

TheraVet announces a strategic transformation project aimed at creating a leader in human idiopathic pulmonary fibrosis

- ▼ Operation aimed at replacing TheraVet's veterinary activities with a high potential biotech program linked to the repositioning of an innovative molecule in idiopathic pulmonary fibrosis;
- ▼ Operation based on a strategic agreement between TheraVet and H4Orphan, under which H4Orphan's flagship clinical program in idiopathic pulmonary fibrosis is contributed to TheraVet in exchange for the issue of new shares;
- ▼ Operation aimed at accelerating the development of an innovative treatment for pulmonary fibrosis, in particular through the launch of a Phase II study, and leveraging on the complementary expertise and resources of the two companies;
- ▼ Operation associated with an initial refinancing of EUR 300,000¹, offering a financial visibility up to the end of the first quarter of 2025;
- ▼ The Operation will be submitted to shareholders for approval at an Extraordinary General Meeting on October 17, 2024.

Gosselies (Wallonia, Belgium), September 30, 2024 – 7:30 am CEST – TheraVet (ISIN: BE0974387194 - ticker: ALVET) today announces **a strategic transformation project with H4Orphan aimed at creating a leader in idiopathic pulmonary fibrosis and accelerating the development of its multi-target drug candidate.**

Operational highlights

The proposed Operation is part of the strategic transformation project between TheraVet and H4Orphan aimed at developing the H4Orphan's flagship clinical program in idiopathic pulmonary fibrosis and capitalizing on TheraVet teams to accelerate its development by leveraging its regulatory advances in Belgium.

Idiopathic pulmonary fibrosis is a rare disease that appears after the age of 50, with a prevalence of ~2.7/10,000 inhabitants (i.e., slightly more than 220,000 patients in Europe and the United

¹ Refinancing, from convertible bonds from the equity-linked financing facility set up in November 2023, contributed in one tranche immediately after approval by the Extraordinary General Meeting.

States), and for which there is currently no curative treatment. With a median survival of 2.5 years from diagnosis, there are almost 50,000 deaths per year in Europe and the United States.

More precisely, the objective of this strategic agreement is to substitute TheraVet's existing activities by high potential human biotech development activities along the following axes:

- Launch, over 9 to 12 next months, of a Phase II clinical study (of an estimated duration of 18 to 24 months) for patients suffering of idiopathic pulmonary fibrosis through the opening of clinical centers, primarily in Belgium;
- Elaboration of a research and development strategy based on H4Orphan's platforms and expertise, particularly in the repositioning of existing molecules;
- Capitalize on TheraVet's presence in Belgium and the United States to facilitate access to investors and clinical and regulatory players in Belgium and North America in preparation of clinical developments;
- Divestment of veterinary activities (incl. BIOCERA-VET® product line and VISCO-VET® clinical program).

TheraVet will maintain its teams at its office in Gosselies, Belgium. Beyond the first quarter of 2025, the continuation of these activities will be conditional on refinancing (e.g., convertible bond line, subsidies, etc.).

"This operation stems from an in-depth review of TheraVet's expertise in Belgium and the opportunity for the Company to acquire a human clinical program in a major indication whose regulatory advances have been welcomed in Belgium. Given TheraVet's track record, we looked to apply our company's structure and capabilities to a Phase II clinical asset in a major indication with significant unmet needs. Moreover, the asset concerned is based on the repositioning of an existing molecule which had already been approved and demonstrated to be effective in patients with pulmonary fibrosis in other respiratory indications, such as cystic fibrosis. The H4Orphan team has carried out major preclinical and regulatory developments on this molecule in this indication. We at TheraVet believe that our capabilities and expertise could contribute to tangible value creation, and what is more, on Belgian soil. Together with our Board of Directors, we believe that the strategic agreement with H4Orphan would enable Theravet to become a leader in pulmonary fibrosis, where the need for treatment is more than urgent", stated **Enrico BASTIANELLI, Founder and Chief Executive Director of TheraVet.**

