

## Theranexus publishes its cash position as of 30 June 2024 and presents an update on the progress of Batten-1

### Implementation of a new equity line

**Lyon, France – 11 July 2024, 6.30pm CET** – Theranexus, a biopharmaceutical company innovating in the treatment of rare neurological diseases (the “**Company**”), today publishes its cash position as of 30 June 2024, presents a progress report on Batten-1 and opens a new equity line.

Total available funds on 30 June 2024 stood at €1.8 M, compared with €3.1 M on 31 March 2024. The Company had not yet received its 2023 Research Tax Credit (CIR) of €785 K on 30 June 2024 and so the sum is not included in the cash total on this date.

#### Update on Batten-1 program progress

Theranexus and BBDF won approval from the Food and Drug Administration<sup>1</sup> (FDA) and European Medicines Agency<sup>2</sup> (EMA) on efficacy endpoints for Batten-1 in juvenile (CLN3) Batten disease. Moreover, an analysis of the 18-month results of the Phase I/II trial to evaluate Batten-1 and new interactions with clinicians enabled the Company to optimize implementation of its pivotal Phase III trial while ensuring FDA and EMA criteria of acceptability of the trial from a regulatory perspective.

Consequently, the Company decided to focus mainly on the primary efficacy endpoint – visual acuity – which was approved by the agencies, by measuring it solely in a population of young patients in whom the probability of detecting the effects of treatment is much greater. It was also decided to conduct the trial under an Investigational New Drug (IND) application opened with the FDA and in certain European countries where disease burden is particularly high.

**For Theranexus Chairman and CEO, Mathieu Charvériat:** *“Our clinical team, in association with our partner the Beyond Batten Disease Foundation and clinicians who are expert in juvenile (CLN3) Batten disease, optimized the development plan for our Batten-1 drug candidate. The cost of the Phase III trial is now under the 9 million mark as far as the approval phase. We are continuing to explore the various funding options to enable the pivotal trial to begin. We are also opening a new equity line to support preparation of the trial as best as possible.”*

#### Implementation of a new equity line

Theranexus decided to implement a new equity line for a total maximum sum of €2.5 M over 24 months with the issuance of warrants (“**Warrants**”) for the subscription of bonds that can be converted into new shares in the Company (“**Bonds**”), reserved entirely for IRIS (the “**Investor**”).

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<sup>1</sup> See the press release issued by the Company on 9 May 2023 available at [https://www.theranexus.com/images/pdf/Theranexus\\_PR\\_End\\_of\\_phase\\_2\\_meeting\\_VDEF1.pdf](https://www.theranexus.com/images/pdf/Theranexus_PR_End_of_phase_2_meeting_VDEF1.pdf)

<sup>2</sup> See the press release issued by the Company on 7 June 2023 available at [https://www.theranexus.com/images/pdf/Theranexus\\_PR\\_Positive\\_Opinion\\_EMA\\_VDEF.pdf](https://www.theranexus.com/images/pdf/Theranexus_PR_Positive_Opinion_EMA_VDEF.pdf)

### Legal basis of issuance

The Company's Board of Directors convened today, acting by delegation of the combined general shareholders' meeting convened on 27 June 2024 (the "**Shareholders' meeting**") under the terms of its 14th resolution, decided to issue, free of charge, to the Investor 1000 Warrants, each granting issuance of a Bond with a face value of €2,500 on the basis of articles L. 225-129-2, L. 22-10-49, L. 225-135, L-225-138 and L. 228-91 et seq. of the French Commercial Code.

### Operation objectives

This funding aims to provide Theranexus with additional capacity to finance preparation of the Phase III trial for its Batten-1 drug in juvenile (CLN3) Batten disease.

### Operation arrangements and calendar

The 1,000 Warrants were subscribed in full by the Investor today. Provided that the terms of the issuing contract are met, the Investor will subscribe to the Bonds upon exercise of the Warrants in 25 tranches of a face value of €100,000 each by 11 July 2026. The drawdown of the 1st tranche will in particular be subject to conclusion of a securities loan agreement entered into between the Investor and one of the Company's shareholders (see section "Disposal of shares in the Company" in the appendix of this press release).

