

TheraVet reports Full-Year 2023 Financial Results and provides the preparatory documents for the General Meeting of June 6th, 2024

- ▽ Significant sales growth in 2023, especially for BIOCERA-VET® OSTEOSARCOMA
- ▽ Portfolio strengthened with 4 new products added in 2023, for a total of 15 products
- ▽ Cash position of €1.15 million at December 31, 2023, giving financial visibility up to November 2024
- ▽ Several refinancing options under assessment

Gosselies (Wallonia, Belgium), April 23, 2024 - 7:30 am CEST - TheraVet (ISIN: BE0974387194 - ticker: ALVET), a pioneering company in the management of osteoarticular diseases in pets, today announces **its Full-Year results for the year to December 31, 2023**.

The Company also informs its shareholders and the entire financial community of the availability of the preparatory documents for the Ordinary General Meeting of the Company to be held on June 6, 2024 at 5 p.m. (CEST) at Anderlecht, Belgium.

All documents relating to this General Meeting are available on request from the Company, or can be consulted on the Company's website under [Shareholders / General Meetings](#).

Enrico Bastianelli, Chief Executive Officer of TheraVet, stated: *"Despite a difficult socio-economic environment, sales in 2023 experienced significant growth, particularly for BIOCERA-VET® OSTEOSARCOMA which increased by 70% compared to the previous year. We also continued to strengthen our portfolio with the launch of BIOCERA-VET® ComboClean, a unique-of-its-kind product. Finally, in terms of new markets, since the announcement of the start of the evaluation of BIOCERA-VET® in horse bone cysts in February 2023, our teams have devoted important efforts to develop and successfully launch in March 2024 the equine versions of our BIOCERA-VET® product range. Our efforts are now focused primarily on the development of this market, in particular the competition horse segment, which is experiencing a good growth dynamic. Finally, the Company is studying different options to raise additional funds to ensure the Company's long-term future."*

Full-Year 2023 financial results

€ (Belgian GAAP)	December - 23	December - 22
Revenue	117,839	94,037
Other operating income	1,148,747	1,904,880
<i>Stock of finished goods and work in progress</i>	<i>(8,817)</i>	<i>144,524</i>
<i>Produced fixed assets</i>	<i>960,216</i>	<i>1,507,741</i>
<i>Operating grants</i>	<i>76,813</i>	<i>53,508</i>
<i>Other operating income</i>	<i>120,535</i>	<i>199,107</i>
Total operating income	1,266,585	1,998,917
Purchases and expenses	(2,377,685)	(3,680,826)
<i>COGS</i>	<i>(74,588)</i>	<i>(211,396)</i>
<i>R&D expenses</i>	<i>(370,139)</i>	<i>(593,224)</i>
<i>Corporate and listed company related expenses</i>	<i>(121,067)</i>	<i>(190,573)</i>
<i>Marketing & Sales expenses</i>	<i>(186,617)</i>	<i>(240,268)</i>
<i>G&A expenses</i>	<i>(847,623)</i>	<i>(1,317,502)</i>
<i>Staff expenses</i>	<i>(770,425)</i>	<i>(1,124,566)</i>
<i>Other operating charges</i>	<i>(7,226)</i>	<i>(3,297)</i>
EBITDA	(1,111,100)	(1,681,910)
Depreciation and amortization	(1,064,009)	(1,094,792)
EBIT	(2,175,109)	(2,776,702)
Financial income	558,635	427,044
Profit/loss for the period before taxes	(1,616,474)	(2,349,658)
Income taxes on the result	45,766	34,030
Net Profit/loss	(1,570,708)	(2,315,628)
Net Cash	1,147,082	3,185,671

In 2023, TheraVet followed its marketing strategy started in 2022 with educational programs (webinars), clinical cases communication, mainly through social network and mailing, and participation in key local and international orthopaedic and oncology events.

TheraVet's commercial strategy based on a mixed model of direct and indirect sales was pursued with the signing of new distribution agreements in Italy (post-cloture event), Norway, Czech republic & Slovakia, and the intensification of joint promotional actions. In the United States, sales are currently only made directly, but following the official termination on April 22, 2024 of the agreement established with a defaulting distributor, advanced discussions with other distributors are underway to facilitate the penetration of the BIOCERA-VET® range in the United States.

