

Strong commercial progress in the first half of 2018

- **89% growth in the number of treatments**
- **Doubling of recurring revenues¹: + 87% vs1H'17**
- **€ 0.9M sales: + 15% vs1H'17**
- **Sales to non-Group customers up 61%**
- **Looking for 4 M€ funding in the next 6 months**

Malakoff – 16 July 2018 – THERACLION (Euronext Growth, FR0010120402 – ALTHE), a company specialized in leading-edge medical equipment for echotherapy, announces today its sales for the first semester of 2018, closing on June 30th.

David Caumartin, Managing Director of Theraclion, says: "Theraclion continues to expand its installed base of Echopulse equipment and recorded sales to non-Group customers of 3 systems in the first half of 2018. The development of the installed base explains the growth in recurring revenue from the sale of consumables and services that doubled over the period. Nearly 500 treatments were performed in the first half of 2018, almost doubling compared to the first half of last year, reflecting the growing adoption of our echotherapy solution and opening up very promising development prospects in new indications such as venous pathologies."

Growth in sales to non-Group customers: + 61%

In accordance with the changes in the reporting entity for the Theraclion financial statements decided in 2017, the figures published today are those of the legal entity Theraclion SA. They do not consolidate the contributions of Theraclion APAC Ltd (Hong Kong) and Theraclion China Co., Ltd. (Shenzhen). Sales to these subsidiaries are accounted for as sales to third parties. Total sales third parties from Theraclion SA, Theraclion Hong Kong and the joint venture in China would have amounted to € 899,000² up 61% from € 559,000 in 2017.

Sales of Theraclion SA alone were of € 862,000, up 15% year-on-year.

The € 653k in equipment revenue for the first half of 2018 corresponds to the sales of three Echopulse machines: one in Spain, one in France and one in South Korea via the unconsolidated Hong Kong Theraclion subsidiary. In the first half of 2017, Theraclion had sold three systems, including one to its Hong Kong subsidiary which uses this system for pay per use clients.

The equipment rentals are progressing compared to the first half of 2017 due to a lease of a veterinary research system in the United States.

The sale of consumables is up 54% in line with the increase in the number of treatments in clinical routine of 68%, which illustrates the growing adoption of echotherapy.

Finally, the 142% increase in service sales reflects the signing of system maintenance contracts that

¹ Addition of Consumables and Service sales

² Non audited numbers

come out of the warranty period. In total, recurring revenues - consumables and maintenance services - doubled compared to the first half of 2017.

K€	2018	2017	% vs 2017
Echopulses sales ³	653	656	+0%
Echopulse rent	72	24	+202%
Consumables sales (a)	70	46	+54%
Service sales (b)	67	28	+142%
Sales Theraclion SA	862	753	+15%
Inc External Sales	680	549	+24%
Inc Sales to Theraclion SA branches	183	204	-11%
Externales Sales from branches	220	11	+1 962%
External sales Theraclion SA + branches	899	559	+61%
(a)+(b) Recurring sales	137	73	+87%

Growth in the number of treatments: + 89%

The total number of treatments increased by 89% in the first half.

The number of treatments in clinical routine (that is to say the treatments carried out outside a clinical study sponsored by Theraclion) is increasing by 68%: several reference sites in Germany, Spain and Hong Kong have switched over towards echotherapy as an effective and elegant method of treatment. The technique is also for them an important marketing differentiator.

The strong growth of treatments in sponsored studies is due to the completion of a study on the treatment of varicose veins in Austria and the acceleration of recruitment in the multicenter trial in the United States on the treatment of fibroadenoma, last step before accession to this gigantic market.

	june-18	june-17	Evolution	% Evolution
Thyroid	327	168	159	95%
Breast	81	63	18	29%
Veins	36		36	NA
Other	3	6	-3	-50%
TOTAL	447	237	210	89%
Number of treatments outside sponsored studies	371	221	150	68%

Finalization on June 5, 2018 of the study on the treatment of varicose veins by echotherapy

Intermediate Outcomes: Safety and Effectiveness

³ These sales of equipment include a return clause within 12 months. This practice is commonly used by Theraclion to facilitate the adoption of its innovative technology. To date, no customer has exercised this clause.



