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## Theradiag launches a Rights Issue

- Target amount of €5.33 million
- Subscription price: €1.22 per share
- Subscription ratio: 1 new share for every 2 existing shares
- Subscription period: November 3, 2021 to November 18, 2021 inclusive
- Detachment of preferential subscription rights on October 29, 2021
- Subscription commitments received of €4,175,000 (78.26%)

**Croissy-Beaubourg (France), October 26, 2021, 7.30 am CEST - THERADIAG** (ISIN: FR0004197747, Ticker: ALTER), a company specializing in *in vitro* diagnostics and Theranostics, announces the launch of a rights issue for a target amount of €5,334,745,24, at a price of €1.22 per share with a nominal discount of 30.05% to the closing price on 21 October 2021, and a ratio of 1 new share for every 2 existing shares (the “Rights Issue”).

**Bertrand de Castelnaud, CEO of Theradiag,** said: *“Our strategic refocus on innovation and the commercial development of our two activities, Theranostics and in vitro diagnostics, has enabled us to post very solid growth in recent semesters and be close to breakeven in the first half of 2021<sup>1</sup>. On the basis of buoyant activity for our innovative solutions and a healthier cost structure, we are entering a new phase of profitable growth with the aim of strengthening our global leadership on the biotherapy monitoring market.*

*Theradiag stands out on this growing biotherapy monitoring market through its expertise and its ties with the healthcare professionals ecosystem in France and abroad. Building on these assets, the Company wants to begin a new chapter in its history through this fundraising operation that will enable it to finance the five projects that will structure its future growth:*

- *Secure the quality and commercial supply of antibodies via the Humabdiag project developed thanks to the recent partnership with the University of Tours (bioproduction of human monoclonal antibodies);*
- *Accelerate the internationalization of existing activities in the world’s main healthcare countries, and in particular accelerate sales in the United States (which already account for 19% of Theranostics revenue);*
- *Develop a technological solution to ensure Near Patient Testing;*

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<sup>1</sup> The Company's operating result and net result at 30 June 2021 amount to -178 K€ and -92 K€ respectively.

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- *Invest in new therapeutic fields with a substantial medical need and strong growth (e.g. oncology, central nervous system, rheumatology, etc.);*
- *Thanks to the expertise acquired in autoimmune diseases, reposition and revive FIDIS technology, in particular in the United States, and the activity covering serums used in quality control.*

*Through our current structure and these five routes of development that present substantial synergies, our unique positioning will provide a response to the substantial demand on the rapidly growing global biotherapy monitoring market.*

*In this perspective, the planned use of the funds raised in the capital increase will be as follows:*

- *50% of the funds will be used to strengthen the sales team by recruiting sales professionals in the United States, France and the rest of the world, to develop the autoimmunity portfolio and to design a marketing campaign for Theradiag products;*
- *30% of the funds to research new therapeutic areas, develop new products and adapt near-patient testing;*
- *10% of the funds raised to accelerate product registrations in several countries, particularly the United States, in order to increase international sales; and*
- *Up to 10% of the funds raised, in order to finance Theradiag's working capital requirements, open subsidiaries and improve production facilities.*

*If the issue is limited to 75%, the funds will be used as follows:*

- *50% of the funds will be used to strengthen the sales team by recruiting sales professionals in the United States, France and the rest of the world, to develop the autoimmunity portfolio and to design a marketing campaign for Theradiag's products;*
- *30% of the funds to research new therapeutic areas, develop new products and adapt near-patient testing;*
- *10% of the funds raised to accelerate product registrations in several countries, particularly the United States, in order to increase international sales; and*
- *10% of the funds raised to finance Theradiag's working capital requirements, open subsidiaries and improve production facilities.*

*Theradiag is thus preparing for a new growth phase that requires the financial means to match its ambitions. We want to involve you in this new phase by launching a Rights Issue of approximately 5.3 million euros (through the issuance of up to 4,372,742 shares at a price of €1.22 each). The funds raised will be allocated to boost our R&D and internationalize our activities in our key geographic areas, which are France and the United States. Our goal is to achieve annual revenue of over €40 million<sup>2</sup> within five years while keeping our costs strictly under control in order to achieve an operating margin of between 20 and 30%. This ambition should be achieved through organic growth and the implementation of the five development axes described. With the exception of public grants and subsidies, the Company does not expect to call on other complementary financing”.*

**Pierre Morgon, Chairman of the Board,** adds: *“We are determined to take Theradiag to a new dimension thanks to the added value of our solutions and the current dynamic of the market segments*

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<sup>2</sup> The Company's sales as at 30 June 2021 was €5.5 million.