TheraVet's portfolio has been significantly strengthened in 2023. It currently contains 15 products (including 4 added since January 2023) to meet the preferences (synthetic vs. biological) and indications (volume of products, strengthening action or bone filling) that orthopedic veterinarians are faced with.

The Company generated €0.12 million of revenue, of which approximately 75% in Europe.

A total of 741 units from the BIOCERA-VET® range were sold. While the BIOCERA-VET® BONE SURGERY line still accounts for 80% of total sales, a 50% increase compared to 2022, BIOCERA-VET® OSTEOSARCOMA displayed strong growth in 2023, with an increase of almost 70% compared with 2022, underlining the interest aroused by this unique solution for the management of osteosarcoma in dogs. In the United States, sales, which only came from direct sales, gained momentum in 2023, with 173 units sold, representing a 5.7 -fold increase.

The Company also generated €0.96 million of “produced fixed asset” as a result of the activation of R&D expenses related to the BIOCERA-VET® and VISCO-VET® programs.

The development of preclinical and clinical programs as well as the marketing plan of BIOCERA-VET® products are in accordance with the Company development plan and are reflected by the “Purchases and expenses” globally aligned with last year expenses :

- **COGS** decreased by €0.14 million as compared to 2022 due to anticipated inventory stocking of products in 2022 to cover a large share of product sales in 2023;
- **R&D expenses** decreased by €0.22 million as compared to 2022, reaching €0.37 million. The decrease is driven by the shift in focus in 2023 to the commercialization of its recently developed product portfolio;
- **Corporate and listed company related expenses** decreased by €0.07 million as compared to 2022, driven by a focus of the company on cost efficiency measures throughout 2023;
- **Marketing & Sales expenses** decreased by €0.05 million as compared to 2022, with a limited impact of cost efficiency measures in this cost category, driven by the active focus of the Company on marketing and sales of its product portfolio;
- **G&A expenses** decreased by €0.47 million as compared to 2022, a significant reduction of 35%, reflecting the Company's focus on cost and organizational efficiency throughout 2023;
- **Staff expenses** decreased by €0.35 million as compared to 2022, an equally significant reduction of 32%, as a result of the Company's ongoing organizational efficiency initiatives.

Finally, the amortization of development expenses related to the BIOCERA-VET® and VISCO-VET® programs results in an operating loss of €2.2 million and a net loss of €1.6 million.

The Company's cash and cash equivalents at December 31, 2023 amounted at €1.15 million, enabling it to fund operations to November 2024.

Post-closing Operational Highlights

On January 09, 2024, the Company began distributing its BIOCERA-VET® product range in Italy, Europe's fourth largest pet market. This distribution agreement comes after market evaluation and the start of several clinical trials in Italy with key opinion leaders.

On January 17, 2024, the Company announced the official launch of its BIOCERA-VET® product range in Germany. With a total population of 27 million pets (including 10.3 million dogs and 16.7 million cats), corresponding to 47% of owner households, Germany is the largest pet market in Europe.

On February 20, 2024, the Company announced the recruitment of Brakke Consulting to help it develop its growth strategy for the US market. Brakke is one of the leading consultancies specialising in the veterinary sector and has extensive experience in developing companies in this sector in the US market. Brakke's objective will be to help develop TheraVet's presence and recognition as a major player in the US orthopaedic market. He will also assist the Company in identifying potential M&A opportunities.

On March 13, 2024, the Company announced the launch of its equine business with the marketing of 2 new BIOCERA-VET® products for orthopaedic and dental surgery in horses. This launch marks the Company's entry into the high added-value equine market.

On March 20, 2024, the Company's Board of Directors decided to co-opt as a director the limited liability company FATAKI BV, whose permanent representative is Johan Dreesen, to replace Ms Julie Winand, who left her position within the Company and her directorship during the 2023 financial year. Confirmation of the appointment of FATAKI BV will be proposed at the next Ordinary General Meeting of the Company, scheduled for June 06, 2024.

On April 22 2024, after 18 months of unfruitful attempts due to factors beyond its control to start the distribution operations with its partner in the United States, the Company has decided to terminate the agreement and to focus on other distributors for which advanced discussions are underway.

