Theranexus

SHIFTING THE LINES AGAINST CENTRAL NERVOUS SYSTEM DISORDERS

Theranexus files its registration document as part of its planned Initial Public Offering (IPO) on the Euronext Growth market in Paris

Lyon – September 28, 2017 – Theranexus, an innovative biopharmaceutical company specialized in the treatment of central nervous system disorders, announced today that it has filed its base document with the *Autorité des marchés financiers* (AMF), the French counterpart of the US Stock Exchange Commission, under no. I.17-068 dated September 27, 2017.

The filing of the registration document is the first step in the planned initial public offering of Theranexus shares on the Euronext Growth market in Paris, subject to market conditions and the AMF's approval of the related Prospectus.

Theranexus: a disruptive approach to improve the treatment of neurological disorders

Created in 2013 by two former researchers at the French Alternative Energies and Atomic Energy Commission (CEA), Franck Mouthon and Mathieu Charvériat, Theranexus is a biopharmaceutical company that develops drug candidates to be used in the treatment of neurological disorders (including Parkinson's disease, Alzheimer's disease, neuropathic pain, and wake/sleep disorders such as narcolepsy, etc.).

A market in crucial need of therapeutic innovation

Nearly **one billion people worldwide** suffer from these pathologies, and this number continues to rise sharply as life expectancy rates lengthen in the most developed countries. They are **one of the leading causes of disability** and their costs, estimated at more than €2,000 billion[1,2], account for over **one-third of health expenses worldwide** for all diseases combined.

A breakthrough innovation to bolster the efficacy of existing treatments

The company's creation stems from the fact that current CNS drugs for neurological disorders have limited efficacy, making the development of new treatments one of the industry's most important challenges.

Theranexus has identified the **major role that non-neuronal cells** (or "glial cells") play in the way in which neurons respond to current CNS drugs. Theranexus' research has led to the discovery that modulating the structure of glial cell networks can significantly improve neuron response and thereby **increase the efficacy of currently registered CNS drugs**. This modulation is made possible by the repositioning of other registered drugs that are effective on glial cell networks. More broadly, this patented technology, which can be applied in the treatment of numerous conditions, is

[1] Gustavsson et al., Eur Neuropsychopharmacology, 2011

[2] WHO / Neurological Disorders: Public Health Challenges, 2015

based on the use of innovative combinations of two well-known drugs, acting simultaneously on glial cells and neurons.

A development model with a very attractive risk profile

To make the most of its breakthrough innovation, Theranexus has chosen a model combining scientific excellence, clinical expertise and economic strategy. It is based around a proprietary platform for generating high value-added drug candidates with:

- an **immediate superior positioning versus first-line treatments**, in both the early phases of development and throughout the remaining stages, for conditions with significant unmet medical needs;
- a **new monopoly on use** for the combinations and their therapeutic uses in the treatment of a series of conditions via a patent protecting these combinations;
- a higher **probability of market entry, greater flexibility and shorter time-to-market,** by tapping into the body of knowledge already available on the two drugs.

Through its positioning, Theranexus offers a risk profile linked to the development of drug candidates that is considerably lower than that of most biotech companies. Its approach provides the opportunity to incorporate this technological revolution in the pharmaceutical industry's existing portfolios of commercially-successful CNS drugs, enhancing their value and encouraging the creation of high-value partnerships involving Theranexus drug candidates. The scientific and clinical department and the business development department work together to select drug candidates in order to optimize the attainment of clinical proof of superiority combined with favorable business conditions. This pragmatic selection focused on medical needs and industry expectations is a clear reflection of Theranexus' drive to increase the probability of the clinical and commercial success of its products.

Three blockbuster-potential drug candidates for four conditions in just four years

Thanks to this strategy, in just four years and with a budget of less than €8 million, Theranexus has already developed three drug candidates for four different conditions with major markets.