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*we are targeting. On behalf of the Board of Directors and our entire team, I would like to thank you for your trust in and support for this operation that should put Theradiag on a track to faster growth and contribute to strengthening its leadership position in biotherapy monitoring”.*

In accordance with the provisions of article L.411-2-1 1° of the Monetary and Financial Code and article 211-3 of the General Regulations of the French Financial Markets Authority (AMF), this Rights Issue will not be subject to a prospectus requiring a visa from the AMF as the total amount of the offering calculated over a period of 12 months does not exceed the threshold of 8,000,000 euros.

This Rights Issue, aimed primarily at THERADIAG’s shareholders, will be carried out via the issuance of a maximum of 4,372,742 new shares, at a price of €1.22 per share, on the basis of 1 new share for every 2 existing shares held: 2 preferential subscription rights (PSR) will allow shareholders to subscribe to 1 new share.

As of August 31, 2021, the Company's cash position amounted to € 2.3 million, representing a financing horizon for its activities until the end of 2026, with no implementation of the strategic plan consisting of the five projects mentioned above. The completion of this capital increase will not change this funding outlook but will enable the implementation of the strategic plan described.

The Company was granted a State-guaranteed loan of € 1.9 million, which is expected to be repaid over the next 4 to 5 years thanks to the Company's cash position and the generated cash flow.

## **Main terms of the Rights Issue**

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### **Share capital prior to the operation**

Prior to the operation, THERADIAG’s share capital consists of 8,745,485 shares, fully subscribed and paid-up, with a par value of €1.01 each.

### **Share and Rights Issue codes**

Name: THERADIAG

ISIN: FR0004197747

Ticker: ALTER

Rights ISIN: FR00140069U4

Listing market: Euronext Growth Paris

LEI: 969500CDG241WHIFL611

### **Number of new shares issued**

4,372,742 new shares with a par value of €1.01 each.

### **Subscription price of the New Shares**

€1.22 per share (including €1.01 par value and €0.21 issuance premium). The price of €1.22 per new share must be fully paid-up in cash at the time of subscription.

### **Gross proceeds from the operation**

€5,334,745.24

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### **Subscription commitments and net proceeds from the operation**

Any new shares not subscribed on an irreducible or reducible basis could be allocated to the 20 investors who have signed subscription commitments for free subscriptions for a total amount of €4,175,000.

These subscription commitments represent 78.26% of the planned Rights Issue and were made by institutional and private investors who are not currently shareholders of the Company and include Vatel Capital, HMG Finance, Friedland Gestion, Aurore Invest Fund and Sully Patrimoine Gestion.

Under the terms of these twenty subscription commitments, a guarantee fee will be payable by the Company to the signatories of these commitments independently of the actual subscription.

Assuming a 100% subscription of the issue (representing an issue size of approximately EUR 5.3 million) with a 100% service rate to the investors having signed the underwriting commitments, the total net amount of the issue (corresponding to the gross amount less all financial, legal and communication costs relating to the issue) would amount to approximately EUR 4.5 million. Assuming that 78.26% of the issue is subscribed (representing an issue size of approximately EUR 4.2 million), including a 100% service rate to investors who have signed underwriting commitments, the total net amount of the issue (corresponding to the gross amount less all costs relating to the issue) would be approximately EUR 3.4 million.

The Company is not aware of its other shareholders' intentions.

### **Subscription period**

From November 3 to November 18, 2021 included on the Euronext Growth market in Paris.

### **Dilution**

#### **Impact of the Rights Issue on shareholder's equity per share**

<b>Equity amount per share (in euros)*</b>	
Before the issuance of new shares resulting from the Rights Issue	€0,600
After the issuance of 3,279,556 new shares resulting from the Rights Issue should 75% of the original offer be carried out	€0,436
After the issuance of 4,372,742 new shares resulting from the Rights Issue	€0,400

\* based on a share capital of 5,247,842 euros as of 30/06/2021.

