

## Theraclion Accelerates its Growth in 2017

- 458 treatments in clinical routine<sup>1</sup> in 2017 + 57% vs 2016
- 39 echotherapy centers: + 62%
- € 2.4<sup>2</sup> million in sales: + 31%
- First 5 systems sold to China for M€ 0,85, sales to third parties reach M€ 1,8 down 6% to 2016
- First human echotherapy treatments in veins and oncology
- Cash in hands at M€ 4.9<sup>2</sup> on 31<sup>st</sup> December 2017

Malakoff - FRANCE, February 8<sup>th</sup>, 2018 - THERACLION (Euronext Growth, FR0010120402 – ALTHE), a company specialized in leading-edge medical equipment for echotherapy, announced today its sales for the year 2017, ended December 31<sup>st</sup>, 2017.

David Caumartin, CEO of Theraclion, says, "The number of sites offering echotherapy, an innovative, disruptive technology, to their patients continues to grow in 2017 with 13 new centers equipped representing 62% growth over the 24 centers in place at the end of 2016. Theraclion accelerates its development in today's accessible markets, mainly Germany and Hong Kong, and prepares access to the strategic markets of the United States and China. Ongoing trials in vein pathology and oncology are paving the way for new uses of our Echopulse platform. Theraclion intends to strengthen its efforts in 2018 on these promising areas. "

### Continued sales growth of Theraclion SA in 2017

K€	2017	2016	% vs 2016
Sales <sup>2</sup>	2 429	1 854	+31%
<i>Echopulse sales</i>	2 214	1 552	+43%
<i>Echopulse rent</i>	60	187	-68%
<i>Consumables sales</i>	91	69	+32%
<i>Service Sales</i>	63	45	+41%
Other	-	6	NA
<b>Total Sales</b>	<b>2 429</b>	<b>1 860</b>	<b>+31%</b>

Theraclion SA recorded 11 sales in 2017, including 8 systems sold in new countries: Poland, Russia and China. In addition, 5 commercial agreements were signed in 2017 allowing access to echotherapy in clinical routine in the university hospitals of La Salpêtrière in Paris, of Frankfurt in Germany and three

<sup>1</sup> Clinical routine treatments

<sup>2</sup> 2017 accounts not audited

private sites in Hong Kong (including Baptiste and Sanatorium Hospital). These time-limited agreements generate rental and consumable revenues and represent potential future system sales.

The reporting entity for the presentation of Theraclion's accounts changes with the evolution of the Company. The published figures are those of the legal entity Theraclion SA which does not consolidate the contributions of Theraclion APAC Ltd (Hong Kong) and Theraclion China Co., Ltd. (Shenzhen). Sales to these subsidiaries are therefore recorded as sales to third parties. Adjusted for intercompany transactions, the Group's sales amounted to 1.8 million euros, down 6% from 1.9 million euros in 2017.

### **Encouraging First Results on Combined Immunotherapy Trial presented at ASCO-SITC Meeting in San Francisco**

Dr. Patrick M. Dillon, MD, UVA Medical Center, Charlottesville, USA, Principal Investigator of the Echotherapy / Immunotherapy Combination Trial, presented his data to the Clinical Immuno-Oncology Symposium at the ASCO Congress American Oncology Clinic) - STIC (Society for Cancer Immunotherapy) (<https://immunosym.org>), Jan. 25 in San Francisco, USA.

With only 22% survival at 5 years, there is no cure today for women diagnosed with stage IV breast cancer. Immunotherapy, which has brought new hope to other types of cancer, has not been shown to be effective in the treatment of breast cancer, as the immune system does not recognize most breast cancer tumor cells as "foreign". The majority of breast cancers do not activate white blood cells. This is what echotherapy can change by triggering a rapid and localized immune response to cell damage, leading to the recruitment of white blood cells that will infiltrate the tumor. Immunotherapy can then suppress the chemical signal of tumor self-protection, allowing the lymphocytes to attack.

