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Theranexus raises around 3.1 million euros in fundraising

- *Fundraising for a total of €3.1 million, through the issue of 2,412,511 new shares*
- *Cash position of around €7,8 million to pursue clinical development of Batten-1*
- *The American Beyond Batten Disease Foundation acquires a 11.6% equity stake in the Company (on a non-diluted post-fundraising basis)*
- *Strong demand by individual investors, for final participation of €0.6 million, through the PrimaryBid platform*

Lyon, France - July 12, 2023 - 7:30 am CEST - Theranexus, an innovative biopharmaceutical company specializing in the treatment of rare neurological diseases (the "**Company**"), today announced the completion of its fundraising for a total gross amount around 3.1 million euros, of which around 2.5 million euros were subscribed by specialized and strategic investors by accelerated bookbuilding and 0.6 million euros subscribed by individual investors via the PrimaryBid platform (the "**Global Offering**").

Mathieu Charvériat, CEO of Theranexus said *"We would like to thank all our investors and new shareholders for their confidence and commitment to the Company through this transaction. We would also like to acknowledge the participation of the BBDF Foundation, which has renewed its confidence in our ability to successfully complete the development of Batten 1 to provide a therapeutic solution for patients suffering from Batten disease. We are also delighted with the participation of individual investors through the PrimaryBid platform. Thanks to the validation of the phase 3 design, the encouraging preliminary phase I/II results and the success of this operation, we will launch the pivotal phase 3 of Batten-1 as early as the end of 2023. We are aiming for approval and commercialization as early as 2027, which would make Batten-1 the first registered product for Batten disease in the world."*

Proceeds of the Global Offering

The proceeds of the Global Offering, combined with the Company's existing funds, will contribute to finance the pivotal Phase 3 trial of the Batten-1 drug candidate, designed to treat patients suffering from the rare neurological disease Batten disease. The funds would also be used to finance the other research and development activities of the Company, as well as its general corporate needs.

Theranexus, in partnership with the Beyond Batten Disease Foundation (BBDF), recently obtained approval from the Food and Drug Administration (FDA) and the European Medicines Agency (EMA) for the design of the pivotal phase 3 study of its drug candidate Batten-1. The Company also reports encouraging preliminary results at 6 months from the phase 1/2 study, suggesting a beneficial effect of Batten-1 on neuronal death and stabilization of motor function in treated patients. Encouraged by these latest developments, the Company will launch the pivotal phase 3 of its clinical trial at the end of the second half of 2023. The costs of this phase 3, which should be completed by the end of 2026, are estimated at 5 million euros per year for the next 3 years.

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Main characteristics of the Global Offering

The Global Offering, for a total amount, including issue premium, of 3,088,014.08 euros, was carried out through the issue, without preferential subscription rights and without a priority subscription period, of 2,412,511 new ordinary shares as part of :

- an offer to qualified investors based on article L. 225-138 of the French Commercial Code, via two capital increases:
    - a first capital increase for a total of €1,320,412.16 million (issue premium included), through an offer of 1,031,572 new common shares subscribed by individuals or legal entities (including companies), trusts, investment funds or other investment vehicles of any kind whatsoever, governed by French or foreign law, whether or not they are shareholders in the Company, investing on a regular basis or having invested (including, where applicable, in the form of loans or convertible or non-convertible debt securities) at least two million euros over the 36 months prior to the issue in question in the life sciences or technology sector ; and
    - a second capital increase for a total of €1,149,999.36 million (issue premium included), through an offer of 898,437 new common shares subscribed by the Beyond Batten Disease Foundation as a Company's strategic, commercial or financial partner, located in France or abroad, who have entered into or are due to enter into one or more partnership (development, co-development, distribution, manufacturing, etc.), commercial or financing agreements with the Company (or a subsidiary thereto), directly or through one or more entities that these partners control, that control these partners or that are controlled by the same person(s) as these partners, directly or indirectly, within the meaning of Article L. 233-3 of the French Commercial Code ;

  (the "**Reserved Offering**")

- a capital increase without shareholders' pre-emptive subscription rights for an amount (including issue premium) of 617,602.56 euros through the issue of 482,502 new shares by the way of a public offering (other than an offering governed by 1° of Article L. 411-2 of the French Monetary and Financial Code) primarily aimed at retail investors via the PrimaryBid platform (the "**PrimaryBid Offering**").

The new shares, representing approximately 45.1% of the Company's share capital, on a non-diluted basis, before completion of the Capital Increase, and 31.1% of the Company's share capital, on a non-diluted basis, after completion of the Capital Increase, were issued yesterday evening by decision of the Company's Chief Executive Officer pursuant to the sub-delegations of authority granted by the Company's Board of Directors on July 11, 2023 and on the basis of Article L. 225-138 of the French Commercial Code, in accordance with the resolutions of the Annual General Meeting of Shareholders (the "**AGM**").

