



THERANEXUS PRESENTS AN UPDATE ON THE PROGRESS OF ITS MAIN PROGRAMS AND ANNOUNCES ITS CASH POSITION AS OF 31 DECEMBER 2020

IMPLEMENTATION OF A NEW EQUITY LINE

Lyon, 18 January 2021 – Theranexus, a biopharmaceutical company innovating in the treatment of neurological diseases and pioneer in the development of drug candidates modulating the interaction between neurons and glial cells (the “**Company**”), presents an update on its activities and announces the strengthening of its financial visibility for the medium term.

Update on activities

The Company is actively pursuing the development of its main programs, currently focused primarily on THN102 and BBDF-101.

THN102 program (excessive daytime sleepiness in Parkinson's disease)

Theranexus confirms ongoing discussions with several potential partners, demonstrating the pharmaceutical industry's interest in this drug candidate, with a view to signing an agreement by the end of the first half of 2021 which will pave the way for the next stages in the clinical development of THN102 in Parkinson's disease. Theranexus is continuing to evaluate the various partnership opportunities in terms of format and regionalization as well as clinical development pathway, with the aim of maximizing value for the Company and its shareholders.

BBDF-101 program (Batten disease)

During the 4th quarter of 2020, the Company received a favorable opinion from the U.S. Food and Drugs Administration (the FDA) for the BBDF-101 preclinical development plan. The Company now intends to obtain from the FDA an Investigational New Drug Application (IND – clinical trial authorization) in mid-2021 and to start the clinical trial by the end of the year. The planned clinical program (with cohorts of 6 adult patients and 30 pediatric patients) is targeting direct product approval if successful.

"The development plans for our various programs are continuing. Discussions to secure partnerships for THN102 are admittedly taking longer than initially anticipated, especially because of the general context, but they are nevertheless progressing and we are confident that we will be able to reach an agreement by the end of the half-year of 2021. To ensure good financial visibility for the Company as discussions are held with potential partners for THN102, we have decided to implement a new equity line. This equity line will enable us to continue to develop at the same pace, especially with regard to the BBDF-101 program," **explains Franck Mouthon, CEO of Theranexus.**

Strengthening financial visibility – implementation of a new equity line

Total available funds on 31 December 2020 stood at €11.2 million, compared with €11.9 million on 30 September 2020, thereby remaining virtually stable, particularly because of the capital increase achieved through the equity line announced by the Company on 8 July 2020 and implemented through the exercises of warrants to issue bonds redeemable into new shares of the Company.

The next quarters will see continued spending on the BBDF-101 program, with the end of preclinical trials leading to the achievement of IND status and especially the start of clinical spending, in particular in preparation for the trial. In order to finance its growth and to provide financial visibility over the next 18 months while preserving its ability to negotiate in the best possible way the terms of its contemplated THN102 partnership, the Company has decided to implement a new equity line of an amount of up to €8.4 million in total over 12 months through the issuance of warrants (the "**Warrants**") to issue bonds redeemable into new shares of the Company (the "**Bonds**"), reserved entirely to the benefit of IRIS (the "**Investor**").

Legal basis of the issuance

The Company's board of directors dated 18 January 2021, acting by delegation of the combined shareholders' meeting dated 2 June 2020 (the "**Shareholders' meeting**") in accordance with its 19th resolution, decided to issue for free to the benefit of the Investor 3.360 Warrants, each giving right to subscribe a Bond with a nominal value of €2,500 pursuant to articles L. 225-129-2, L. 225-10-49, L. 225-135, L-225-138 and L. 228-91 et seq. of the French Commercial Code.

Use of proceeds

This funding aims to grant additional resources to the Company to support its growth. It will notably help to finance the next phases of its clinical developments on its BBDF-101 program in Batten disease.

Terms of the operation and calendar

All of the 3,360 Warrants were subscribed today by the Investor.

Provided that the conditions set forth in the Bonds issue agreement are met, the Investor will subscribe to the Bonds upon exercise of the Warrants in 12 tranches of a nominal value of €700,000 each by 18 January 2022. At its sole initiative and without any fees or penalties, the Company may suspend or reactivate the issuance of the Bonds or even terminate the contract. The Bonds will be issued at their nominal value without discount at the Investor's initiative. The issue price of the new shares upon redemption of the Bonds and the other main terms and conditions of the Bonds feature in the appendix to this press release.

The Company may ask to renew the equity line for an additional one-year period. The Company 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 subject to the approval by the French financial market authority (the *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 to 0,91 %, i.e. a 9,49 % dilution after issuance of the 428 395 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 into shares will be as follows:

Shareholders	Before the transaction		After the transaction	
	Number of shares	% of capital	Number of shares	% of capital
Management & employees	638 777	15,63%	638 777	14,15%
Auriga Partners	577 762	14,14%	577 762	12,79%
CEA Invest	393 078	9,62%	393 078	8,70%
Kreaxi	157 732	3,86%	157 732	3,49%
Free-float	2 320 088	56,76%	2 748 483	60,86%
Total	4 087 437	100,00%	4 515 832	100,00%

The Company will keep on its website a summary chart of the number of outstanding Warrants, Bonds and shares.

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 2020 under number D.20-0414, which is available free of charge on the Company's website. 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.

This press release and the information it contains do not, and will not, constitute an offer to subscribe for or sell, nor the solicitation of an offer to subscribe for or buy, any securities in any jurisdiction. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, and no securities have been or will be registered thereunder.

