



Esperite secures external financing of up to EUR 5 million to support its commercial activity and development of innovative technologies

Total investment can reach EUR 7.25 million upon exercise of share subscription warrants

Amsterdam, The Netherlands - 19 June 2018

Transaction highlights

- **Potential financing of up to EUR 5 million through private placements of convertible notes with share subscription warrants attached over the next 24 months, subject to fulfilment of certain conditions**
- **Upon the exercise of all share subscription warrants, the total investment can reach EUR 7.25 million**
- **Subscription by European Select Growth Opportunities Fund, based in Australia**
- **Esperite to convene a general meeting to present the details of the financing to its shareholders and to propose to approve the issuance of tranches of convertible notes with share subscription warrants attached**
- **Proceeds to be used to support Esperite's commercial activities and development of innovative technologies in the field of genetics, data-driven medicine, regenerative medicine and Immuno-therapeutic drugs**

Esperite N.V. (Euronext: ESP, "**Esperite**" or "**the Group**") announces today having entered into a second issuance agreement with European Select Growth Opportunities Fund ("**ESGO**" or the "**Investor**"), following the discussions announced on June 12, 2018 regarding a new external financing (the "**Issuance Agreement**").

Pursuant to the Issuance Agreement, the Investor has committed to subscribe for an amount of up to EUR 5 million of convertible notes (the "**Notes**") with share subscription warrants attached (the "**Warrants**"), in several tranches over the 24 months following the issuance of the first tranche, subject to the fulfilment of certain conditions, including shareholders' approval by the general meeting of Esperite for the issuance of the Notes and Warrants to the Investor. The issuance of and subscription to the Notes and Warrants will be structured through the issuance by Esperite to the Investor of tranche warrants (the "**Tranche Warrants**"), whose characteristics are described in Appendix 1 to this press release.

This new external financing is in addition to the earlier issuance agreement of up to EUR 9 million (plus EUR 4.05 million in case of exercise of all share subscription warrants) entered into between Esperite and the Investor on March 8, 2017 (the "**2017 Issuance Agreement**"). Under the 2017 Issuance Agreement, EUR 6.85 million of convertible notes have been issued, leaving EUR 2.15 million still available for issuance by Esperite.

Characteristics of the Notes and of the Warrants

- The Notes have a principal amount of EUR 10,000 each and will be subscribed for with an initial tranche of EUR 300,000 and subsequent tranches of EUR 250,000 (unless increased or decreased upon mutual consent of Esperite and the Investor). The Notes bear no interest and have a maturity of 12 months from their issuance. During their term, the Investor may request to convert any or all of the Notes at a price equal to the lowest daily VWAP over the 10 consecutive trading days preceding the conversion request, minus a 6% discount (it being specified that days during which the Investor will have traded shares on the market will be excluded).
- Upon such conversion request, Esperite shall have the option to remit at its discretion, cash, shares in the capital of the Company or a combination of both.
- The Warrants have a maturity of 5 years from their issuance date and will be immediately detached from the Notes. Each Warrant will give right to subscribe for 1 new share in Esperite at a price equal to 115% of the lowest daily VWAP over the 10 consecutive trading days preceding the request from Esperite to issue the applicable tranche.
- Esperite can request the Investor to subscribe a tranche every 3 months (or earlier to the extent all outstanding Notes have been converted or redeemed).
- The Investor can subscribe to tranches at its discretion within the first EUR 2.5 million of the EUR 5 million commitment.
- Furthermore, the terms of the Notes and Warrants include: (i) customary business and compliance covenants; (ii) early redemption events; and (iii) standard anti-dilution mechanisms.
- Detailed terms and conditions of the Notes and the Warrants are set forth in Appendix 1 to this press release.

At the next general meeting, Esperite will present the details of the new external financing to its shareholders and the shareholders will be asked to resolve to approve the issuance of the Notes and Warrants.

