

PRESS RELEASE

Aix-en-Provence, August 29, 2022 at 8:30 a.m.



Affluent Medical announces the launch of a capital increase with preferential subscription rights (PSR)

- Target amount of €6.29 million with PSR enabling the financing of the Company until March 2023
- Subscription price per New Share: € 2.32
- Subscription exchange rate: 10 new shares for 67 existing shares
- Subscription period from September 2, 2022 to September 16, 2022 inclusive
- Detachment of the PSR on August 31, 2022
- Free subscription commitment for a maximum of €3.8 M, i.e. 60.4% of the transaction

Affluent Medical (ISIN code: FR0013333077 - Ticker: AFME), French MedTech specializing in the international development and industrialization of innovative medical prostheses, at a clinical stage, to treat urinary incontinence and cardiac mitral valve pathologies, announces the launch of a capital increase in cash with the maintenance of the preferential subscription right of shareholders ("**PSR**") for an amount of €6,289,554.80 by the issue of 2,711,015 New Shares at a price of €2.32 per New Share representing a discount of 22.67% compared to the closing price of August 25, 2022 (€3.00), and a discount of 25.12% compared to the weighted average of the volumes of the 20 trading sessions preceding the setting of the price of the issue by the Board of Directors (€3.10), with a parity of 10 new shares for 67 existing shares (the "**Capital Increase**").

The proceeds of the issue will aim to strengthen the financial structure of the Company and to secure the financing of its clinical development programs with the following short-term objectives:

- Patient recruitment for the first in Man *Minerva*/Epygon study
- Acceleration and finalization of patient recruitment for the *Optimise II* pivotal study of Kalios™ (positive interim result published in July 2022)
- Launch of the Artus pilot/pivotal study according to the authorization date of the competent authorities.

For information, Truffle Capital holding 65.25% of the Company's capital has expressed its intention to subscribe freely for a maximum amount of up to €3.8 million. The free subscription will be used in particular to reach the success threshold of 75% of the transaction. Beyond 75%, the Company's Board of Directors may freely decide to serve Truffle Capital's free subscription. This intention represents 60.4% of the proposed capital increase.

The Company is not aware of the intentions of its other shareholders.

Michel Finance, Executive Chairman of the Board of Directors and Sébastien Ladet, Chief Executive Officer commented: *"Since its IPO and despite the pandemic, Affluent Medical has focused fully on the implementation of its road map to continue the various clinical studies of its three medical devices. We have also strengthened our teams and our governance to support this dynamic. The capital increase is a key step in meeting the Company's strong ambitions to be able to quickly provide millions of patients with innovative medical devices and currently with no equivalent in the market."*



TERMS AND CONDITIONS OF THE ISSUE OF NEW SHARES

Share capital before the transaction

Prior to the transaction, the share capital of Affluent Medical consists of 18,163,802 fully subscribed and paid-up shares, with a par value of €1 each.

Action and PSR codes

- Name: AFFLUENT MEDICAL
- ISIN code of the share: FR0013333077
- Ticker symbol: AFME
- ISIN code of the PSR: FR001400C2C3
- Place of listing: Euronext Paris
- LEI Code: 969500N30CO4B5N2GN67

Nature of the transaction

The fund raising proposed by Affluent Medical relates to a capital increase through the issue of New Shares with preferential subscription rights (PSR) maintained.

The transaction will consist in the issue of 2,711,015 New Shares at a price of €2.32 per New Share, at the rate of 10 New Shares for 67 existing shares owned (67 preferential subscription rights will allow subscription to 10 New Shares), i.e. gross issue proceeds of €6,289,554.80.

Legal framework of the offer

Making use of the delegation conferred by the 14th resolution adopted by the Annual and Extraordinary General Meeting of shareholders of May 24, 2022, the Board of Directors of Affluent Medical decided, at its meeting of August 25, 2022, to implement the delegation granted to it and to proceed with a capital increase by issuing New Shares with preferential subscription rights (with the possibility of exercising the extension clause), under the following conditions:

Reasons for the offering

The proceeds of the issue will be used to strengthen the financial structure of the Company and to secure the financing of its clinical development programs in Europe and the United States for its medical devices Artus (launch of the pilot/ pivotal study), Kalios™ (finalization of the inclusion of patients) and Epygon.