Next financial publication:

Wednesday 7 April 2021: Annual financial results and update on cash position on 31 March 2021

ABOUT THERANEXUS

Theranexus is a clinical-stage biopharmaceutical company that emerged from the French Alternative Energies and Atomic Energy Commission (CEA) in 2013. It develops drug candidates for the treatment of nervous system diseases.

Thanks to its knowledge of neuron and glial cell interactions, THERANEXUS is a pioneer in the design and combination of approved substances and has a solid and diversified portfolio of drug candidates in clinical-phase testing. The company's combined drug repurposing strategy based on a solid commercial footing and a capability to rapidly demonstrate its clinical worth, enables it to produce different high-value-added proprietary drug candidates, significantly reduce development time and costs, and considerably increase the chance of its drugs reaching the market.

Accordingly, THERANEXUS is well-positioned in several indications, including for Parkinson's and Batten disease, for which there is currently no treatment available.

Theranexus is listed on the Euronext Growth market in Paris (FR0013286259- ALTHX).

More information at: www.theranexus.com

More information on:

<http://www.theranexus.com>

Click and follow us on Twitter and LinkedIn



Contacts

THERANEXUS

Thierry LAMBERT

Financial and Administrative Director

investisseurs@theranexus.fr

ACTUS finance & communication

Guillaume LE FLOCH

Investor Relations

+33 (0)1 53 67 36 70

theranexus@actus.fr

FP2COM

Florence PORTEJOIE

Media Relations

+ 33 (0)6 07 76 82 83

fportejoie@fp2com.fr

Disclaimer

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 2020 under number D.20-0414 (a copy of which is available on 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.

Main characteristics of the Warrants:

Investor/Subscriber	IRIS, a limited liability company (EURL) with a share capital of €400,000, whose head office is located at 5 Villa Houssay, 92200 Neuilly-sur-Seine, registered with the trade and companies register under number 753.471.853 R.C.S. Nanterre.
Number	A single tranche of 3,660 Warrants, subscribed by the Investor on 18 January 2021.
Subscription price	Subscription for free.
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 gives right to subscribe one Bond if exercised at the Bond's Subscription Price.

Main characteristics of the Bonds:

Tranches	Twelve (12) tranches of €750,000, each represented by 280 Bonds with a nominal value of €2,500, i.e. up to €8,400,000 in total, which will be issued to the Investor through the 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, no material adverse change or change to the Company's control, Company share listing, minimum trade volume of 1 million euros for Theranexus' shares during the last 20 trading days, etc.), 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 a notice ten (10) trading days before the suspension or reactivation comes into force. The 12-month commitment period will be extended to cover any suspensions and reactivations requested by the Company.
Bond's Subscription Price	100% of the nominal value of the Bonds, i.e. €2,500 per Bond.
Maturity	Eighteen (18) months starting from their issue date.
Drawdown fee	A drawdown fee shall be due by the Company each time a tranche is drawn. The Company may also pay at that time a discretionary fee. In case all tranches are drawn, the maximum amount paid by the Company under these two commissions would total €205,000. No commission was paid when this equity line was set up.
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 maturity date	If, at their maturity date, the Bonds have not been redeemed for shares or repurchased, the Bonds holder shall request its Bonds to be redeemed into shares.
Event of default	Default notably includes failure by the Company to meet its covenants pursuant to the Bonds issue agreement, default of payment of any another significant debts of the Company, delisting of the Company's shares, change of control, etc. On the other hand, there are no financial covenants.
Bonds' Redemption Price	The price of the redemption of the Bonds into new shares of the Company is equal to 95% of the lowest volume-weighted average price of a trading day over a period of twenty-five (25) trading days immediately preceding the Bonds' redemption date.

	<p>Notwithstanding the above, the parties may agree on a Bonds' redemption price in the event of a block sale of the shares issued pursuant to the redemption of such Bonds by the Investor.</p> <p>It is moreover specified that the Bonds' redemption price may under no circumstances be lower than the minimum price set by the Company's Board of Directors on 18 January 2021 pursuant to a delegation of the combined shareholders' meeting of the Company dated 2 June 2020, namely the average of the volume-weighted average prices of the last three (3) trading days immediately preceding the Bonds redemption date less a 5% discount.</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>The new shares of the Company issued pursuant to the 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 of Euronext Paris. The Company will keep on its website a summary chart of the number of outstanding Warrants, Bonds and shares.</p>
Potential dilution – Maximum share number	<p>In accordance with the board of directors of the Company dated 18 January 2021, the maximum number of to be issued pursuant to the redemption of the Bonds has been set at 1,000,000 shares.</p> <p>By way of illustration, assuming issuance of all the Bonds and volume-weighted average price during the last 25 trading days preceding their redemption into shares identical to those of the last 25 trading days preceding the board of director (18 January 2021), the number of new shares of the Company that may be subscribed by the Investor on redemption of the Bonds into new shares would be equal to 428 395 shares, representing approximately 10,48 % of the Company's share capital* (on a non-diluted basis).</p> <p><i>* On the date of this press release, the Company has a share capital of € 1,021,859.25 divided into 4,087,437 ordinary shares.</i></p>
Disposal of Company's shares	<p>A securities loan agreement was entered into between the Investor and Auriga Partners under which the latter delivered to the Investor 50,000 shares of the Company to cover a possible default or delay in delivery of the shares in connection with the implementation of the Bonds issue agreement.</p>