"Our Board of Directors is convinced that the strategic agreement with TheraVet will boost our development program in Belgium, and fully supports this Operation. The TheraVet team will be able to lead and accelerate the clinical development plan in pulmonary fibrosis with a Phase II study aimed at validating the clinical evidence of our treatment, enabling a breakthrough innovation in a field with no truly effective treatment. With our management team, we look forward to working with TheraVet," stated **Gaétan TERRASSE, Chairman and CEO of H4Orphan.**

About the proposed Operation

Main terms of the Operation

According to the Memorandum of Understanding between TheraVet and H4Orphan, the Operation is structured as a contribution of assets, valued at EUR 14 million², under which H4Orphan's shareholders will receive newly issued TheraVet ordinary shares in counterpart of contributed assets.

The number of new shares issued to H4Orphan will be calculated by dividing the total value of the assets contributed by the issue price per share, which will be equal to the average closing price of the Company's shares on the Euronext Growth market over a period running from the date of convening to the day before the Extraordinary General Meeting, i.e., from September 30 to October 16, 2024.

Following the completion of the Operation, H4Orphan shareholders will hold a very significant proportion (>95%) of TheraVet's share capital and voting rights.

The Operation is fully supported by the main shareholders of TheraVet and H4Orphan, namely Mr. Enrico BASTIANELLI on TheraVet's side, and a pool of shareholders represented by Mr. Gaétan TERRASSE and DOMUNDI represented by Mr. Emmanuel HUYNH on H4Orphan's side.

Detailed information on the Operation, in particular a description of the assets contributed and its dilutive impact, is available in the Special Report of the Board of Directors, which can be consulted on TheraVet's investor website www.theravet-finances.com.

Indicative timetable and next deadlines

The Memorandum of Understanding, unanimously approved by the Boards of Directors of TheraVet and H4Orphan, sets out the usual provisions of a strategic agreement until approval of the agreement by the Extraordinary General Meeting ("EGM") on October 17, 2024.

The TheraVet EGM will be called to vote on the proposed Operation, which is available at www.theravet-finances.com.

The resolution to approve the proposed Operation will require a quorum of 50% of the shares (if not, a second meeting will be convened on October 28 with the same agenda during which no minimum quorum must be met) and obtain, at the TheraVet General Meeting, the positive vote of three quarters of the shareholders present or represented. The TheraVet EGM will also be required to approve:

- Business continuity;
- The authorized capital increase of the Company by EUR 2,500,000;

² This is a conventional negotiated value; the value of the assets contributed estimated by an independent expert is EUR 42 million (see Appendix 2 of the Special Report (Contribution in Kind)).

- Appointment of new directors;
- The change of name of the Company to EGEIRO Pharma, to mark the start of a new stage of development for the new biotech activity.

TheraVet has received undertakings from Mr Enrico BASTIANELLI, who represents approximately 17% of TheraVet's share capital and 17% of its voting rights, to vote in favor of the resolutions relating to the operation at TheraVet's EGM.

It is also planned that the IRIS Capital Investissement fund represented by Mr Fabrice EVANGELISTA will grant, on the date of TheraVet's EGM, a cash advance totaling EUR 300,000 in connection with the existing convertible bond issue.

Governance of the new entity

Following the completion of the proposed Operation, all directors, with the exception of Enrico BASTIANELLI SRL, will resign their positions, and Mr Gaétan TERRASSE, Chairman of H4Orphan, will become Chairman of the Board of Directors of TheraVet. It is intended that TheraVet's Board of Directors will be made up of directors proposed by H4Orphan's current shareholders, alongside Mr Enrico BASTIANELLI.

TheraVet and H4Orphan have agreed to set up a strategic steering committee to oversee the execution of the Memorandum of Understanding, in particular the implementation of the proposed operation and operational integration within TheraVet.

Finally, in addition to its participation as a director, H4Orphan's management has requested the services of Enrico Bastianelli SRL for 1.5 to 2 days a week.

