

Esperite secures external financing of up to EUR 9 million to support its commercial activity and development of innovative technologies

Total investment can reach EUR 13 million upon exercise of share subscription warrants

Transaction highlights

- Private placement of EUR 1 million launched today through the issuance of convertible notes with share subscription warrants attached
- Maximum additional potential financing of up to EUR 8 million through similar further private placements of convertible notes with share subscription warrants attached over the next 36 months, subject to fulfilment of certain conditions
- Upon the exercise of all share subscription warrants, the total investment can reach EUR 13 million
- Subscription by European Select Growth Opportunities Fund, a fund managed by L1 Capital Pty Ltd.
- Esperite to convene an extraordinary general meeting to present the details of the financing to its shareholders and to propose to approve the issuance of further 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 for Genoma and regenerative medicine for Cryo-Save and Cell Factory

Zutphen, The Netherlands, 8 March 2017 - Esperite N.V. (Euronext: ESP, "**Esperite**" or "**the Group**") announces today a EUR 1 million private placement of 100 convertible notes with a principal amount of EUR 10,000 each, with share subscription warrants attached (the "**First Tranche Notes and Warrants**").

The First Tranche Notes and Warrants are subscribed for by European Select Growth Opportunities Fund, a fund based in Australia (the "**Investor**") and managed by L1 Capital Pty Ltd. The placement of the First Tranche Notes and Warrants is the first transaction launched under an issuance agreement entered into by Esperite with the Investor dated 8 March 2017 (the "**Issuance Agreement**").

Pursuant to the Issuance Agreement, the Investor has committed to subscribe for an additional amount of EUR 8 million of convertible notes with share subscription warrants attached (the "**Subsequent Tranche Notes and Warrants**") over the next 36 months, subject to the fulfilment of certain conditions, including shareholders' approval for the issuance of the Subsequent Tranche Notes and Warrants to the Investor.

The issuance of and subscription to the First Tranche Notes and Warrants and the Subsequent Tranche Notes and Warrants is 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.

First Tranche Notes and Warrants

- The convertible notes (the "**Notes**") have a principal amount of EUR 10,000 each. They bear no interest and have a maturity of 12 months from today. During their term, the Investor may request to convert any or all of the Notes on the basis of a pre-determined mechanism setting the conversion ratio (which will be variable).

- Upon such request, Esperite shall have the option to remit at its discretion, cash, shares in the capital of the Company or a combination.
- The share subscription warrants (the "**Warrants**") have a maturity of 5 years from today and are immediately detached from the Notes. Each Warrant gives right to subscribe for 1 new share in Esperite on the basis of a pre-determined mechanism through which the strike price is determined (which will be fixed at the time of issuance of the Warrants). The strike price for Warrants under the First Tranche Notes and Warrants is set at EUR 1.444
- Assuming conversion of all First Tranche Notes over the 12-month period, the Investor will be entitled to subscribe for an aggregate maximum number of 846,998 shares, representing approximately 8% of Esperite's current issued and outstanding share capital. Assuming the exercise of all First Tranche Warrants over the next 5 years, the Investor will be entitled to subscribe for a further maximum number of 311,634 shares, representing an approximate additional 3% of Esperite's current issued and outstanding share capital. Appendix 1 to this press release contains a set of numerical examples of the dilutive effects of the transactions.
- The issuance of the First Tranche Notes and Warrants falls within the authority that was delegated by the shareholders to the board of directors during the annual general meeting of shareholders of 9 June 2016. The Group's board of directors has also resolved to exclude the pre-emptive rights in connection with the issuance of the First Tranche Notes and Warrants.
- Detailed terms and conditions of the Notes and the Warrants are set forth in Appendix 1 to this press release.

Subsequent Tranche Notes and Warrants

- Esperite has committed to the Investor to convene an extraordinary general meeting of shareholders as soon as reasonably practicable, during which Esperite will present to its shareholders the details of the financing arrangements and the shareholders will be asked to resolve to approve the issuance of the Subsequent Tranche Notes and Warrants.
- Additional terms of the Subsequent Tranche Notes and Warrants:
 - Notes and attached Warrants are obtained through exercise of tranches of EUR 500,000
 - Esperite can request the Investor to exercise a Tranche Warrant every 6 months (or earlier to the extent all outstanding Notes have been converted or redeemed).
 - The Investor can request the Issuer to issue Notes and attached Warrants for an amount of up to the first EUR 4 million of the Subsequent Tranche Notes and Warrants.
 - Furthermore, the Terms of the Notes and Warrants include: (i) customary business and compliance covenants; (ii) early redemption events; and (iii) anti-dilution mechanisms.
 - Appendix 1 to this press release contains a set of numerical examples of the dilutive effects of the transactions

The terms and conditions of the Tranche Warrants, the Notes and the Warrants will also be published on Esperite's website (www.esperite.com).

About ESPERITE

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

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

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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 for convertible notes with share subscription warrants attached

Legal framework of the transaction

During the annual general meeting of shareholders on 9 June 2016, the board of directors of Esperite has been delegated the power to (a) issue shares and grant rights to subscribe for shares in the share capital of the Company up to a maximum number of 2,076,677 (i.e. 20 % of the issued share capital as at the date of the annual general meeting) and (b) exclude the pre-emptive rights in connection with such issue of shares or grant of rights to subscribe for shares, each for a period until 9 December 2017 (i.e., 18 months from the date of the general meeting) (the "**Delegated Authority**").