As announced earlier, the price of new shares issued as part of the Global Offering has been set by the Board of Directors on July 11, 2023. at €1.28 (representing a discount of 25.8% on the closing price of THERANEXUS shares on July 10, 2023, i.e. €1.73, and a discount of 25.2% to the volume-weighted average price of THERANEXUS shares over the last 3 trading days prior to the pricing of the issue (i.e. July 6, July 7 and July 10, 2023), i.e. €1.71).

Prior to the launch of the Global Offering, Beyond Batten Disease Foundation, a long-standing partner of the Company and four financial investors, have undertaken to subscribe to the Reserved Offer for a total amount of 2.2 million euros, representing together approximately 71.2% of the total amount of the Global Offering. Applications from these investors have been 100% allocated to the Reserved Offer, including Iris and Gestys, who will each receive a guarantee fee equal to 5% of the amount of their commitment, plus 2% of the amount of their investment, taking into account the investor's actual subscription (i.e. a total fee of 28,000 euros and 21,000 euros respectively).

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To the Company's knowledge, the breakdown in share ownership before and after the Global Offering is as follows:

	Pre-Fundraising (on a non-diluted basis)		Post-Fundraising (on a non-diluted basis)	
	Nb of shares	**% of capital**	**Nb of shares**	**% of capital**
Franck Mouthon	317,776	5.9%	317,776	4.1%
Mathieu Charvériat	317,776	5.9%	317,776	4.1%
Total Founders	**635,552**	11.9%	**635,552**	8.2%
Richard Platford	96,884	1.8%	96,884	1.2%
Supernova Invest	393,078	7.4%	393,078	5.1%
Auriga Partners	577,762	10.8%	577,762	7.4%
Kreaxi	124,738	2.3%	124,738	1.6%
Total historical financial investors	**1,192,462**	22.3%	**1,192,462**	15.4%
Beyond Batten Disease Foundation	-	0.0%	898,437	11.6%
Free float	**3,518,199**	65.8%	**5,032,273**	64.9%
Total	**5,346,213**	100.0%	**7,758,724**	100.0%

The Global Offering is not subject to a prospectus requiring an approval from the French Financial Market Authority (*Autorité des Marchés Financiers*) (the "AMF").

Admission of new shares

Settlement-delivery of the new shares and their admission to trading on the Euronext Growth® Paris multilateral trading facility are expected to take place on July 14, 2023. The new shares will be of the same class and fungible with the existing shares, will carry all the rights attached to the shares, and will be admitted to trading on the Euronext Growth® Paris multilateral trading facility under the same ISIN code FR0013286259.

Lock-up undertakings

As part of the Global Offering, the Company has signed a lock-up commitment that comes into effect on the date of execution of the placement agreement entered into between the Company and Portzamparc on July 11 2023, and continuing for a period of 90 days following the settlement-delivery date of the Global Offering, subject to customary exceptions. The Company's founders, Mr Franck Mouthon, Chairman of the Board of Directors of Theranexus, and Mathieu Charvériat, Chief Executive Officer of Theranexus, and Auriga Partners, an' historical investor of the Company, holding together 22.7% of the Company's share capital, have also signed lock-up commitments taking effect on the date of execution of these commitments and continuing for a period of 180 days following the settlement-delivery date of the Global Offering, subject to certain customary exceptions.

Financial intermediaries

Portzamparc (BNP Paribas Group) is acted as single global coordinator, lead manager and bookrunner for the Reserved Offering. The Reserved Offering is the subject of a placement agreement between the Company and Portzamparc dated July 11, 2023.

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Under the PrimaryBid Offer, investors subsribed via the PrimaryBid partners listed on www.PrimaryBid.fr. The PrimaryBid Offer is the subject of a commitment letter between the Company and PrimaryBid and is not the subject of an investment contract. For further details, please visit www.PrimaryBid.fr.

Risk factors

Your attention is drawn to the risk factors associated to the Company and its business, presented (i) in chapter 3 of the universal 2022 registration document filed with the AMF on April 26, 2023 under number D.23-0345, available free of charge on the Company's website (www.theranexus.com) and the website of the *Autorité des marchés financiers* (www.amf-france.org). The occurrence of any or all of these risks could have a material adverse effect on the Company's business, financial condition, results of operations, development or prospects.