Full-Year Report 2023

The 2023 Full-Year report for the year ended December 31, 2023 was published today and is available on the Company's website, www.theravet-finances.com.

The statutory auditor has issued an unmodified report dated April 22, 2024 on the Company's Full-Year accounts as of and for the year ended December 31, 2023, and has confirmed that the accounting data reported in the accompanying press release is consistent, in all material respects, with the accounts from which it has been derived.

Going concern

The financial statements were prepared on a going concern basis in accordance with the significant accounting policies set out below.

During 2023, the Company's equity remained above the share capital.

In addition, as the value of intangible assets and property, plant and equipment calculated on the basis of our discounted cash flow analysis was higher than their accounting value at December 31, 2023, these assets were not subject to any additional exceptional depreciation.

As the Company's balance sheet shows a loss carried forward of €-5,843,003 and a loss for more than two consecutive years, we are required to justify the application of the going concern accounting rules (article 3:6§6 of the Companies and Associations Code).

The current accounting loss is due to the fixed costs of running the Company, and to the development costs of the VISCO-VET® and BIOCERA-VET® projects, which are not covered by a grant. Cash flow has been sufficient to cover these costs.

Based on the current scope of its activities and best estimates of annual cash consumption, revenue and grants, as well as the absence of any significant impact of the political situation on its activities, the Company estimates that its cash and cash equivalents at December 31, 2023 should be sufficient to finance its operations until November 2024. On the other hand, cash and cash equivalents may not be sufficient to meet the Company's working capital requirements for the twelve months following the date of release of the financial statements for fiscal year 2023. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Board of Directors nevertheless considers it appropriate to prepare the Company's financial statements on a going concern basis, while implementing a plan to secure a new financial contribution to the Company.

The Company is currently considering several options for raising additional funds, whether through equity financing, collaboration, or a strategic tie-up with another player in the animal healthcare market. Based on its operating budgets, the management believes that the Company will be able to meet its financial obligations for the 7 months following the date of these financial statements. The management therefore believes that the going concern assumption is justified.

Financial calendar 2024

Ordinary General Assembly: June 06, 2024

Half-year business update: July 11, 2024

Half-year financial results: September 12, 2024

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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Statements of operations and comprehensive loss

	31.12.2023	31.12.2022
Operating	1,266,585	1,998,916
Revenue	117,839	94,037
Stocks of finished goods and work and contracts in progress: increase (decrease)	-8,817	144,524
Produced fixed assets	960,216	1,507,741
Other operating income	197,348	252,615
Non-recurring operating charges		
Operating charges	3,441,694	4,775,618
Goods for resale, raw materials and consumables	74,588	211,396
<i>Purchases</i>	115,734	146,696
<i>Stock: increase/decrease</i>	-41,146	64,700
Services and other goods	1,525,446	2,341,568
Remuneration, social security costs and pensions (+)/(-)	770,425	1,124,566
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets	1,064,009	908,651
Increase, decrease in amounts written off stocks contracts in progress and trade debtors : appropriations (write-backs) ... (+)/(-)	0	186,141
Provisions for risks and charges - appropriations (uses and write-backs) ... (+)/(-)		
Other operating charges	7,226	3,297
Operation charges carried to assets as restructuring costs		
Non-recurring operating charges		
Operating profit (loss) (+)/(-)	-2,175,109	-2,776,702
	31.12.2023	31.12.2022
Financial income	593,758	473,836
Recurring financial income	593,758	473,836
Non-recurring financial income		
Financial charges	35,124	46,792
Recurring financial charges	35,124	46,792
Non-recurring financial charges		
Profit (loss) for the period before taxes (+)/(-)	-1,616,474	-2,349,658
Transfer from postponed taxes		
Transfer to postponed taxes		
Income taxes (+)/(-)	45,767	34,030
Taxes	1,602	13,591
Adjustment of income taxes and write-back of provisions	47,369	47,621
Profit (loss) for the period (+)/(-)	-1,570,707	-2,315,628
Transfer from untaxed reserves		
Transfer to untaxed reserves		
Profit (loss) for the period available for appropriation (+)/(-)	-1,570,707	-2,315,628