"I am delighted to have designed this pilot study that combines pembrolizumab and focused ultrasound therapy for women with metastatic breast cancer. It has the potential to enrich the therapeutic knowledge of cancer on local and systemic immune responses." Dr. Dillon explains. "I am confident that we will see some of the clinical benefits and immune effects of these therapies, and we hope to be able to draw conclusions about the safety and immune activity of this combination of focused ultrasound with pembrolizumab."

Phase I of the clinical trial is actively recruiting patients:

- 4 patients are recruited to date,
- no concern to date regarding partial ablations of ultrasound tumors in combination with pembrolizumab,
- the most common side effects are limited to pain in the ablation area, fatigue, nausea, and dyspnea.

### **Theraclion Launches the World's First Study of High-Intensity Focused Ultrasound Treatment of Superficial and Perforating Vein Incontinence of the Lower Limbs.**

The trial involves 35 patients (18 of whom have already been treated) who will be followed for 3 months after the procedure. The purpose of the trial is to evaluate the feasibility, abolition of blood reflux, ease of use, patient preference, tolerance and safety of echotherapy.

For all patients treated in the study, the procedure could be performed and no procedure was interrupted or canceled for treatment-related technical or medical reasons.

Most cases were predominantly 50-year-old patients with chronic venous disease with a long history of treatment (including surgeries and endovenous treatments), active or healed ulcers, severe skin disorders, significant venous symptoms and a high BMI. Unlike other thermal endovenous methods, no analgesia has been administered to patients before, during or after treatment.

No significant side effects were reported during treatment and the follow-up period (no skin burns, skin discoloration, bruising, erythema, or edema were present during and after the procedure). All patients were satisfied with the procedure.

The treatment market for the incompetence of superficial veins is estimated at around 9 billion euros, including 500 Million Euros for medical devices. The arrival of a completely non-invasive technology should lead to a transformation of the market: the share of value captured by medical devices enhances at the expense of facility and anesthesia-related costs.

### **Theraclion China CO., LTD, Acquires 5 Echopulse Systems to Enter the Chinese Market and Thereby Broadens the Overall Echotherapy Market**

Theraclion China is a joint venture between Inner Mongolia Furui Medical Science Co., Ltd. (45%), (<https://www.bloomberg.com/quote/300049:CH>) and Theraclion (55%). First net investment of M€ 0.15 has been paid out and will be followed by another million within 6 to 18 months.

The new headquarters of Theraclion China Co., Ltd. is based in Shenzhen and focuses on the development of Theraclion's Echopulse® Chinese market, a non-invasive medical device that uses high-intensity focused ultrasound as an alternative to surgery.

Every year, one million surgeries to extract benign thyroid nodules and 700,000 surgical procedures to remove breast fibroadenomas are performed in China. This represents more than 50% of the surgeries performed to treat these diseases each year around the world and makes China the largest market for Theraclion products.

Echopulse systems transferred to Theraclion China Co., Ltd. will be used for clinical and technical trials in the first quarter of 2018.

### **Cash Evolution and Going Concern**

In October 2017, Theraclion issued 989,133 new ordinary shares as part of a capital increase with the cancellation of preferential subscription rights by way of private placement. The new shares were subscribed for at a subscription price of € 4.22 per new share, including issue premium, and represents an aggregate amount, including issue premium, of € 4.2 million.

At December 31, 2017, Theraclion's cash position amounted to € 4.9<sup>2</sup> million. On the basis of its expected growth per its business plan, Theraclion expects to be able to meet its cash requirements until the end of December 2018. The company is pursuing efforts to secure additional financing to development new markets and ensure business continuity.

## 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<sup>®</sup>, 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 35 people, 50% of whom are dedicated to R&D and clinical trials. For more information, please visit Theraclion's website: [www.theraclion.com](http://www.theraclion.com)

**Theraclion is listed on Euronext Growth Paris**

**PEA-PME eligible**

**Mnemonic: ALTHE - ISIN Code: FR0010120402**



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<sup>2</sup> Non audited accounts 2017