Extension Clause

Depending on the extent of the demand, Affluent Medical reserves the right to exercise the extension clause, up to a limit of 15% of the initial amount of the issue, i.e. issue proceeds of €6,289,554.80 that may be increased to €7,232,987.44 in order to serve all or part of the subscription orders on a reducible basis. Thus, the initial number of 2,711,015 New Shares could be increased by 406,652 additional New Shares, to increase the total number of New Shares to be issued to a maximum of 3,117,667 shares.

Subscription price

The subscription price was set at €2.32 per New Share, i.e. a par value of €1 and €1.32 in issue premium, representing a discount of 22.67% compared to the closing price of August 25, 2022 (€3.00) and a discount of 25.12% compared to the weighted average of the volumes of the 20 trading sessions preceding the setting of the issue price by the Board of Directors (€3.10).

Subscription opening and closing dates

From September 2, 2022 to September 16, 2022 inclusive, on the Euronext Paris market.

Subscription on an irreducible basis

The subscription for New Shares is reserved, by preference, to holders of existing shares registered in their securities accounts at the end of the day preceding the opening date of the subscription period and for the transferees of preferential subscription rights.

The holders of preferential subscription rights may subscribe on an irreducible basis, at the rate of 10 New Shares for 67 existing shares owned, i.e. 67 PSR which will make it possible to subscribe for 10 New Shares, without taking into account the fractions.

Preferential subscription rights may only be exercised up to a number of PSR allowing the subscription of a whole number of New Shares. Shareholders or transferees of PSR who do not hold, in respect of the irreducible subscription, a sufficient number of existing shares or PSR to obtain a whole number of New Shares, must be



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responsible for the acquisition or sale on the market of the number of PSR allowing to reach the multiple leading to a whole number of New Shares.

It is specified for information only that the Company holds, on August 24, 2022, 144,905 of its own shares.

Subscription on a reducible basis

A preferential subscription right (PSR) on a reducible basis to the New Shares is instituted for the benefit of shareholders, which shall be exercised in proportion to their rights and within the limit of their requests.

At the same time as they deposit their irreducible subscriptions, the shareholders or transferees of PSR may subscribe on a reducible basis for the number of New Shares they wish to acquire, in addition to the number of New Shares resulting from the exercise of their preferential subscription rights on an irreducible basis.

Any New Shares not absorbed by the irreducible subscriptions shall be distributed and allocated to the subscribers on a reducible basis. Reducible subscription orders will be served within the limit of their requests and in proportion to the number of existing shares whose rights will have been used in support of their subscription on an irreducible basis, without resulting in an allocation of fractional New Shares.

In the event that the same subscriber submits several separate subscriptions, the number of New Shares to which he/she is entitled on a reducible basis will only be calculated on all of his/her PSR if he/she makes a special request in writing, at the latest on the day on which the subscription is closed. This request shall be attached to one of the subscriptions and shall provide all the information useful for the consolidation of rights, specifying the number of subscriptions established as well as the authorized intermediary(ies) with whom such subscriptions will have been deposited.

Subscriptions in the name of separate subscribers may not be grouped to obtain New Shares on a reducible basis.

A notice published in a newspaper authorized to publish legal advertisements of the place of the company's registered office and by Euronext shall make known, where applicable, the distribution scale for subscriptions on a reducible basis.

Exercise of preferential subscription rights

To exercise their preferential subscription rights (PSR), rights-holders should submit their order to their authorized financial intermediary at any time between September 2, 2022 and September 16, 2022 (inclusive) and pay the corresponding subscription price.

Each subscription must be accompanied by payment of the subscription price in cash or by offsetting it against liquid and due claims on the company. Subscriptions that have not been fully paid up shall be automatically canceled without the need for formal notice.