#### **Impact of the issue on a shareholder's situation**

<b>Stake (%)</b>	
Before the issuance of new shares resulting from the Rights Issue	1.00%
After the issuance of 3,279,556 new shares resulting from the Rights Issue should 75% of the original offer be carried out	0.73%
After the issuance of 4,372,742 new shares resulting from the Rights Issue	0.67%

### **Shareholding**

To the knowledge of the Company, as of the date of this press release, the shares comprising the capital and voting rights are distributed as follows:

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Before the Capital Increase	Total number of shares	% of capital	Total number of exercisable voting rights	% of voting rights
Treasury shares	94,100	1.1 %	n/a	n/a
Management	18,181	0.2 %	21,700	0.2 %
Other shareholders	8,633,204	98.7 %	8,674,545	99.8 %
20 Guarantors	0	0	n/a	n/a
<b>Total</b>	<b>8,745,485</b>	<b>100.0 %</b>	<b>8,696,245</b>	<b>100.0 %</b>

Following the Capital Increase, the shares comprising the capital and voting rights would be distributed as follows :

After the Capital Increase	Total number of shares	% of capital	Total number of exercisable voting rights	% of voting rights
Treasury shares	94,100	0.7 %	n/a	n/a
Management	18,181	0.1 %	21,700	0.2 %
Other shareholders	9,583,815	73.1 %	9,625,156	73.6 %
20 Guarantors*	3,422,131	26.1%	3,422,131	26.1%
<b>Total**</b>	<b>13,118,227</b>	<b>100.0 %</b>	<b>13,068,987</b>	<b>100.0 %</b>

\* Assuming that the subscription commitments are served in full

\*\* Assuming a 100% issue.

### **Subscription terms and conditions**

#### **Preferential subscription rights on an irreducible basis**

Subscriptions to New Shares will be reserved in priority for holders of existing shares registered in their securities account at the close of business on October 28, 2021, who will be allocated preferential subscription rights (PSR) or assignees of their PSR. They will be able to subscribe, on an irreducible basis, to 1 New Share for every 2 existing shares they hold (2 PSR enabling people to subscribe to 1 New Share at a price of €1.22 per share).

Shareholders or assignees of their PSR who do not hold, with respect to subscriptions on an irreducible basis, a sufficient number of existing shares or PSR to obtain a whole number of New Shares may buy or sell over the counter the number of PSR enabling them to achieve the multiple leading to a whole number of New Shares.

For indicative purposes, it is specified that, as of October 21, 2021, the Company holds 94,100 treasury shares.

#### **Preferential subscription rights on a reducible basis**

For the benefit of shareholders, the Company is introducing a reducible right to subscribe to shares that will be undertaken proportionately to their rights and within the limit of their requests. At the same time as they deposit their subscriptions on an irreducible basis, shareholders or assignees of their rights will be able to subscribe on a reducible basis to the number of new shares they want, in addition to the number of new shares resulting from the exercise of their rights on an irreducible basis.

Any new shares not subscribed on an irreducible basis will be divided up and allocated to subscribers on a reducible basis. Subscription orders on a reducible basis will be satisfied within the limit of their requests proportionally to the number of existing shares whose rights are used to support their

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subscription on an irreducible basis, without this being able to result in the allocation of a fraction of a new share.

In the case of a same subscriber presenting a number of separate subscriptions, the number of shares due to them on an irreducible basis will only be calculated across all their subscription rights if they specifically request this in writing no later than the final day of the subscription period. This special request should be attached to one of the subscriptions and include all the information needed to group the rights together, including the number of subscriptions established and the establishments or intermediaries with which these subscriptions have been filed. Subscriptions in the names of different subscribers cannot be grouped together to obtain shares on a reducible basis.

A notice published in a legal announcement bulletin at the Company's head offices and by Euronext Paris will indicate, if appropriate, how subscriptions on a reducible basis will be apportioned.

### **Exercise of preferential subscription rights**

To exercise their PSR, holders must make such a request to their authorized financial intermediary at any time during the subscription period and pay the corresponding subscription price. Each subscription must be accompanied by the payment of the subscription price in cash. Subscriptions that have not been fully paid-up will automatically be cancelled without the need for formal notice.

