



THERACLION ANNOUNCES STRATEGIC PARTNERSHIP, CAPITAL RAISE AND CEO APPOINTMENT

- Signing of a strategic partnership with Furui, a leading Chinese healthcare player and Theraclion's long-term partner
- Launch of a global financing of up to 15M€
- Appointment of Martin Deterre as CEO

Malakoff, May 25th, 2023, at 6:30pm - THERACLION (ISIN: FR0010120402; Mmemo: ALTHE), an innovative company developing a scalable robotic platform for non-invasive ultrasound therapy, announced today the signing of a strategic agreement with its long-term partner Furui, the launch of a financing with various investors for a total amount of up to 15M€, which would allow it to finance the deployment of its strategy over 3 years, and the appointment of its new CEO, Martin Deterre.

Accelerated strategy execution

Theraclion is focusing on the treatment of varicose veins through 3 strategic axes, with regular deliverables, starting this year:

- US market clearance by the FDA via the launch in the coming months of a pivotal multi-center study
- Rapid access to the high-potential Chinese market and the development of industrial capacities in China, in close partnership with Furui
- Artificial Intelligence and further advances in technology and robotics, to shorten and simplify treatments

The new CEO will have the funding to execute this strategy, which should contribute to rapid value creation for Theraclion, the world leader in non-invasive focused ultrasound therapy, approaching 2,000 varicose veins treatments to date.

Strategic partnership with Furui

Furui has been a shareholder of Theraclion SA since 2016 and the co-shareholder in Theraclion China. Furui will invest through its subsidiary Furui Paris €7 million, including €6 million in the €11 million capital increase decided by Theraclion's Board of Directors on May 24th, 2023, and €1 million, through the exercise of warrants, conditional on the achievement of milestones. Furui brings its know-how in supporting innovative medical companies in their international expansion with particular expertise in the Chinese market. Theraclion and Furui will develop a production capacity for Echopulse® and SONOVEIN® in China. Theraclion will license its technologies and trademarks in China to Theraclion China, for €3 million based on the achievement of milestones.



An immediate capital increase of 11M€, which can be increased to a maximum of 12.7M€

The funds will be raised through a capital increase, decided by the Board of Directors at its meeting on May 24th, 2023, by issuing 19,064,124 shares with warrants attached (the "**ABSAs**") for a total amount of €11 million. The subscription price per share is €0.577, i.e. a discount of 20% compared to the weighted average of the market prices of the last five trading sessions preceding the issue. This amount may be increased to a maximum of 21,923,742 ABSAs for an amount of €12.7 million. In addition, six new shares will give the right to subscribe to one new share at a price of €0.577.

Appointment of a CEO

On May 24th, the Board of Directors appointed Martin Deterre as CEO of Theraclion, previously Director of Engineering and Development of Theraclion since 2020. He has successfully led the development of the new generations of SONOVEIN® and demonstrated his ability to achieve ambitious goals in a short timeframe with dynamism and pragmatism. "*I am honored and grateful to have been promoted to lead Theraclion in executing our strategy to commercial success,*" concluded Martin Deterre.

ANNEXES

Furui-Theraclion Partnership

The objective of this transaction is to more actively and effectively introduce Theraclion's advanced high-intensity focused ultrasound (HIFU) therapy technology and products to the Chinese market, particularly the non-invasive treatment of varicose veins, thyroid tumors and breast fibroadenomas. This partnership will create medical products suitable for the Chinese market with advanced international medical devices combined with local industrial manufacturing capabilities and will encourage medical institutions to create new models of corresponding medical services. At the same time, the resources provided by Furui will help Theraclion to better promote its products worldwide.

In the long term, this transaction will expand the company's business scope, strengthen its competitiveness, and improve its sustainability and business performance, in line with the company's development strategy and shareholders' interests.

Terms and conditions of the fundraising

The fundraising will be carried out in two distinct but concomitant parts:

- a capital increase through the issuance of ABSAs with cancellation of the preferential subscription right to the benefit of categories of beneficiaries (investment companies and investment funds under French or foreign law investing in a sector similar or complementary to that of the Company as well as strategic partners of the Company) (in accordance with the 10th resolution of the Ordinary and Extraordinary General Meeting of June 30th, 2022) (the "**Offering to Categories of Persons**"); and
- a capital increase by way of issuance of ABSAs with cancellation of preferential subscription rights within the framework of a public offering addressed exclusively to a limited circle of investors acting on their own behalf and/or to qualified investors as referred to in article L. 411-2 of the French Monetary and Financial Code (in accordance with the 9th resolution of the Ordinary and Extraordinary Shareholders' Meeting of June 30th, 2022) (the "**Private Placement**").