Additionally, investors are invited to consider the following risks specific to the issue: (i) the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued in connection with the Global Offering, (ii) the volatility and liquidity of the Company's shares could fluctuate significantly, (iii) sales of the Company's shares could occur on the market and have an unfavorable impact on the Company's share price, (iv) the Company's shareholders could suffer potentially significant dilution as a result of any future capital increases made necessary by the Company's search for financing, and (v) as the securities are not intended to be listed on a regulated market, investors will not benefit from the guarantees associated with regulated markets

Next financial publications

- **September 28, 2023** : 2023 Half-Year Results
- **October 17, 2023** : Cash position as at September 30, 2023

About Batten-1

Batten-1 is a new proprietary and exclusive pharmaceutical speciality whose active ingredient is miglustat. The mechanism of action of this active ingredient blocks the accumulation of glycosphingolipids and neuroinflammation, thereby significantly reducing neuronal death, the cause of progressive loss of function in patients. For patients over 17 years of age in the Phase 1/2 study, the product is administered in solid form. In the Phase 3 study, it will be administered in a liquid form, more suited to a paediatric population.

Study design Phase 1/2: This is an open-label study involving 6 patients over 17 years of age with Batten CLN3 disease, treated with miglustat up to 600 mg/day for 2 years. The primary endpoint was safety and tolerability, assessed by adverse event reporting, bioassays and ECG, as well as miglustat pharmacokinetics. Secondary endpoints included efficacy parameters: the Unified Batten Disease Rating Scale, visual acuity, measurement of brain volumes by magnetic resonance imaging and measurement of retinal neuronal layer thickness by optical coherence tomography. Batten-1 dose escalation to a maximum of 600 mg/d was well tolerated, with no serious adverse events or discontinuations. The most frequently reported adverse events were gastrointestinal, reversible and mostly mild to moderate in intensity, demonstrating the good safety profile of Batten-1 in this population. Batten-1 will continue to be evaluated in these patients for a total of 24 months. Further information is available at https://clinicaltrials.gov/ct2/show/NCT05174039.

About Batten disease

Juvenile Batten disease or Spielmeyer-Vogt disease, also known as CLN3 disease, is a rare, fatal genetic disorder of the nervous system for which there is no cure. It belongs to the group of neuronal ceroid-lipofuscinoses (NLC). Over 400 mutations in 13 genes have been associated with NLC variants, which differ essentially in the age of onset of symptoms. The first symptom of the juvenile form, progressive vision loss, appears between the ages of 4 and 6. This is followed by cognitive and behavioral

problems and motor difficulties. Convulsions appear within 2 to 4 years of onset. Gradually, patients decline both physically and mentally. Eventually, they become wheelchair-bound or even bedridden, before dying prematurely.

The disease is always fatal - usually in late adolescence or early adulthood. In the USA and Europe, Batten disease is the most prevalent NLC, affecting around 2,000 patients[1] . From a pathophysiological point of view, interactions between neurons and glial cells play a key role in the onset and progression of all NLCs.

About the Beyond Batten Disease Foundation (BBDF)

The Beyond Batten Disease Foundation (BBDF) is the world's largest non-profit organization dedicated to funding research to treat and cure juvenile Batten disease (CLN3). Since its creation in 2008, over $35 million has been invested in research through donations, co-funding and strategic partnerships. BBDF spearheads a unique and coherent strategy, integrating independent scientific resources and collaboration with related organizations to conduct research into juvenile Batten disease. BBDF-sponsored research initially uncovered the mechanisms of the disease[2] . Today, a treatment is in sight. BBDF-funded research has led to the discovery of a drug, Batten-1, which slows disease progression in models of Batten disease. For more information, visit www.beyondbatten.org.

About Theranexus

Theranexus is an innovative biopharmaceutical company spun out of the French Atomic Energy Commission (CEA), specializing in the treatment of rare neurological disorders. The company has a unique platform for the identification and characterization of innovative therapy drug candidates in the field of rare neurological disorders, and a first drug candidate in development and in the clinic for Batten disease.
THERANEXUS is listed on Euronext Growth in Paris (FR0013286259- ALTHX).

More information at
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Disclaimer

In France, the offer of Theranexus shares described below will be carried out through (i) a reserved offering and (ii) a public offer primarily intended to retail investors through the PrimaryBid platform. Pursuant to article 211-3 of the General regulations of the French financial markets authority (*Autorité des marchés financiers*) (the "**AMF**") and articles 1(4) and 3 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"), the offer of Theranexus shares will not require the publication of a prospectus approved by the AMF.

With respect to Member States of the European Economic Area, no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not

[1] National Organization for Rare Disorders (NORD)/Orphanet
[2] Settembre et al, TFEB links autophagy to lysosomal biogenesis, Science 2011

be and shall not be offered in any Member State other than in accordance with the exemptions of Article 1(4) of Prospectus Regulation or, otherwise, in cases not requiring the publication of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.

This press release and the information it contains are being distributed to and are only intended for persons who are (x) outside the United Kingdom or (y) in the United Kingdom who are qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) and are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order ("high net worth companies", "unincorporated associations", etc.) or (iii) other persons to whom an invitation or inducement to participate in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (y)(i), (y)(ii) and (y)(iii) together being referred to as "**Relevant Persons**"). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities to which this press release relates will only be engaged with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this press release or any of its contents.

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