PSR must be exercised by their beneficiaries, under penalty of revocation, before the expiry of the subscription period. Failing a subscription before November 16, 2021 or the divestment of these PSR, they will become void at the close of trading and will have no value.

The funds paid with respect to subscriptions will be centralized by Invest securities via Parel, who will be responsible for establishing the certificate of deposit confirming the implementation of the Rights Issue and issuance of shares.

Any new shares not absorbed by subscriptions on an irreducible basis will be divided up and allocated to subscribers on a reducible basis. Subscription orders on a reducible basis will be satisfied within the limit of their requests pro rata to the number of existing shares whose rights are used to support their subscription on an irreducible basis, without this being able to result in the allocation of a fraction of a new share.

### **Listing of preferential subscription rights**

The PSR will be listed and traded on the Euronext Growth market in Paris under ISIN FR00140069U4 from October 29 to November 16, 2021.

### **Theoretical value of preferential subscription rights**

0.17 euros (based on Theradiag's share closing price on October 21, 2021, i.e. 1.74 euros). The subscription price of €1.22 per share represents a discount of 22.3% on the theoretical ex-right value of the share.

### **Open subscription requests**

As well as the possibility of subscribing on an irreducible or reducible basis in accordance with the terms and conditions indicated above, any physical or moral person, whether they hold preferential subscription rights or not, may subscribe to this capital increase on an open basis.

Persons wishing to subscribe on an open basis must send their request to their authorized financial intermediary at any time during the subscription period and pay the corresponding subscription price.

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In accordance with the provisions of article L.225-134 of the French Commercial Code, open subscriptions will only be taken into account if subscriptions on an irreducible and reducible basis have not already absorbed the entire Rights Issue, it being specified that the Board of Directors will have the power to freely allocate shares that have not been subscribed, in whole or in part, among those (shareholders or third persons) it chooses who have filed requests for subscriptions on an open basis.

### **Limitation of the Rights Issue**

In accordance with article L. 225-134 of the French Commercial Code, the Board of Directors may notably limit the Rights Issue to the number of subscriptions received, subject to these subscriptions reaching at least 75% of the initial amount, it being specified however that the Company has already received subscription commitments for 78.26% of the total amount of the Rights Issue.

### **Paying agents — Subscription payments**

Subscriptions for New Shares and payments of funds by subscribers whose securities are held in administered registered or bearer form will be received until and including the final date of the subscription period by their authorized intermediary acting in their name and on their behalf.

Subscriptions and payments by subscribers whose shares are registered in pure registered form will be received without charge by CACEIS.

The New Shares must be fully paid for in cash at the time of their subscription, the total amount due being the par value plus the issuance premium, it being specified that the total issuance premium will be booked in the liabilities section of the balance sheet in a special “Issuance Premium” account to which all existing and new shareholders shall have rights.

Funds paid with regard to subscriptions will be centralized by Parel SA on behalf of Invest Securities, which will draw up a certificate of deposit confirming the implementation of the Rights Issue.

Subscriptions for which payment has not been received will automatically be cancelled without the need for formal notice to this effect.

### **Guarantee**

This offer will not be subject to a conclusion guarantee within the meaning of article L. 225-145 of the French Commercial Code. Trading in these shares will therefore only begin once settlement-delivery operations have been completed and the depositary’s certificate has been received.

### **Indicative timetable of the Rights Issue**

October 26, 2021	Publication of a press release by THERADIAG describing the main characteristics of the Rights Issue. Publication by Euronext Paris of the notice of issue.
October 28, 2021	Business day at the end of which the holders of existing shares registered for accounting purposes in their securities account will be allocated preferential subscription rights (PSR).
October 29, 2021	Ex-rights date of PSR (before market). First day of trading in PSR.
October 29, 2021	Publication of a notice in the BALO legal journal.
November 3, 2021	Start of the subscription period.
November 16, 2021	Last day of trading in PSR.
November 18, 2021	End of the subscription period.

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November 24, 2021	Publication of a press release by THERADIAG announcing the results of the subscriptions. Publication by Euronext Paris of the notice regarding the admission to trading of the New Shares, the definitive amount of the Rights Issue and how subscriptions on a reducible basis will be apportioned.
November 26, 2021	Issuance of the New Shares – Settlement-Delivery. Admission of the New Shares to trading on Euronext Growth Paris.