The preferential subscription right must be exercised by its beneficiaries, under penalty of forfeiture, before the expiry of the subscription period.

The preferential subscription right shall be negotiable from August 31, 2022 to September 14, 2022 inclusive, under the same conditions as the old shares.

The transferor of the preferential subscription right shall be divested thereof in favor of the transferee who, for the exercise of the preferential subscription right thus acquired, will be purely and simply substituted for all the rights and obligations of the owner of the existing share.

The preferential subscription rights not exercised at the end of the subscription period shall automatically lapse.

Listing of the preferential subscription right (PSR)

At the end of the trading session of September 1, 2022, the shareholders of Affluent Medical shall receive 1 PSR for each share held (i.e. in total 18.163,802 PSR issued). Each shareholder holding 67 PSR (and multiples of this number) may subscribe to 10 New Shares (and multiples of this number) at a price of €2.32.

They shall be listed and traded on Euronext Compartment C, under ISIN code FR001400C2C3 from August 31, 2022 to September 14, 2022 inclusive. If these PSR are not subscribed for or sold, they shall become null and void at the end of the subscription period and their value shall be zero.



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Theoretical value of preferential subscription rights

€ 0.088 (based on the closing price of the Affluent Medical share at August 25, 2022, i.e. €3.00): The subscription price of €2.32 per share reflects a discount of 20.32% in relation to the theoretical value of the ex-rights share.

Open subscription requests

In addition to the possibility of subscribing on an irreducible and reducible basis according to the terms and conditions specified above, any natural or legal person, whether or not holding preferential subscription rights, may subscribe to this capital increase on an open basis.

Persons wishing to subscribe on an open basis must send their request to their authorized financial intermediary at any time during the subscription period and pay the corresponding subscription price.

In accordance with the provisions of Article L.225-134 of the French Commercial Code, free subscriptions shall only be taken into account if the irreducible and reducible subscriptions have not absorbed the entire capital increase, it being specified that the Board of Directors shall have the right to freely distribute the shares not subscribed, in whole or in part, among the persons (shareholders or third parties) of its choice having made requests for subscriptions on an open basis.

Preferential subscription rights detached from the Company's own shares

In accordance with Article L.225-206 of the French Commercial Code, Affluent Medical may not subscribe for its own shares. The preferential subscription rights detached from the Company's own shares at August 31, 2022 shall be sold on the market before the end of the subscription period, under the conditions set forth in Article L.225-210 of the French Commercial Code.

Limitation of the amount of the capital increase

In the event that subscriptions both on an irreducible and reducible basis have not absorbed the entire issue, the Board of Directors may limit the amount of the issue to the amount of the subscriptions received, in accordance with Article L. 225-134 of the French Commercial Code, provided that it reaches at least 75% of the amount of the issue decided.

Domiciliary Establishments - Payments of subscriptions

Subscriptions for New Shares and payments of funds by subscribers, whose securities are registered in administered registered form or bearer form, shall be received up to and including the closing date of the subscription period at their authorized intermediary acting in their name and on their behalf.

Subscriptions and payments by subscribers whose shares are registered in pure registered form shall be received free of charge from CACEIS CORPORATE TRUST.

The New Shares shall be fully paid up upon subscription, by payment in cash, for the entire nominal value and issue premium, it being specified that the amount of the share premium paid shall be recorded in the liabilities of the balance sheet in a special "Issue premium" account to which the rights of the former and new shareholders will be attached.

The funds paid with the subscriptions shall be centralized by CACEIS CORPORATE TRUST, which will draw up the certificate of deposit formally recognizing the completion of the capital increase.

Subscriptions for which payments have not been made shall be automatically canceled without the need for a formal notice.

Investment restrictions

The sale of New Shares and preferential subscription rights may, in certain countries, be subject to specific regulations.

Guarantee

This offer does not constitute a guarantee of completion, within the meaning of Article L.225-145 of the French Commercial Code. The beginning of trading on the security will therefore only take place at the end of the settlement/delivery transactions and after the depositary's certificate has been issued.