THN102, used for the treatment of wake/sleep disorders in **narcolepsy** and **Parkinson's disease**, is Theranexus' most advanced drug candidate. After demonstrating its superior clinical efficacy versus the standard of care treatment in healthy volunteers, THN102 is currently in Phase II for narcolepsy, an orphan disease affecting around 300,000 patients in Europe and the United States, representing a US$ 2 billion market with high treatment costs. In parallel, THN102 is set to begin another Phase II clinical trial by late 2017 on excessive daytime sleepiness in Parkinson's disease, the second most common neurodegenerative disorder. Excessive daytime sleepiness is a debilitating symptom, with no existing treatment, and affects 30% of patients with Parkinson's disease. Performing these two Phase II trials represents an opportunity for strong value creation between now and 2019.

Theranexus is concurrently developing two other drug candidates covering important therapeutic areas. **THN201** has the potential to treat neurocognitive disorders linked to **Alzheimer's disease**, a US$ 3.2 billion market. This second drug candidate is scheduled to begin clinical development in early 2018. Lastly, **THN101** has the potential to improve the treatment of **neuropathic pain**, which represents a US$ 3 billion market. This third drug candidate is also scheduled to begin clinical development in early 2018. Beyond the clinical developments in progress, Theranexus intends to continue this rhythm of development for new drug candidates.

Franck Mouthon, Chairman and CEO of Theranexus, commented: *"Our discovery of the key role that glial cells play in the proper functioning of neuronal activity opens up revolutionary possibilities in the treatment of neurological disorders. These possibilities can become a reality through our unique development model, which is less exposed to biotech risks and aimed at increasing the efficacy of the standard of care treatments already available on the market. This strategy, which optimizes our clinical and commercial developments, has enabled us to generate several drug candidates in record time and these candidates have an immediate superior positioning versus the standard of care treatments used massively by patients and laboratories. After our first drug candidate's successful clinical proof of*

concept trial, going forward we would like to accelerate our developments and Theranexus' initial public offering provides us with an opportunity to make this ambition come true."

A strategy that meets the needs of pharmaceutical companies

Now focused on the development of proprietary combinations, thanks to its business model Theranexus has a wide array of value-creating diversification opportunities at its disposal, including:

- the **life cycle management of CNS drugs** owned by a laboratory whose patent is close to expiry;
- the **rescue of CNS drugs** in a late clinical development stage that have missed their efficacy endpoint.

Theranexus is perfectly positioned to meet the essential needs that particularly impact large companies specialized in neurological disorders: future loss of monopoly due to the expiry of patents covering many products, and greater difficulties than in other areas when it comes to developing new drugs from new chemical entities in order to revitalize their drug portfolio.

Tier one shareholder support and planned initial public offering

Supported by reputed financial partners (CEA Investissement, Auriga Partners, Sofimac Partners, Kreaxi), Theranexus has raised €8 million since its creation, including €4.4 million in non-dilutive financing (Bpifrance subsidies and repayable advances), to finance its pre-clinical and clinical trials and successfully carry out its development plan.

The objective of the initial public offering on Euronext Growth is to support a new phase in the company's development, and in particular finance clinical trials.

Publication of the registration document

The registration document is available free of charge and on request from Theranexus (60, avenue Rockefeller, Pépinière Laënec, 69008 Lyon, France), and can be downloaded from the Theranexus and AMF websites at www.theranexus-bourse.com and www.amf-france.org.

Risk factors

Investors are advised to carefully read the risks described in chapter 4 ("Facteurs de risque") of the registration document filed by the AMF.

ABOUT THERANEXUS

Created in 2013, Theranexus is a biopharmaceutical company spun off from the CEA that develops drug candidates to be used in the treatment of central nervous system (CNS) disorders. Theranexus has identified the significant role that non-neuronal cells (or "glial cells") play in neuronal activity. The company creates and develops the first-ever drugs to simultaneously act on these two populations in the brain. Theranexus' unique, patented technology is aimed at increasing the efficacy of CNS drugs that have already been approved and are available on the market by combining them with a glial cell modulator. This strategy of combining repositioned drugs enables the company to drastically reduce the development period and development costs, while considerably increasing the likelihood of its drugs' market entry.

Proprietary, scalable and versatile, the Theranexus platform is used to generate high value-added proprietary drug candidates for different conditions.

Theranexus is supported by institutional investors (CEA Investissement, Auriga Partners, Sofimac Partners, Kreaxi).

To find out more, visit: www.theranexus.com

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