



Annual results 2019

Total Revenues +66%

Income +38%

Malakoff, 22 April 2020 - THERACLION (ISIN: FR0010120402; Mnemo: ALTHE, eligible PEA-SME), an innovative company specializing in the development of medical equipment for treatment by echotherapy including varicose veins, announces today its annual results for the year ended 31 December 2019.

David Caumartin, Managing Director of Theraclion, declares: *"After obtaining in early 2019 the financing needed to support our strategy focused on the treatment of varicose veins, we have taken several essential steps during the year. Thanks to obtaining the CE mark for our SONOVEIN® treatment solution, we were able to launch our collaboration with Key Opinion Leaders (KOL), which is the cornerstone of our SONOVEIN® development strategy to convince the rest of the market that our treatment solution is the expected answer to a strong unmet medical need. In 2020, we intend to focus our efforts on getting new KOLs on board. Today, we cannot comment on the impact of Covid-19 on our activity and our development plan, but we remain strongly invested to achieve our ambitions, while protecting our employees from health risks."*

2019 HIGHLIGHTS

In early 2019, Theraclion arranged up to €11.8 million in new equity and convertible financing to support the further development of SONOVEIN® for a non-invasive treatment of varicose veins.

SONOVEIN® obtained European approval as CE marking in April 2019 allowing Theraclion to sell its equipment in the EU as well in non-European countries that recognize the CE marking.

In 2019, four renowned and influential centers in the world have begun using SONOVEIN®, Theraclion's non-invasive vein treatment solution. This deployment of SONOVEIN® for treatment by Key Opinion Leaders in venous surgery and with a pay-per-use model is a key element of Theraclion's development strategy to demonstrate the efficacy of SONOVEIN® and its benefits for patients and physicians alike and shift business model to more recurrent revenue. In 2020, Theraclion intends to expand its network of KOLs.

In 2019, Theraclion also sold Echopulse® systems, a solution for the treatment of thyroid nodules and breast fibroadenomas. Theraclion benefited in particular from the extension of reimbursement for echotherapy in Germany.

RESULTS AT DECEMBER 31, 2019: STRONG IMPROVEMENTS

<i>In K€</i>	2019/12/31	2018/12/31	Var. %
Sales	2 784	1 928	+ 44%
Subsidies	347	11	n.a.
Other revenues	86	1	n.a.
Total revenues	3 217	1 940	+ 66%
Costs of goods sold	- 1 612	-1 080	+ 49%
Purchases	-2 353	-3 386	- 31%
Employees compensation	-3 368	-3 766	- 11%
Other operating costs	-590	-685	- 14%
Total operating costs	- 7 925	- 8 918	- 11%
Operating profit	- 4 708	- 6 977	+ 33%
Financial profit	- 221	- 274	+ 19%
Non Current results	- 132	- 72	- 83%
Research tax credit	1 269	1 179	+ 8%
Net Results	- 3 792	- 6 144	+ 38%
Average headcount (FTE)	25	29	- 14%

Accounts approved by the Board of Directors on 21 April 2020. The audit procedures for the financial statements for fiscal year 2019 have been carried out. The certification report will be issued after verification of the management report.

Total Revenues up 66%

Theraclion's total revenues amounted to €3,217K at the end of 2019, up 66% compared to December 31, 2018; 2/3 of which came from an increase in sale of new systems. In 2019, Theraclion sold 11 Echopulse® and SONOVEIN® systems, compared with 7 in 2018. The above-mentioned extension of echotherapy reimbursement in Germany helped push system sales. Additionally, 2019 was the first year with sales of SONOVEIN®.

Recurring sales of consumables and services sales increased by 41% in 2019, from €306K to €433K, reflecting the pay-per-use revenue model. The opening of new sites should contribute to an increase in recurring revenues.

Operating costs under control

In 2019, operating expenses decreased by €1.0 million, down 11% compared to December 31, 2018, illustrating the continuation of the cost-cutting actions. The decrease in operating expenses came despite the increase in merchandise purchases (+49%) driven by increased sales. Personnel expenses also decreased (-11%).

The research tax credit amounted to €1,269K at the end of December 2019. It includes a tax credit of € 302K relating to a claim concerning previous financial years, paid in the first half of 2019 and research tax credit for the first half of 2019 of €967K.

Net result improved by 38%

Taking into account the increase in revenues and the control of expenses, the net loss at 31 December 2019 was -3,792 K€, a significant reduction compared to 31 December 2018 (-6,144 K€).

Changes in cash and cash equivalents and going concern

Theraclion's available cash was €1.4M at December 31, 2019. Faced with the impact of Covid-19, the company has taken a number of measures to reduce expenses, postpone payment deadlines and accelerate cash collection. Taking into account this reduction of expenses, a conservative estimation of sales of systems in 2020 and additional financing from subsidies and financing arrangements, Theraclion estimates that it will be able to cover its cash requirements over the 12 coming months. As for the financing arrangements, along with the issue of all or part of Tranche 2 under its 2019 financing arrangement or other funding from his current shareholders, Theraclion is discussing with banks and Bpi in the context of government financing support measures. In complement, Theraclion has received a term sheet for a €3.6 million financing¹ credit line, that could be issued/activated by Theraclion if necessary.

COVID-19 INFORMATION AND OUTLOOK

In the context of the Covid-19 outbreak, Theraclion deployed measures to ensure the safety of its employees and limit the impact of the epidemic on its business. Teleworking has been implemented for most employees. For others, Theraclion has opted for short-time working and will rely on the government measures announced.

To date, it is not possible to measure the impact of the Covid-19 epidemic on Theraclion's business. However, the suspension of certain activities and travel will have an impact on business objectives. Before the Covid-19 crisis, Theraclion expected to achieve sales growth of 30% to 50% in 2020. At the present time, it is premature to communicate a new sales guidance. As mentioned above, Theraclion has taken some measures to reduce expenses, in line with the costs cutting undertaken since 2018.

As soon as restrictions are removed, Theraclion will pursue its previously announced ambitions for the development of SONOVEIN®:

- Deployment of systems in Europe and Asia ;
- Development in trials in the US to progress towards FDA approval for SONOVEIN® ;
- Further technical development of SONOVEIN® technology.

Sales of Echopulse® for the non-invasive treatment of thyroid nodules and breast fibroadenomas will be expanded based in its existing commercial base.

¹ Theraclion has an agreement with an investment company for up to 12 tranches of € 300K , whereupon Theraclion, in its discretion, may request funding via convertible bonds.



About Theraclion

Theraclion develops an innovative, high-technology echotherapy solution using therapeutic ultrasound to treat varicose veins non-invasively with its SONOVEIN® product. SONOVEIN 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 thyroid nodules and breast fibroadenomas.

Varicose veins are a common pathology and generated 5 million interventions annually, according to the Millennium 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 brings together a world class team, 50% of whom are dedicated to Research and Development

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

Theraclion is listed on Euronext Growth Paris



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