Subscription commitments

Truffle Capital holding 65.25% of the Company's capital has expressed the intention to subscribe freely up to a maximum amount of €3.8 million. The free subscription will be used in particular to reach the success



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threshold of 75% of the transaction. Beyond 75%, the Company's Board of Directors may freely decide to serve Truffle Capital's free subscription. This intention represents 60.4% of the proposed capital increase.

The Company is not aware of the intentions of its other shareholders.

Lock-up agreement

Truffle Capital has undertaken to hold, subject to certain customary exceptions, the Affluent Medical shares that may be subscribed to on an open basis within the framework of the operation for a period ending 90 calendar days following the settlement/delivery date of the capital increase.

Settlement/delivery of New Shares

According to the indicative timetable of the issue, the settlement-delivery date of the New Shares is scheduled for September 22, 2022.

Characteristics of the new shares

Enjoyment: The new shares, which shall be subject to all the provisions of the Articles of Association, shall bear current dividend rights and shall be assimilated to the Company's existing shares as from their issue. According to the indicative timetable of the capital increase, it is expected that the new shares will be registered in the securities account on September 22, 2022.

Currency of issue of the new shares: The new shares shall be issued in euros.

Listing of new shares: The New Shares shall be subject to a request for admittance to trading on the Euronext Market in Paris, Compartment C on September 22, 2022. However, they may only be listed after the depositary's certificate of deposit has been issued. They will be immediately assimilated to the Company's existing shares already traded on Euronext Paris Compartment C and tradable, from that date, on the same listing line as these shares under the same ISIN code FR0013333077 - ticker AFME.

DILUTION

Impact of the issue on consolidated equity per share

Share of equity per share (in euros)*	Undiluted basis	Diluted basis*
	Before issue of new shares arising from this capital increase	2.397
After issuance of 2,711,015 new shares arising from this capital increase	2.387	3.044
After issuance of 3,117,667 new shares arising from this capital increase in the event of exercise of the extension clause	2.386	3.033
After issuance of 2,033,262 new shares arising from this capital increase in the event of a reduction to 75% of the offer	2.389	3.063

*: based on consolidated shareholders' equity of €43.5 million at December 31, 2021

** : At the end of July 2022, there were 156,339 BSAs (share subscription warrants), 5,534,497 BSPCEs (options allocated free of charge to company employees) and 3,700 AGAs (free allocation of shares), each giving the right to one share.

Impact of the issue on the shareholders' situation

Shareholder's interest (in %)	Undiluted basis	Diluted basis*
	Before issue of new shares arising from this capital increase	1.00%
After issuance of 2,711,015 new shares arising from this capital increase	0.87%	0.68%
After issuance of 3,117,667 new shares arising from this capital increase in the event of exercise of the extension clause	0.85%	0.67%
After issuance of 2,033,262 new shares arising from this capital increase in the event of a reduction to 75% of the offer	0.90%	0.70%

** : At the end of July 2022, there were 156,339 BSAs (share subscription warrants), 5,534,497 BSPCEs (options allocated free of charge to company employees) and 3,700 AGAs (free allocation of shares), each giving the right to one share.



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Terms of subscription

You have PSR attached to your Affluent Medical shares, which allow you to subscribe in priority to the new shares by applying the ratio of 10 new shares for 67 PSR (1 old share giving right to 1 PSR).

- Or you have an exact and sufficient number of old shares to be able to subscribe via your PSR to a whole number of new shares (for example, if you have 67 Affluent Medical shares, you will be able to subscribe to 10 new shares as a priority).
- Or you do not have a sufficient number of old shares to obtain a whole number of new shares, you then can buy or sell the number of PSR to reach the ratio leading to a whole number of new shares (10 new shares for 67 PSR).

You may also, in addition to subscriptions made using the PSR at your disposal, subscribe freely before September 16, 2022 (your subscription will only be taken into account provided that (i) the transaction is not already fully subscribed by the holders of PSR or (ii) you cannot be served with new shares despite the use of the option to extend the issue).

Each subscription must be accompanied by the payment of the subscription price.