### **Rights attached to the New Shares**

The New Shares, which will be subject to all statutory provisions, will have dividend rights from January 1, 2021. They will be assimilated with existing shares as soon as they are issued. In accordance with the indicative timetable of the Rights Issue, the New Shares are scheduled to be registered in securities accounts on November 26, 2021.

### **Currency of the issuance of New Shares**

The New Shares will be issued in euros (€).

### **Listing of the New Shares**

The New Shares resulting from the Rights Issue will be the subject of an application for admission to trading on the Euronext Growth market in Paris. They will only be listed once the certificate of deposit has been issued. They will be admitted on the same line as the Company's existing shares and will be fully assimilated as soon as they are admitted for trading. The start of trading of these New Shares on the Euronext Growth market in Paris is scheduled for November 26, 2021.

### **Legal framework of the operation**

The carrying out of the Rights Issue is based on the ninth resolution adopted by the Ordinary and Extraordinary Shareholders' Meeting of June 25, 2020, implemented by the Company's Board of Directors at its meeting of October 22, 2021.

In accordance with the provisions of article L.411-2 of the Monetary and Financial Code and article 211-2 of the General Regulations of the French Financial Markets Authority (AMF), this Rights Issue will not be subject to a prospectus requiring a visa from the AMF, as the total amount of the offering calculated over a period of 12 months does not exceed 8,000,000 euros.

A notice to shareholders regarding this operation will be published in the BALO French official journal of legal notices on October 29, 2021.

### **Risk factors specific to this operation**

The main risk factors associated with this Rights Issue are the following:

- The market for PSR may provide only limited liquidity and could be subject to substantial volatility;
- Shareholders who do not exercise their PSR would see their stake in the Company diluted;
- The market price of the Company's shares may fluctuate and fall below the subscription price of shares issued on exercise of PSR;
- The volatility and liquidity of the Company's shares could see negative fluctuations; and
- If the market price of the Company's shares falls, PSR could decrease in value.

Before making an investment decision, investors are invited to review the half-yearly financial report (in French: <https://www.theradiag.com/wp-content/uploads/2021/09/Etats-financiers-Rapport-de-gestion-au-30-juin-2021.pdf>) and the risks associated with THERADIAG as described in the annual



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financial report, section II as well as in section IX on significant events since the end of the financial year (in French: <https://www.theradiag.com/wp-content/uploads/2021/04/Rapport-Financier-Annuel-2020.pdf>), namely:

- The risk of a lack of success for the Company's Research & Development projects;
- The risk relative to the commercial launches of new diagnostic or Theranostics products;
- Risks associated with the Company's distribution and partnership activity (dependency risk vis-à-vis distributors and/or partners, risk of losing a distribution contract);
- Risks associated with the regulatory environment;
- Risks associated with changes in healthcare reimbursement policies;
- Risks associated with defective products;
- Risks associated with international activities; and
- The risk of exposure to repercussions of the Covid-19 pandemic.

You can find a presentation of the Company's Rights Issue via the following link:

<https://www.theradiag.com/en/category/financial-presentations/>

## **About Theradiag**

Theradiag is the market leader in biotherapy monitoring. Capitalizing on its expertise in the diagnostics market, the Company has been developing, manufacturing and marketing innovative *in vitro* diagnostic (IVD) tests for over 30 years.

Theradiag pioneered "theranostics" testing (combining therapy with diagnosis), which measures the efficacy of biotherapy in the treatment of chronic inflammatory diseases. Going beyond mere diagnosis, Theranostics aims to help clinicians set up "customized treatment" for each patient. This method favors the individualization of treatment, evaluation of its efficacy and the prevention of drug resistance. In response to this challenge, Theradiag develops and markets the CE-marked TRACKER® range, a comprehensive solution of inestimable medical value.

The Company is based in Marne-la-Vallée, near Paris, has operations in over 70 countries and employs over 60 people. In 2020, the Company posted revenue of €10.4 million. The Theradiag share is listed on Euronext Growth Paris (ISIN: FR0004197747) and is eligible for the French PEA-PME personal equity plan.

For more information about Theradiag, please visit our website: <https://www.theradiag.com/>



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