About ESPERITE

ESPERITE group, listed at Euronext Amsterdam and Paris, is a leading international company in regenerative and precision medicine founded in 2000.

To learn more about the *ESPERITE* Group, or to book an interview with CEO Frédéric Amar: [+31 575 548 998](tel:+31575548998) - ir@esperite.com or visit the websites at www.esperite.com, www.genoma.com and www.cryo-save.com.

This press release contains inside information as referred to in article 7 paragraph 1 of Regulation (EU) 596/2014 (Market Abuse Regulation).

With respect to Member States of the European Economic Area that have transposed European Directive 2003/71/EC of the European Parliament and European Council (as amended in particular by Directive 2010/73/EU to the extent that the said Directive has been transposed into each Member State of the European Economic Area), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State.

This press release and the information it contains do not, and will not, constitute an offer to subscribe for or sell, nor the solicitation of an offer to subscribe for or buy, securities of Esperite in the United States of America or any other jurisdiction. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), it being specified that the securities of Esperite have not been and will not be registered within the US Securities Act. Esperite does not intend to register securities or conduct a public offering in the United States of America.

Terms and conditions regarding the issuance of tranche warrants for the subscription of convertible notes with share subscription warrants attached

Legal framework of the transaction

On June 18, 2018, Esperite N.V. ("**Esperite**") and European Select Growth Opportunities Fund, a fund based in Australia (the "**Investor**") entered into an issuance agreement pursuant to which the Investor has agreed to subscribe for up to 500 tranche warrants (the "**Tranche Warrants**") pursuant to which the Investor has committed to subscribe for up to 500 convertible notes, with a principal amount of EUR 10,000 each (the "**Notes**"), with share subscription warrants attached (the "**Warrants**") over the 24 months following the issuance of the first tranche, subject to the fulfilment of certain conditions (as set out below), including shareholders' approval to be obtained at the next general meeting.

Main characteristics of the Tranche Warrants

During a period of 24 months as from the issuance of the first tranche, Esperite may request (a "**Request**") the exercise of Tranche Warrants and the issuance of Notes with Warrants attached in tranches of EUR 300,000 (first tranche) and EUR 250,000 (subsequent tranches) each, upon the earlier of (i) the full conversion into shares and/or redemption in cash of all outstanding Notes and (ii) the 3-month anniversary of the issuance of the previous tranche of Notes, provided that the following conditions are satisfied:

- (i) no more than 24 months shall have expired from the issuance of the first tranche;
- (ii) (a) all the Notes that had been issued in connection with a previous tranche have been converted into shares and/or repaid in full (including the Notes issued under the existing financing agreement dated March 8, 2017) or (b) more than three months have elapsed since the last Tranche Warrant exercise date;
- (iii) no material adverse change shall have occurred;
- (iv) no event that constitutes an event of default and no triggering event that would constitute an event of default if not cured during the applicable cure period, if any, shall be in existence;
- (v) no suspension of the trading of the shares on Euronext (other than intra-day suspension at the request of Euronext Amsterdam under Euronext rules) shall have occurred over the 90 preceding calendar days (including the date of the sending of the Request);
- (vi) the Issuer shall have at least:
 - 2 times coverage of shares (based on the Conversion Price) authorized, available and approved for issuance to the Investor upon conversion of the maximum amount of Notes to be issued for the applicable Tranche, increased, as the case may be, by the amount of any other outstanding Notes; and
 - 1 time coverage of shares authorized, available and approved for issuance to the Investor upon exercise of the maximum number of Warrants to be issued for the applicable tranche;
- (vii) taking into account the Notes to be issued to the Investor under the requested tranche, the Investor shall not hold more than EUR 750,000 of aggregate principal amount of Notes;
- (viii) the closing price and the daily volume weighted average price on each of the 5 preceding trading days shall be at least equal to EUR 0.70 (subject to adjustments resulting from share consolidation or share split); and
- (ix) the average daily value traded of the shares over the 10 preceding trading days shall be at least equal to EUR 20,000,

and the Investor shall have the obligation to subscribe for such tranches of Notes with Warrants attached. The Investor may waive these conditions at its sole discretion, for an additional consideration.