Each ASBA will have attached to it a warrant to subscribe for shares (the "**BSA**") on the basis of one BSA for six shares. The BSAs will be detached from the shares immediately upon issue. They will be exercisable until December 31st, 2025.

The issue price of the ABSAs, set by the Board of Directors, is €0.577 per new share, representing a 20% discount to the weighted average of the Theraclion share price over the last five trading days preceding the setting of the issue price, in accordance with the 9th and 10th resolutions of the Ordinary and Extraordinary General Meeting of June 30th, 2022. The subscription price of the ABSAs is identical for the Offering and the Private Placement.

The subscription period for the ABSAs starts on Thursday, May 25th, 2023, from the close of trading, until June 15th, 2023.

Pursuant to Article 1.4 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the Fundraising will not give rise to the preparation of a prospectus subject to the approval of the Autorité des marchés financiers ("**AMF**").

This press release does not constitute a prospectus under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, or an offer to the public.

Undertaking to abstain

None.

Commitment to subscribe

Under the terms of the agreement entered into on May 24th, 2023, Furui has undertaken, subject to certain conditions, to subscribe via Furui Paris for 10,398,614 ABSAs, i.e. a subscription of €6M to the Classified Offering.

Subject to the achievement of certain operational performance indicators, Furui has also committed to exercise the BSAs through its French subsidiary, representing a potential additional contribution of €1M.

In addition, upon completion of the capital raising, two representatives of Furui will be appointed to the Board of Directors, in accordance with the agreement entered into on May 24th, 2023.

Impact of the issuance of the ABSA on the shareholders' participation

The impact of the ABSA issue described above on shareholders' equity interests (calculated on the basis of 29,618,027 shares making up the share capital and 30,764,005 shares on a fully diluted basis prior to the ABSA issue) would be as follows:

	Shareholder's participation in %	
	On a non-diluted basis	On a diluted basis
Before issue of new shares	1,00%	0,96%
In the event of the issue of 19,064,124 new shares	0,61%	0,59%
In the event of the issue of 19,064,124 new shares and 3,177,354 shares on exercise of all the warrants	0,57%	0,56%

Impact of the issuance of the ABSAs on shareholders' equity

The impact of the issuance of the ABSAs described above on the share of equity (calculated on the basis of the 29,618,027 shares making up the share capital and the 30,764,005 shares on a fully diluted basis before the issuance of the ABSAs) would be as follows:

	Shareholders' equity at December 31, 2022	
	On a non-diluted basis	On a diluted basis
Before issue of new shares	0,025€	0,024€
In the event of the issue of 19,064,124 new shares	0,241€	0,236€
In the event of the issue of 19,064,124 new shares and 3,177,354 shares on exercise of all the warrants	0,262€	0,256€

Potential cash inflow from operations (excluding over-allotment option)

	Cash contribution	Including Furui
Royalties from licensing agreement with Furui	3M€	3M€
Capital increase	11M€	6M€
Additional funds raised in the event of exercise of the warrants attached to the ABSAs (assuming 100% greenshoe option exercised)	1.8 M€	1M€
Total	15,8 M€ (including 9M€ from Furui)	

About Martin Deterre

Martin Deterre received an Engineer degree from the Ecole Polytechnique, a Master of Science from M.I.T. and a Ph.D. in Physics from the University of Paris Sud. His professional career in the medical device industry, and more particularly in disruptive technology start-ups, has led him to work on various technical, regulatory and operational issues, from pacemakers (Sorin Group) to retinal implants (Pixium Vision). His technical knowledge of Theraclion's products, strong customer orientation and proven managerial skills are the basis of his legitimacy to lead the company's teams today.

Risk Factors

Detailed information about Theraclion, including its business, results and risk factors, is presented in the annual financial report for the year ended December 31st, 2022. It is available, together with other regulated information and press releases, on the company's website www.theraclion.com.

The occurrence of some or all of these risks could have an adverse effect on the Company's business, financial condition, results, development or prospects. The risk factors presented in the annual financial report remain unchanged as of the date of this press release.