At its sole initiative and without fees or penalties, the Company may suspend or reactivate issuance of the Bonds. The Bonds will be issued at face value without discount at the Investor's initiative. The price of redeeming the Bonds in new shares and the other main characteristics of the Bonds feature in the appendix to this press release.

The Company could request to renew the line for an additional 24-month period and would publish a press release if it was decided to renew it.

No application for admission to trading on any market whatsoever will be made for the Warrants and Bonds which will consequently not be listed.

This operation does not give rise to publication of a prospectus requiring approval by the French regulator, Autorité des marchés financiers (AMF).

On the basis of the assumptions featured in the section "Potential dilution – maximum share number" in the appendix of this press release, the stake of a shareholder with 1% of the Company's share capital not participating in the operation would decrease by 0.74%, i.e. a 25.5% dilution after issuance of the 2,659,754 new shares. To the Company's knowledge, on the basis of the same assumptions, the distribution of its share capital before and after redemption of all the Bonds in shares will be as follows:

	Before the transaction		After the transaction	
	Shares	%	Shares	%
Management & employees	635,552	8.2%	635,552	6.1%
Supernova invest	393,078	5.1%	393,078	3.8%
Auriga Partners	577,762	7.4%	577,762	5.5%
Other shareholder	96,884	1.2%	96,884	0.9%
Beyond Batten Disease Foundation	898,437	11.6%	898,437	8.6%
Kreaxi	124,738	1.6%	124,738	1.2%
Free-float	5,032,273	64.9%	7,691,847	73.8%
<b>TOTAL</b>	<b>7,758,724</b>	<b>100.0%</b>	<b>10,418,298</b>	<b>100.0%</b>

The Company will publish the number of shares issued in connection with this equity line on its website.



The public's attention is also drawn to the risk factors relative to the Company and its business, presented in its universal registration document filed with the AMF on 30 April 2024 under number D.24-0382, which is available free of charge on the Company website. The reader's attention is particularly drawn to the fact that the Company's financing horizon is limited to the start of Q2 2025. The occurrence of all or some of these risks is liable to have an unfavorable effect on the Company's business, financial situation, results, development or prospects.

Sale of the shares on the market by Iris, which does not intend to remain a Company shareholder, is liable to impact the volatility and liquidity of the share and exert downward pressure on the Company's share price.

#### About Theranexus

Theranexus is an innovative biopharmaceutical company that emerged from the French Alternative Energies and Atomic Energy Commission (CEA). The company has a unique platform for the identification and characterization of advanced therapy drug candidates targeting rare neurological disorders and an initial drug candidate in clinical development for Batten disease. Theranexus is listed on the Euronext Growth market in Paris (FR0013286259- ALTHX).

For more information:

<http://www.theranexus.com>

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**Main characteristics of the Warrants:**

Investor/Subscriber	IRIS, a limited liability sole proprietorship company (EURL) with capital of €400,000, whose head office is located at 5 Villa Houssay, 92200 Neuilly-sur-Seine, registered with the Nanterre business register under number 753.471.853.
Number	A single tranche of 1,000 Warrants, subscribed by the Investor on 11 July 2024.
Subscription price	Subscription free of charge.
Transfer	The Warrants may not be sold or transferred without the Company's prior consent, unless transferred to an affiliate of the Investor.
Ratio	Each Warrant will carry a bond if exercised at the Bond Subscription Price.