Not for distribution in the United States of America, Canada, Australia and Japan

The Investor shall also have the right to exercise Tranche Warrants at its sole and exclusive discretion in respect of the first 250 Tranche Warrants (i.e. up to an aggregate principal amount of EUR 2.5 million). The remaining 250 Tranche Warrants shall only be exercisable upon request of Esperite.

The Tranche Warrants are not transferable, except that the Investor may transfer or assign all or part of its Tranche Warrants to one or more of its affiliates. The Tranche Warrants will not be admitted to trading on any financial market.

Main characteristics of the Notes

The Notes have a nominal value of EUR 10,000 each and will be subscribed at 99.5% of such nominal value. The Notes bear no interest and have a maturity of 12 months from their respective issuance date.

Each Note gives its holders a conversion right to receive, at Esperite's discretion (i) cash, (ii) ordinary shares, or (iii) a combination of cash and ordinary shares (a "**Conversion**").

If Esperite chooses to remit cash, the corresponding amount shall be equal to:

$$A = (Nv / Cp) * VWAP$$

"A": cash amount payable to the Note holder;

"Nv": nominal value of the Note (EUR 10,000);

"Cp": "**Conversion Price**", equal to 94% of the lowest daily volume weighted average price of the Group's share during the relevant pricing period;

"VWAP": the volume weighted average price of the Group's share on the Conversion date.

If Esperite chooses to remit new and/or existing shares, the corresponding number of shares shall be equal to:

$$N = Nv / Cp$$

"N": number of new and/or existing shares to be remitted to the Note holder;

"Nv": nominal value of the Note (EUR 10,000);

"Cp": the applicable Conversion Price.

At maturity or upon the occurrence of any event of default, any Note for which no Conversion has occurred shall be redeemed at par in cash by the Group.

The Notes may be freely transferred or assigned by the Investor to one or more of its affiliates and may not be transferred or assigned to any other third party without the prior written consent of Esperite. The Notes will not be admitted to trading on any financial market.

Main characteristics of the Warrants

The number of Warrants to be issued under each tranche will be such that, multiplied by their strike price (determined as described below), the resulting amount shall be equal to 45% of the principal amount of the tranche, i.e. for the first tranche of EUR 300,000, an amount of EUR 135,000, and for each subsequent tranche of EUR 250,000, an amount of EUR 112,500.

The Warrants shall be immediately detached from the Notes. They may be freely transferred or assigned by the Investor to one or more of its affiliates and may not be transferred or assigned to any other third party without the prior written consent of Esperite. The Warrants shall have a maturity of 5 years from their respective issuance date (the "**Exercise Period**"). Each Warrant will give right to its holder, during the Exercise Period, to subscribe 1 new share of Esperite, subject to customary anti-dilution protection.

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The strike price of the Warrants will be equal to 115% of the lowest daily volume weighted average price of the share over the 10 consecutive trading days preceding the Request from Esperite to issue a tranche (or the Tranche Warrant exercise date, in case of Tranche Warrants exercised at the discretion of the Investor). The Warrants will not be admitted to trading on any financial market.

New shares resulting from Conversion of Notes or exercise of Warrants

The new shares issued upon Conversion of Notes or exercise of Warrants will be admitted to trading on Euronext as from their issuance, will carry immediate and current dividend rights and will be fully assimilated to and fungible with the existing shares (ISIN code NL0009272137).

Commitment of the Investor

Until the latest of (i) the 24-month anniversary of the issuance of the first tranche and (ii) the full conversion into shares and/or redemption of all the outstanding Notes, the Investor has committed:

- not to hold at any time a number of shares higher than 17% of the outstanding number of shares of Esperite; and
- not to request any representation on the board of directors of Esperite.