About Theraclion

Theraclion is a French MedTech company committed to developing a non-invasive alternative to surgery through the innovative use of focused ultrasound.

High Intensity Focused Ultrasound (HIFU) does not require incisions nor an operating room, leaves no scars, and allows patients an immediate return to their daily activities. Echotherapy, as the HIFU treatment method is called, concentrates therapeutic ultrasounds to an internal focal point from outside of the body.

Theraclion has developed two CE-marked robotic platforms delivering echotherapy: SONOVEIN® for varicose veins and ECHOPULSE® for breast fibroadenoma and thyroid nodules. Each representing the potential to replace millions of surgical procedures every year.

Based in Malakoff (Paris), the Theraclion team is made up of 30 people, mainly in technological and clinical development.

For more information, please visit www.theraclion.com or www.echotherapy.com and follow the account on [LinkedIn](#).

About Furui

Furui is a Chinese medical group specializing in the manufacture and marketing of drugs, as well as the R&D and distribution of medical devices, mainly in pediatric and liver indications. Furui has extensive resources in the field of medical devices and has achieved significant commercial success, contributing to its reputation in China and France. The company has been listed on the Shenzhen Stock Exchange since 2010.

Theraclion is listed on Euronext Growth Paris

Eligible for the PEA-PME scheme

Mnemonic: ALTHE - ISIN code: FR0010120402

LEI: 9695007X7HA7A1GCYD29

Theraclion contact

Martin Deterre

CEO

martin.deterre@theraclion.com



Disclaimer

This press release, and the information it contains, does not constitute an offer to sell or subscribe, or the solicitation of an order to buy or subscribe, shares in Theraclion in any country.

This press release constitutes a promotional communication and not a prospectus within the meaning of Regulation (EU) n°2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**").

With respect to Member States of the European Economic Area other than France (the "**Member States**"), no action has been taken or will be taken to permit a public offering of the securities making it necessary to publish a prospectus in any of these Member States. Consequently, the securities cannot and will not be offered in any Member State (other than France), except in accordance with the exemptions provided for in article 1(4) of the Prospectus Regulation, or in other cases not requiring the publication by Theraclion of a prospectus under article 3 of the Prospectus Regulation and/or the regulations applicable in those Member States.

This press release does not constitute an offer to sell securities or the solicitation of an offer to buy or subscribe for securities in the United States of America. The shares, or any other securities, of Theraclion may not be offered or sold in the United States of America except pursuant to registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or pursuant to an exemption from the registration requirements, except that the shares of Theraclion have not been and will not be registered under the Securities Act. Theraclion does not intend to register the offering in whole or in part in the United States of America or to conduct a public offering in the United States of America.

With respect to the United Kingdom, the announcement is directed only at persons located (x) outside the United Kingdom or (y) in the United Kingdom, who are "qualified investors" (as that term is defined in the Prospectus Regulations which form part of domestic law pursuant to the European Union (Withdrawal) Act 2018) and who (i) are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (ii) fall within Article 49(2) (a) to (d) ("high net worth companies, unincorporated associations etc. "of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to take part in investment activities (within the meaning of section 21 of the Financial Services and Markets Act 2000) may lawfully be communicated or passed on (the persons referred to in paragraphs (y)(i), (y)(ii) and (y)(iii) together being referred to as "Relevant Persons"). This press release is intended for Authorized Persons only and may not be used by anyone other than an Authorized Person.

This press release contains information about Theraclion's objectives and forward-looking statements. This information is not historical data and should not be construed as a guarantee that the facts and data stated will occur. This information is based on data, assumptions and estimates considered reasonable by Theraclion. Theraclion operates in a competitive and fast-changing environment. It is therefore not in a position to anticipate all the risks, uncertainties or other factors that might affect its business, their potential impact on its business, or the extent to which the materialization of a risk or combination of risks could have results materially different from those mentioned in any forward-looking information. This information is given only as of the date of this press release. Theraclion undertakes no obligation to publicly update this information or the assumptions on which it is based, except as may be required by law or regulation.



The distribution of this press release may be subject to specific regulations in certain countries. Consequently, persons physically present in such countries and in which the press release is circulated, published or distributed must inform themselves of and comply with such laws and regulations.

The information contained in this press release does not constitute an offer of securities in the United States, Australia, Canada, Japan or any other country. This press release may not be published, transmitted or distributed, directly or indirectly, in the United States of America, Australia, Canada or Japan.