



Theranexus publishes its cash position as of 31 December 2021 Implementation of a new equity line

Lyon, 13 January 2022 – 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**"), today announces its cash position as at 31 December 2021.

Total available funds on 31 December 2021 stood at €12.5 M, compared with €11.2 M on 31 December 2020 particularly because of the drawdown releases completed over the period (€7.7 M) on the equity line implemented with IRIS in January 2021 and a refund of the 2020 Research Tax Credit (CIR) for a sum of €1.0 M paid out in Q4 2021.

The Company is soon expecting the second payment of €1.0 M in advances and grants from Bpifrance in connection with the Neurolead project.

Thierry Lambert, Chief Financial Officer of Theranexus, made the following comment: *"The Company's cash funds of €12.5 M at 31 December 2021 is relatively stable and in line with our objective to secure our cash position over the coming 18 months. We are careful to maintain the financial flexibility needed to support the development plans scheduled for our different programs."*

Implementation of a new equity line

With the previous equity line of January 2021 soon to expire¹, the Company decided to implement a new equity line for a total maximum sum of €4.2 M over 12 months through the issuance of warrants (the "**Warrants**") for the subscription of bonds that can be converted into new shares in the Company (the "**Bonds**"), reserved entirely to the benefit of IRIS (the "**Investor**").

Legal basis of issuance

The Company's Board of Directors convened today, acting by delegation of the combined general shareholders' meeting dated 16 June 2021 (the "**Shareholders' meeting**") in accordance with its 12th resolution, decided to issue, free of charge, to the Investor 1,680 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 and seq. of the French Commercial Code.

Operation objectives

This funding aims to provide Theranexus with additional capacity to support its growth. In particular, it will help to finance the next phases of its clinical development on its BBDF-101 program in Batten disease.

¹ On the date of this press release, all tranches of this equity line have been drawn down in full and 250 bonds convertible into shares issued in connection with this line are still in circulation. For further information about this equity line, readers may refer to the Company's press release of 18 January 2021.

Terms of the operation and calendar

The 1,680 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 12 tranches of a nominal value of €350,000 each by 13 January 2023.

At its sole initiative and without fees or penalties, the Company may suspend or reactivate issuance of the Bonds or terminate the contract. The Bonds will be issued at nominal 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 equity line for an additional one-year 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 0.86%, i.e. a 13.59% dilution after issuance of the 802 996 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:

Shareholders	Before the transaction		After the transaction	
	Number of shares	% of capital	Number of shares	% of capital
Management & employees	638 777	12,51%	638 777	10,81%
Auriga Partners	577 762	11,32%	577 762	9,78%
CEA Invest	393 078	7,70%	393 078	6,65%
Kreaxi	157 732	3,09%	157 732	2,67%
Free-float	3 337 092	65,38%	4 140 088	70,08%
Total	5 104 441	100,00%	5 907 437	100,00%

The Company will keep a summary chart of its Warrants, Bonds and the number of shares in circulation up to date 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 28 April 2021 under number D.21-0379, which is available free of charge on the Company 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, growth or prospects.

Next financial publication:

Thursday 28 April 2022: 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 on : <http://www.theranexus.com>

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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 28 April 2021 under number D.21-0379 (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 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 1,680 Warrants, subscribed by the Investor on 13 January 2022.
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	Twelve (12) tranches of €350,000, each represented by 140 Bonds with a face value of €2,500, i.e. a total maximum of €4.2 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, 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 notice ten (10) trading days before the suspension or reactivation comes into force. The 12-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	Eighteen (18) 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.
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 96% 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 moreover stipulated that the Bond redemption price may under no circumstances be lower than the minimum price set by the Company's Board of Directors on 18 January 2021 as delegated by the combined general shareholders' meeting on 16 June 2021, namely the average of the average prices weighted by the volumes of the last</p>

	<p>three (3) trading sessions immediately preceding the Bond redemption date minus a discount of 4%.</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 keep a chart for monitoring Warrants, Bonds and the number of shares in circulation up to date on its website.</p>
Potential dilution – Maximum share number	<p>Pursuant to the decision of the Company's Board of Directors on 13 January 2022, the maximum number of shares for issue on redemption of Bonds has been set at 1,800,000 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 (13 January 2022), the number of new Company shares for subscription by the Investor on redemption of the Bonds in new shares would be 802,996 shares, representing approximately 15.73% 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 €1,276,110.25 divided into 5,104,441 ordinary shares.</i></p>
Disposal of shares in the Company	<p>A securities loan agreement was entered into between the Investor and Auriga Partners under which the latter delivered to the Investor 100,000 company shares to cover a possible default or delay in delivery of the shares in connection with the implementation of the issuing contract and the contract relative to the equity line decided in January 2021.</p>