The study was conducted by Dr. Alfred Obermayer Vascular Surgeon at St. Joseph's Hospital in Vienna and Director of the Karl Landsteiner Institute for Functional Phlebology in Melk who states: *"We are satisfied with the clinical results. We did echotherapy on patients who had already been treated with other techniques, without success. The encouraging results we have seen with echotherapy suggest that we have identified a relevant alternative to current solutions. "*

Benefits of echotherapy compared to existing methods

Existing methods, even if some are minimally invasive, have disadvantages, mainly related to the fact that they require incisions: a sterile surgical block and anesthesia - or even a general anesthesia - are mandatory. These acts are delicate to perform, a large surgical experience is required, which makes them extremely dependent on the experience of operators. Side effects such as pigmentation, inflammation, nerve damage or induration are also sometimes observed. The patient who has just been treated is absolutely not autonomous and requires postoperative assistance. So many disadvantages that echotherapy is exonerated. This technique has the potential to respond to the shortcomings of existing methods.

Dr. Michel Nuta, Chief Medical Officer and Vice President Veins of Theraclion, adds: *"The intermediate results are in line with our expectations. Given the treated patients who had mostly recurred after initial treatment with traditional methods, we are very confident about the benefits and effectiveness of this new technique. "*

The treatment of varicose veins by echotherapy represents a gigantic market quickly accessible

The health costs of treating varicose veins are \$ 9 billion a year. This figure excludes the treatment of telangiectasia, or so-called spider veins. The venous medical device market in this budget has increased by 12% per year over the last 10 years, from approximately \$ 160 million to over \$ 500 million through the rapid adoption of minimally invasive methods such as than the radio frequency and the laser.

Opinion leaders in the world of phlebology have found that their patients are increasingly deciding on the alternative choices of treatments they can benefit from. A completely non-invasive solution such as echotherapy will undoubtedly be their favor. Minimally invasive techniques have paved the way for reimbursement in some markets. On others even among the largest, patients opt for a payment out of pocket to avoid invasive surgery.

"Our plan for CE marking and FDA submission will soon be disclosed. We focused our research, development and clinical studies efforts to transform this huge market. We will submit it for unmet medical needs and many benefits from our echotherapy technology. We bring a revolutionary, non-invasive, accurate and safe approach that addresses the shortcomings of current options. The whole project looks extremely promising "says David Caumartin.

Evolution of cash flow and continuity of operations

In June 2018, Theraclion set up an issue financing of 120 redeemable share warrants (BSAR) divided



into 12 equal monthly tranches for a total amount of € 3.6 million provided by NICE & GREEN, a company specializing in providing financing solutions tailored to listed companies.

In addition, Theraclion has just received approbation for € 1.7 million financing over 3 years from Eurostar to fund a project aimed at developing the first marketable HIFU machine for the treatment of cancer.

At June 30, 2018, Theraclion's available cash position amounted to € 1.5 million. Given its sales prospects (including those resulting from orders received) and its expected cash flow, the Company carried out a specific review of its liquidity risk and implemented actions to ensure going concern until 30th of June 2019. In this respect, it is currently studying several financing options in the second half of 2018 amounting to about € 4 million.

About Theraclion

Theraclion is a French company specialized in high technology medical equipment using therapeutic ultrasound. Based on the most advanced technologies, Theraclion designs and markets an innovative Echopulse® echo-therapy solution, which allows the treatment of tumors using Ultrasound Focused under ultrasound guidance. Theraclion is ISO 13485 certified and CE marked for noninvasive ablation of breast adenofibromas and thyroid nodules. Located in Malakoff, near Paris, Theraclion brings together a team of 34 people, 50% of whom are dedicated to R & D and clinical trials.

For more information, do not hesitate to visit the Theraclion website:
www.theraclion.com

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Contacts :

Theraclion
David Caumartin
CEO
Tél. : +33 (0)1 55 48 90 70
david.caumartin@theraclion.com