Profit (loss) for the period (+)/(-)	-1,570,707
Profit (loss) per share for the period (+)/(-) - Direct	-0.487
Profit (loss) per share for the period (+)/(-) - Diluted	-0.466¹

¹ This diluted EPS calculation excludes potential new shares to be issued in the future based on the convertible obligations issued by the Company on November 20th, 2023, as well as based on potential new tranches of convertible obligations that could be issued in the future in the context of the Equity Line put in place by the company during the 2023 fiscal year

Statement of Financial Position

ASSETS	31.12.2023	31.12.2022
FORMATION EXPENSES	451,855	635,415
FIXED ASSETS	5,435,044	5,306,204
Intangible fixed assets	5,212,569	5,084,070
Tangible fixed assets	21,686	28,578
Land and buildings		
Plant, machinery and equipment	19,816	23,064
Furniture and vehicles	1,870	5,514
Leasing and other rights		
Other tangible fixed assets		
Tangible assets under construction and advance payments made		
Financial fixed assets	200,790	193,556
Affiliated companies	192,233	181,631
<i>Participating interests</i>	8,749	8,749
<i>Amounts receivable</i>	183,484	172,882
Other financial fixed assets	8,557	11,925
<i>Amounts receivable and cash guarantees</i>	8,557	11,925
CURRENT ASSETS	1,647,291	3,560,167
Amounts receivable after more than one year		
Trade debtors		
Other amounts receivable		
Stocks and contracts in progress	123,342	91,013
Stocks	123,342	91,013
<i>Raw materials and consumables</i>		
<i>Work in progress</i>	4,409	13,226
<i>Finished goods</i>		
<i>Goods purchased for resale</i>	118,933	77,787
Contract in progress		
Amounts receivable within one year	334,308	235,098
Trade debtors	18,228	34,019
Other amounts receivable	316,079	201,079
Current investments		
Cash at bank and in hand	1,147,082	3,185,671
Deferred charges and accrued income	42,559	48,385
TOTAL ASSETS	7,534,190	9,501,785

LIABILITIES	31.12.2023	31.12.2022
EQUITY	6,049,198	7,521,135
Contributions	10,172,459	10,172,459
Available	322,394	322,394
<i>Issued capital</i>	322,394	322,394
Beyond capital	9,850,065	9,850,065
<i>Share premium account</i>	9,850,065	9,850,065
Revaluation surpluses		
Reserves		
Legal reserve		
Reserve not available		
In respect of own shares held		
Others		
Untaxed reserves		
Available reserves		
Accumulated profits (+)/ losses (-)	-5,843,002	-4,272,294
Investment grants	1,719,741	1,620,971
PROVISIONS AND DEFERRED TAXES		
Provisions for liabilities and charges		
Deferred taxes		
AMOUNT PAYABLE	1,484,993	1,980,651
Amounts payable after more than one year	1,000,600	897,058
Financial debts	1,000,600	897,058
<i>Subordinated loans</i>	12,500	37,500
<i>Other loans</i>	988,100	859,558
<i>Trade debts</i>		
<i>Advances received on contracts in progress</i>		
<i>Other amounts payable</i>		
Amounts payable within one year	477,493	1,075,548
Current portion of amounts payable after more than one year	159,267	151,033
Financial debts		
<i>Credit institutions</i>		
<i>Other loans</i>		
Trade debts	131,615	136,156
<i>Suppliers</i>	131,615	136,156
<i>Bills of exchange payable</i>		
Advances received on contracts in progress		
Taxes, remuneration and social security	100,527	239,943
<i>Taxes</i>	0	28,527
<i>Remuneration and social security</i>	100,527	211,415
Other amounts payable	86,084	548,415
Accruals and deferred income	6,900	8,045
TOTAL LIABILITIES	7,534,190	9,501,785

Cash Flow Statement

Cash flow Statement	31.12.2023	31.12.2022
Free cashflow	-538,996	-1,404,282
Net cash used in operations	-679,148	373,092
Net cash (used in)/from investing activities	-1,009,290	-1,554,457
Net cash (used in)/from financing activities	188,845	139,900
Net cash (decrease)/increase	-2,038,589	-2,445,747
Cash & cash equivalents at opening	3,185,671	5,631,418
Cash & cash equivalents at closing	1,147,082	3,185,671