**Main characteristics of the Bonds:**

Tranches	Twenty-five (25) tranches of €100,000, each represented by 40 Bonds with a face value of €2,500, i.e. a total maximum of €2.5 million, which will be released to the Investor through exercise of the Warrants, following an interim period of 22 trading days between each Warrant exercise, subject to certain conditions provided for in the issuing contract (no event of default, significant unfavorable change or change to Company control, Company share listing, closing share price above a certain threshold, etc.), it being specified that such interim period may be reduced by mutual agreement between the Company and the Investor.
Suspension and reactivation	The Company will be entitled to suspend and reactivate the release of the tranches without penalty, by serving the Investor notice ten (10) trading days before the suspension or reactivation comes into force. The 24-month holding period will be extended to cover any suspensions and reactivations requested by the Company.
Bond Subscription Price	100% of the face value of the Bonds, i.e. €2,500 per Bond.
Length	Sixty (60) months starting from the issue date.
Interest rate	0%
Transfer	The Bonds may not be transferred to a third party without the Company's prior consent, unless transferred to a person affiliated with the Investor.
Redemption at due date	If the Bonds have not been redeemed for shares or repurchased by the due date, the Bond bearer must request redemption in shares.
Early redemption	The Company will be entitled to redeem the Bonds in circulation at 105% of their face value on its own initiative.
Event of default	Default notably includes failure to meet commitments on the part of the Company under the terms of the Bond issuing contract, payment default on another of the Company's significant debts, Company share delisting, or a change of control, etc. On the other hand, there are no financial covenants.
Bond Redemption Price	<p>The Bond redemption price for new Company shares is equal to 95.5% of the lowest average price weighted by the volumes of one day's trading over a period of twenty-five (25) days of trading immediately preceding the Bond redemption date. Notwithstanding the above, the parties may agree on a Bond redemption price in the event of the block sale of shares resulting from redemption of said Bonds by the Investor.</p> <p>It is also specified that the redemption price of the Bonds may not under any circumstances be less than (i) either the minimum price set by the Board of Directors of the Company as delegated by the Combined General Meeting of Shareholders of the Company on 27 June 2024, i.e. the average of the volume-weighted prices for the last</p>

	<p>three (3) trading days immediately preceding the redemption date of the Bonds, less a discount of 4.5%, or (ii) the nominal value of the Company.</p> <p>This discount allows the Investor – which acts as a financial intermediary and is not intended to remain a shareholder of the Company – to guarantee subscription of shares despite the possible volatility of the financial markets.</p>
New shares	<p>New shares in the Company issued on redemption of the Bonds will bear current dividend rights. They will have the same rights as those attached to existing ordinary shares and be admitted for trading on the Euronext Growth market on Euronext Paris. The Company will publish the number of shares issued in connection with this equity line on its website.</p>
Potential dilution – Maximum share number	<p>Pursuant to the decision of the Company's Board of Directors on 11 July 2024, the maximum number of shares for issue on redemption of Bonds has been set at 10,000,000 shares.</p> <p>By way of illustration, assuming issuance of all the Bonds and average prices weighted by volumes during the last 25 trading days preceding redemption in shares identical to those of the last 25 trading days preceding the Board of Directors' meeting (11 July 2024), the number of new Company shares for subscription by the Investor on redemption of the Bonds in new shares would be 2,659,574 shares, representing approximately 34.3% of the share capital* (on a non-diluted basis).</p> <p><i>* On the date of this press release, the Company has a share capital of €1,939,681 divided into 7,758,724 ordinary shares.</i></p>
Disposal of shares in the Company	<p>Drawdown of the 1st tranche of the equity line is subject to conclusion of a securities loan agreement between the Investor and one of the Company's shareholders under which the latter deliver to the Investor 100,000 Company shares to cover a possible default or delay in delivery of the shares in connection with implementation of the issuing contract.</p>

## Disclaimer

This press release and the information contained herein do not constitute an offer of sale, purchase or subscription or the solicitation of a sale, purchase or subscription order for Theranexus 's shares in any country.

This press release contains certain forward-looking statements concerning Theranexus and its business, including its prospects and product candidate development. Such forward-looking statements are based on assumptions that Theranexus considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the universal registration document of Theranexus filed with the AMF on 30 April 2024 under number D.24-0382 (a copy of which is available on [www.theranexus.com](http://www.theranexus.com)) and to the development of economic conditions, financial markets and the markets in which Theranexus operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Theranexus or not currently considered material by Theranexus. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Theranexus to be materially different from such forward-looking statements. Theranexus expressly declines any obligation to update such forward-looking statements.