



## **ESPERITE N.V. is confident in its future and successes**

### **Esperite comments on FD article**

Zutphen, The Netherlands – 31 January 2016

On 30 May 2016, Esperite's share price plummeted with approximately 36%. This enormous drop appears to have been triggered by an article in the 30 May edition of Dutch financial daily Het Financieële Dagblad (FD).

The article does not provide any new information on the company, and appears to be solely based on the company's financial statements that were published in April.

As at the accounts date - 31 December 2015 - Esperite had a cash position amounting to €1.4 million and management acknowledged in the financial statements the free cash available to be insufficient to execute the Group's new strategy. In accordance with the accounting rules, the company disclosed these uncertainties in the going concern statement, in which management gave a detailed explanation why it considered it appropriate to assume that the company is able to continue as a going concern. Also in accordance with the accounting rules, EY as reporting accountant in its audit opinion referred to these uncertainties and management's disclosures – in a so-called "emphasis of matter" paragraph – and, as it considered the disclosures sufficient, issued an unqualified audit opinion. In fact, the auditor's statement in the 2015 financial statements was the same as the one in the 2014 financial statements – which also included an emphasis of matter paragraph.

The abovementioned disclosure in the financial statements in April has now – more than four weeks later - led to the FD claiming that the company is in financial distress, and (in a subsequent article in the FD's 31 May edition) "fighting for its life" and that the accountant is warning investors about the company's survival. In the opinion of the company, these suggestive claims are completely inappropriate and unbecoming from a renowned financial

daily such as *Het Financieele Dagblad*. Whilst the company's cash position needs to improve - a matter on which management has been transparent in the financial statements – the company's existence is not at stake and management is confident about Esperite's prospects.

A second element in the FD's 30 May publication that attracted much attention and also seems to have led to the enormous drop in the share price is the FD's incorrect claim that EY has questioned the EUR 0.9m convertible loan note issued to the company's CEO Mr. Amar in 2015. This related to the conversion of Mr. Amar's current account - payment obligations that the company had towards him relating to remuneration and pre-paid investments and expenses - into a convertible loan note bearing 7% interest, which is equal to the interest on a convertible loan issued to a 3rd party during May 2015. The convertible loan was a key audit matter as it regards a related party transaction and related party transactions come with a risk of not being at arm's length terms or in the ordinary course of business. Consequently, the convertible loan and its terms were carefully reviewed by EY. However, opposite to the FD's claim, this review has not led to EY questioning the convertible loan or qualifying it as (potentially) not at arm's length or otherwise inappropriate. EY standard procedure regarding related party transactions did not lead to any concerns or remarks, and this transaction is not disputed by EY. Unfortunately, the FD did not contact the company prior to making its 30 May publication – had it done so, management would have no doubt been able to take away FD's incorrect understanding about the convertible loan and EY's findings and opinion regarding the same.

The FD's publications have been severely damaging to the company and its shareholders. Esperite will engage with the FD to discuss the matter, also with a view to better educate FD on the company so that inappropriate and ill-informed communications can be avoided in the future.

### **About ESPERITE**

ESPERITE Group, listed at Euronext Amsterdam and Paris, is a leading international company in regenerative and predictive medicine established in 2000.

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