On 8 March 2017, Esperite N.V. ("**Esperite**") and European Select Growth Opportunities Fund, a fund based in Australia (the "**Investor**") and managed by investment manager L1 Capital Pty Ltd. entered into an issuance agreement pursuant to which the Investor has agreed to subscribe for up to 900 tranche warrants (the "**Tranche Warrants**") pursuant to which the Investor has committed to subscribe for up to 900 convertible notes, with a principal amount of EUR 10,000 each (the "**Notes**"), with share subscription warrants attached (the "**Warrants**"), of which 100 convertible notes, with a principal amount of EUR 10,000 each, were issued on 8 March 2017 (the "**First Tranche Notes and Warrants**") and (b) an additional 800 convertible notes, with a principal amount of EUR 10,000 each, with share subscription warrants attached, will be issued over the next 36 months, subject to the fulfilment of certain conditions (as set out below), including shareholders' approval for the issuance of the Subsequent Tranche Notes and Warrants (the "**Subsequent Tranche Notes and Warrants**").

The issuance of the First Tranche Notes and Warrants and exclusion of the pre-emptive rights in connection with such granting of rights to subscribe for shares falls within the Delegated Authority. The issuance of the Subsequent Tranche Notes and Warrants and exclusion of the pre-emptive rights in connection with such granting of rights to subscribe for shares requires shareholders' approval.

Main characteristics of the Tranche Warrants

During a period of 36 months as from 8 March 2017, Esperite may request the exercise of Tranche Warrants and the issuance the Notes with Warrants attached in tranches of EUR 500,000 each, upon the earlier of (i) the full conversion into shares and/or redemption in cash of all outstanding Notes and (ii) the 6-month anniversary of the issuance of the previous tranche of Notes, provided that the following conditions are satisfied (or waived by the Investor):

- (i) no more than 36 months shall have expired from the signing date of the Issuance Agreement;
- (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 or (b) more than six 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

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- 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 (it being specified that such condition shall not apply for the issuance of the first tranche);
- (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 shall also have the right to exercise Tranche Warrants at its sole and exclusive discretion in respect of the first 400 Tranche Warrants (i.e. up to an aggregate principal amount of EUR 4 million) of the Subsequent Tranche Notes and Warrants. The remaining 400 Tranche Warrants of the Subsequent Tranche Notes and 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 1 million, an amount of EUR 450,000, and for each subsequent tranche of EUR 500,000, an amount of EUR 225,000. On 8 March 2017, a total number of 311,634 Warrants were issued to the Investor.

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.

The strike price of the Warrants will be equal to:

- for the first tranche, EUR 1.444 (i.e. 115% of the lowest daily volume weighted average price of the share over the 10 consecutive trading days preceding the signing date of the Issuance Agreement); and
- for the subsequent tranches, 115% of the lowest daily volume weighted average price of the share over the 10 consecutive trading days preceding the Request (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).

Esperite will publish and update on its website a follow-up table of the outstanding Tranche Warrants, Notes, Warrants and number of shares.

Commitment of the Investor

Until the latest of (i) the 36-month anniversary of the signing of the Issuance Agreement 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.

Theoretical future impact of the issuance of the Notes with Warrants attached (based on the lowest daily volume weighted average price of the share over the 10 consecutive trading days preceding, i.e. EUR 1.256)

For illustration purpose, the impact of the issuance of the first tranche and of all the tranches of Notes with Warrants attached would be as follows (whereby Esperite emphasises that upon a Conversion, it has the option to remit cash and/or new and/or existing shares, in order to manage the resulting dilution for its shareholders).

- Impact on the shareholders' equity per share (on the basis of shareholders' equity as of June 30th, 2016 and of the number of shares composing the Group's share capital as of March 7, 2017, i.e. 10,383,388 shares):

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	Shareholders' equity per share (in EUR)			
	Non-diluted basis		Diluted basis ⁽¹⁾	
	First tranche	Total tranches	First tranche	Total tranches
Before issuance	EUR 1.27		EUR 1.36	
After issuance of a maximum of 846,998 (first tranche) or 7,622,984 (total tranches) new shares resulting from Conversion of the Notes	EUR 1.26	EUR 1.23	EUR 1.35	EUR 1.29
After issuance of a maximum of 1,158,632 (first tranche) or 10,427,693 (total tranches) new shares resulting from Conversion of the Notes and exercise of the Warrants	EUR 1.27	EUR 1.26	EUR 1.35	EUR 1.31

⁽¹⁾ Assuming the issuance of a maximum of 1,572,987 shares resulting from convertible loan notes existing prior to the issuance of the Tranche Warrants

- Impact on the stake of a shareholder currently owning 1% of the share capital of the Group (on the basis of the number of shares composing the Group's share capital as of March 7, 2017, i.e. 10,383,388 shares):

	Shareholders' stake (in %)			
	Non-diluted basis		Diluted basis ⁽¹⁾	
	First tranche	Total tranches	First tranche	Total tranches
Before issuance	1.00%		0.87%	
After issuance of a maximum of 846,998 (first tranche) or 7,622,984 (total tranches) new shares resulting from Conversion of the Notes	0.92%	0.58%	0.81%	0.53%
After issuance of a maximum of 1,158,632 (first tranche) or 10,427,693 (total tranches) new shares resulting from Conversion of the Notes and exercise of the Warrants	0.90%	0.50%	0.79%	0.46%

⁽¹⁾ Assuming the issuance of a maximum of 1,572,987 shares resulting from convertible loan notes existing prior to the issuance of the Tranche Warrants