

Half-year results 2020

The period was marked by the good resistance of the operating result, the gradual resumption of treatments and the prospect of a second generation of Sono vein®

Malakoff, September 23, 2020 - THERACLION (ISIN: FR0010120402; Mnemo: ALTHE, PEA-PME eligible), an innovative company specializing in the development of medical equipment for echotherapy treatment, notably for varicose veins, today announces its half-year results 2020.

David Caumartin, CEO of Theraclion, commented: « *We are seeing a resumption of SONOVEIN® treatments in most of the centres already installed since the lifting of containment in France and other countries. All our teams have continued to work for the CE marking of the second generation of SONOVEIN® device expected this year. It optimizes our varicose vein treatment solution, integrating the suggestions of our experts and substantially enhancing capacities and speed. Six vein pathology treatment centres use our treatment solution. These centres, headed by Key Opinion Leaders (KOLs), confirm the breakthrough nature of our technology, and its ability to meet the unmet need of none invasive treatment. We are more determined than ever to become the leader of a market with nearly 5 million procedures for treatment of varicose veins¹.* »

Gradual resumption of treatments since the lifting of confinement

Since the end of the confinement period, Theraclion has observed a gradual resumption of treatments. The resumption was particularly strong in July and August.

In addition, echotherapy treatments for thyroid nodules carried out with the Echopulse® treatment solution has also show a very strong recovery in this quarter.

Progress in the development of SONOVEIN®

During this half-year, the Theraclion teams succeeded in continuing the technical and clinical development of the SONOVEIN® treatment solution. The new optimized version, i.e. the second generation of machines to be released, has seen substantial technological improvements as well as total revamp of its design to enable “plug-and-play” capacity for continuous up-grading in the future.

The SONOVEIN® solution which treats varicose veins by echotherapy is the only non-invasive option; without scar and without incision, which reduces the risk of nosocomial disease substantially. Furthermore, our treatment minimizes time spent in treatment centres. By not requiring sedation and invasive treatment, near-normal activity level may follow immediately after the procedure.

RESULTS JUNE 30, 2020

K€	30/06/2020	30/06/2019	Var. %
Sales	167	963	-83%

¹ Millenium research Varicose Vein Device Market Study 2015

Subsidies	-3	338	-101%
Other revenue	0	15	n.a.
Total revenues	163	1 316	-88%
Cost of Goods Sold	139	-527	-126%
External charges	-918	-1 146	-20%
People costs	-1 395	-1 667	-16%
Other operating costs	-100	-194	-48%
Total operating costs	-2 274	-3 535	-36%
EBIT	-2 111	-2 218	-5%
Financial results	-189	-87	117%
Non current results	-10	-47	-79%
Tax Credit	438	680	-36%
Net Result	-1 872	-1 673	12%
Average headcount (FTE)	25	25	0

Accounts closed by the Board of Directors on September 21, 2020. The audit procedures on the accounts for the first half of 2020 have been carried out

In a context of the COVID-19 crisis, Theraclion's operating income is resilient, the operating loss decreases by 5%, to - € 2,111K at June 30, 2020 compared to € -2,218K at June 30, 2019. It benefits from the implementation, from the start of containment, of cost-saving measures.

After strong commercial dynamism in 2019, Theraclion's turnover was hampered by shutdown having led to cessation of non-emergency medical activities. As of June 30, 2020, Theraclion SA recorded sales of € 169,000 compared to € 963,000. Thanks to good performance before the health crisis and to the gradual resumption of post-containment treatments, recurring revenue, consisting of the sale of consumables and services, was resilient and amounts to € 167K at the end of June 2020 against 199 K € at the end of June 2019.

Operating expenses amounted to € -2,274,000, down 36%. This decrease reflects the savings measures taken by Theraclion to limit the impact of the crisis on its activities and its cash flow. In order to preserve capacity to rebound, expenses for continued development of the technology were continued and remain a priority. Theraclion chose to preserve its workforce and relied on the partial unemployment scheme for certain activities that could not be carried out by teleworking.

The financial result stood at - € 190 K effected exchange rate variations and Research Tax Credit of € 445 K. The net result was - € 1,872 K; down only 12%, despite the crisis.

As of December 31, 2019, Theraclion had cash of € 1.4 million. During the first half of the year, the company obtained € 1.4 million under a State Guaranteed Loan (PGE) and an innovation loan from Bpi France. Theraclion also received the € 1M Research Tax Credit. These financing contributions, combined with cost savings, strengthen the finances of the company.

Given a cautious estimate of system sales in 2020 with a second half expected to be more dynamic than the first, as well as the issuance of tranche 2 of the financing contracted in early 2019; Theraclion considers that it will be able to cover its cash flow needs over the next 12 months. In addition, Theraclion obtained a € 3.6 million credit line in the first half of 2020, which could be activated, if necessary.



About Theraclion

Theraclion is developing an innovative high-tech echotherapy solution using therapeutic ultrasound for the treatment of varicose veins, SONOVEIN®. The solution, which obtained CE marking in April 2019, is based on the strong expertise developed by Theraclion in echotherapy for the treatment of non-invasive ablation of breast fibroadenomas and thyroid nodules with its Echopulse® solution. Echopulse® technology is adapted to SONOVEIN® to provide the only non-invasive ablation therapy for varicose veins, now allowing treatment without a catheter, chemical injection or incision. An operating room is not necessary. Venous pathology is widespread worldwide and generates around 5 million treatment procedures per year, according to *Millenium research Varicose Vein Device Market Study 2015*. Theraclion's technological solutions are based on a high-tech ultrasound medical imaging tool, precise, easy to use and handle 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 the Theraclion website: www.theraclion.com and the patient site: <https://echotherapie.com/echotherapy/>

Theraclion is listed on Euronext Growth Paris
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