as of June 30, 2018	
	Before dilution	After dilution
Before issue of new shares	0,08 €	0,50 €
After issue of 5,470,000 new shares subject to Tranche 1	0,36 €	0,58 €
After issue of 530,000 new shares in case of conversion of 106 Bonds Tranche 1	0,38 €	0,59 €
After issuance of 3,750,000 new shares in case of conversion of 750 Bonds Tranche 2	0,47 €	0,62 €
After issue of 8,333,333 new shares (1) in case of conversion of 1,000 Bonds Tranche 3	0,47 €	0,58 €

The number of shares to be issued in case of conversion of BondsT3 is given as an indication in the event that all BondsT3 would be converted at a reference price of 0.477[•] euro corresponding to 80% of the closing price of 11th February[•] 2019.