INDICATIVE TIMETABLE FOR THE OPERATION

August 25, 2022	Decision of the Board of Directors on the implementation of the transaction and the final terms thereof
August 29, 2022	Dissemination of Affluent Medical's press release describing the main characteristics of the capital increase
August 29, 2022	Issuance by Euronext Paris of the issuance notice
August 31, 2022	Detachment (before trading) of the PSR Admission and start of negotiation of the PSR
August 31, 2022	Publication of an official notice to the shareholders
September 2, 2022	Subscription period begins Start of the exercise period of the PSR
September 14, 2022	End of negotiation period of PSR
September 16, 2022	Subscription period ends
September 20, 2022	Press release issued by Affluent Medical on the subscription results Notice of admission to trading of the new shares issued by Euronext Paris, indicating the final amount of the capital increase and the distribution scale for subscriptions on a reducible basis
September 22, 2022	Issuance of new shares – Settlement/delivery of the transaction Admission of the new shares to trading on Euronext Paris

DISCLAIMER

Pursuant to the provisions of Article 1 5. a) of European Regulation 2017/1129 ("Prospectus Regulation") and Articles L.411-2-1 1° of the French Monetary and Financial Code and 211-2 of the General Regulation of the Autorité des Marchés Financiers/French Financial Markets Authority (AMF), this issue shall not give rise to a Prospectus subject to the AMF's approval, as it represents less than 20% of the number of shares of the same class already admitted on the regulated market and a total offer of less than €8,000,000.

A notice to shareholders about this issue shall be published on August 29, 2022 in the Bulletin des Annonces Légales et Obligatoires (French legal gazette, or BALO).

This press release and the information herein does not constitute a solicitation of an offer to buy or subscribe to securities in France or any other country.



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RISK FACTORS

Investors are invited, before making their investment decision, to pay their attention to the risks described in Chapter 3 "Risk Factors" of the Company's 2021 Universal Registration Document, approved by the AMF dated April 29, 2022 and available on the Company's website, Investor Relations/ Financial Documentation section, and in particular the liquidity risk which specifies that the Group would be able to cover its financing needs for transactions until September 2022 and that additional financing resources will therefore be necessary to meet its 12-month maturities.

It is further specified that the cash level at 30 June 2022 is not sufficient with regard to the Company's operational development plan to finance the activity over the next 12 months.

To date, the Company has a cash flow of €1.3 million, which does not allow it to meet its maturities over 12 months. Indeed, on the basis of the cash flow forecasts, the Company estimates its needs by March 2023 at approximately €5.9 million for its R&D expenses, €0.4 million for repayments of debts and research tax credit.

The completion of the capital increase operation in its entirety will enable the Company to meet its needs until March 2023. After this date, the company plans to finance itself through solutions that could, without being restrictive, take the form of private investments with investors, capital increases, bonds, public financing.

The main risk factors linked to the issue are as follows:

- the market for preferential subscription rights could only offer limited liquidity and be subject to strong volatility;
- any shareholders not having exercised their preferential subscription rights would see their stake in the Company's share capital diluted;
- the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued upon exercise of preferential subscription rights;
- the volatility and liquidity of the Company's shares could fluctuate significantly;
- in the event of a decrease in the market price of the Company's shares, the preferential subscription rights could decline in value.

TRANSACTION PARTNERS



Transaction
Advisor



Legal Counsel
for the Transaction



Financial Communication
Agency

Find all the information on the transaction:

<https://augmentationdecapital.affluentmedical.com/>



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About Affluent Medical

Affluent Medical is a French player in MedTech, founded by Truffle Capital, with the ambition of becoming a global leader in the treatment of heart and vascular diseases, which are the world's leading cause of mortality, and urinary incontinence which currently affects one in four adults. Affluent Medical develops next-generation, mini-invasive, innovative implants to restore critical physiological functions in these areas. The four major technologies developed by the company are currently in preclinical and clinical studies. KALIOS™ should be the first medical device to be marketed in Europe.

For more information: www.affluentmedical.com

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