About the EUR 300,000 financing

The initial financing of EUR 300,000, contributed in a single tranche immediately after the approval of the Operation by the Extraordinary General Assembly, comes from the equity-linked financing facility set up by the Company in November 2023. This line, for a maximum amount of €3,000,000, takes the form of convertible bonds issued under the authorized capital and subscribed by the French company IRIS. Afterwards, the new tranches will be subscribed in tranches of €200,000, and then converted into TheraVet shares over a period of up to 24 months: they are subscribed one after the other when all the shares for the amount of the tranche are sold. The bonds will have a par value of €2,500 and will be converted into shares at a discount of 5% to the weighted average share price over the previous 15 days. Apart from this conversion option, no other benefits are granted to IRIS: no fees, commissions or expenses, and no subscription rights (warrants).

About the attempts to refinance the veterinary activities

Over the past 12 months, in addition to setting up the equity-linked financing facility in November 2023, the Company has explored numerous ways, without success, to raise additional funds to continue its operations:

- the sale of its osteosarcoma franchise: no serious interest shown by the companies contacted;
- a private placement: over 200 potential investors contacted; a few introductory meetings but no clear appetite;
- the sale of the Company's US assets through a renowned intermediary: the timeframe and budget did not allow to guarantee feasibility;
- a merger with other veterinary companies to increase the Company's visibility: preliminary discussions never led to a Memorandum of Understanding.

About the contributed assets

Tritoqualin is a molecule known for its safety and multi-target pharmacological activity (multifunctional ligand). It has demonstrated very encouraging preclinical results in animal models of idiopathic pulmonary fibrosis (IPF). In December 2023, tritoqualine obtained a full “Scientific and Technical Advice” (Full STA) from the AFMPS (Belgian Drug Agency) with approval to go directly to Phase II for the IPF. It enjoys strong intellectual protection worldwide, and in particular in the US, China and Europe. Detailed information regarding the contributed assets is available in Appendices 1 and 3 of the Special Report of the Board of Directors, which can be consulted on TheraVet’s investors website www.theravet-finances.com.

About the idiopathic pulmonary fibrosis

Idiopathic pulmonary fibrosis (IPF) is a rare and progressive disease of the respiratory system, marked by thickening and rigidification of lung tissue, associated with the formation of scar tissue leading to a progressive decline in lung function. Symptoms are generally marked by the progressive onset of breathlessness and dry cough, and fatigue feeling. Once established, IPF can lead to complications including pulmonary hypertension, heart failure, pneumonia or pulmonary embolism. IPF is fibrosis, i.e. the transformation of healthy tissue into fibrotic tissue following an excessive accumulation of collagen and fibronectin in the extracellular matrix. When excessively produced, collagen progressively invades the matrix between the pulmonary alveoli, with progressive extension from patch to patch. Fibrosis is a tissue dysregulation resulting from many types of injuries, including smoking, acid reflux, certain viral infections, associated with genetic predisposition. IPF is a rare disease, appearing after the age of 50, with a low prevalence: 2.7/10,000 inhabitants with over 250,000 patients worldwide (United States and Europe). There is currently no curative treatment. There are almost 50,000 deaths per year in Europe and North America (median survival: 2.5 years).

About TheraVet SA

TheraVet is a veterinary biotechnology company specialising in osteoarticular treatments for companion animals. The Company develops targeted, safe and effective treatments to improve the quality of life of pets suffering from joint and bone diseases. For pet owners, the health of their pets is a major concern and TheraVet's mission is to address the need for innovative and curative treatments. TheraVet works closely with international opinion leaders in order to provide a more effective response to ever-growing needs in the field of veterinary medicine. TheraVet is listed on Euronext Growth® Paris and Brussels, has its head office in Belgium (Gosselies) with a US subsidiary.

For more information, visit the TheraVet [website](#) or follow us on [LinkedIn](#) / [Facebook](#) / [Twitter](#)

Forward-looking statements

This release may contain forward-looking statements. Forward-looking statements may include statements regarding the Company's plans, objectives, goals, strategies, future events, the safety and clinical activity of TheraVet's pipelines and financial condition, results of operation and business outlook. By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections, and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among others, those listed and fully described in the "Risk Factors" section in the Annual Report. TheraVet expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based, unless required by law or regulation.

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