



## **Curetis secures financing facility of up to EUR 20 million through the issuance of convertible notes**

- ***Funding enables further acceleration of commercial expansion and R&D programs***
- ***EUR 3.5 million of first tranche of EUR 5 million to be funded today***

*This announcement contains inside information within the meaning of Article 7(1) of the Market Abuse Regulation.*

**Amsterdam, the Netherlands, Holzgerlingen, Germany, and San Diego, USA, October 02, 2018, 7:30 am CEST** - Curetis N.V. (the "**Company**" and, together with its subsidiaries, "**Curetis**"), a developer of next-level molecular diagnostic solutions, today announced that it has secured up to EUR 20 million in growth capital through the issuance of convertible notes by Curetis N.V. with share subscription warrants, to YA II PN, Ltd, an investment fund managed by Yorkville Advisors Global LP, a U.S.-based management firm (the "**Investor**" or "**Yorkville**"). As of today, Curetis has drawn down EUR 3.5 million of the first tranche by issuing convertible notes and will thereby raise a net amount of EUR 3.22 million. Curetis intends to draw down the remainder of the first tranche (i.e. EUR 1.5 million) within 90 trading days, subject to certain conditions being met.

The access to this additional capital enables Curetis to execute on its commercial strategy outlined in Curetis' 2018 half-year release and H1-2018 earnings call on August 14, 2018.

"We have evaluated a broad spectrum of different financing options. and Yorkville's financing facility provides us with additional flexibility in our commercial execution and R&D efforts" said Oliver Schacht, CEO of Curetis. "The first part of the first tranche has been drawn down today."

Under the terms of the agreement, Yorkville has committed to subscribe for up to 2,000 convertible notes of EUR 10,000 each, representing up to EUR 20 million in aggregate principal amount, over a period of 36 months from the date of the agreement. Share subscription warrants will be issued with each tranche of convertibles notes except for the first tranche of EUR 5 million.

Furthermore, Curetis and Yorkville have agreed that the number of warrants issued with subsequent tranches of convertible notes shall be equal to 25% of the aggregate principal amount of such convertible notes divided by the relevant warrant exercise price, as further specified in the appendix. Each warrant entitles the Investor to one share of the Company at the specified exercise price. Accordingly, if all warrants issued with a tranche of convertible

notes are exercised, this results in aggregate proceeds of approximately 25% of the aggregate principal value of the related convertible notes.

The funding is structured in several tranches of convertible notes, with a first tranche of 500 convertible notes amounting, in aggregate, to a principal amount of EUR 5 million. The amount of the subsequent tranches will be equal to the lower of either EUR 5 million or 10 times the combined average daily value traded on Euronext in Amsterdam and Euronext in Brussels during the 10 days preceding the tranche request (up to a maximum of EUR 5 million). The funding of each tranche of convertible notes is subject to certain conditions summarized in the appendix.

The maximum net funding available to Curetis under the facility could reach up to approximately EUR 22.15 million, comprising EUR 18.4 million from convertible notes and approximately EUR 3.75 million from warrants.

The shares issued by the Company upon conversion of the first tranche of convertible notes subscribed for by Yorkville will be issued pursuant to the authorization granted at the Company's Annual General Meeting held on June 21, 2018 (AGM), which designated the Company's management board, subject to the approval of the Company's supervisory board, as the corporate body authorized to issue shares and/or grant rights to subscribe for shares in relation to strategic capital raising(s) and to limit or exclude pre-emption rights relating thereto. The number of shares to be issued upon the conversion of all convertible notes of the first tranche shall not exceed 2.75 million shares. Any excess entitlement on the basis of the conversion ratio will be settled in cash unless the Company elects to settle such excess in shares. Although the Company's management board has further authorizations to issue, without pre-emption rights, up to approximately 7 million further shares and/or rights to subscribe for shares pursuant to the authorizations granted by the AGM, the Company may use such authority for other equity raisings. The Company may thereafter be required to seek from its shareholders further authorizations to issue additional shares upon conversion of subsequent tranches of notes and exercise of warrants prior to the funding of such subsequent tranches, based upon certain coverage requirements specified in the agreement.

Certain key terms of the agreement, the convertible notes and the warrants are summarized in the appendix of this press release.

## **About Curetis**

Curetis N.V.'s (Euronext: CURE) goal is to become a leading provider of innovative solutions for molecular microbiology diagnostics designed to address the global challenge of detecting severe infectious diseases and identifying antibiotic resistances in hospitalized patients.

Curetis' Unyvero System is a versatile, fast and highly automated molecular diagnostic platform for easy-to-use, cartridge-based solutions for the comprehensive and rapid detection of pathogens and antimicrobial resistance markers in a range of severe infectious disease indications. Results are available within hours, a process that can take days or even weeks if performed with standard diagnostic procedures, thereby facilitating improved patient

outcomes, stringent antibiotic stewardship and health-economic benefits. Unyvero in vitro diagnostic (IVD) products are marketed in Europe, the Middle East, Asia and the U.S.

Curetis' wholly owned subsidiary Ares Genetics GmbH is developing next-generation solutions for infectious disease diagnostics and therapeutics. The ARES Technology Platform combines what the Company believes to be the most comprehensive database worldwide on the genetics of antimicrobial resistances, ARESdb, with advanced bioinformatics and artificial intelligence.

**For further information, please visit [www.curetis.com](http://www.curetis.com) and [www.ares-genetics.com](http://www.ares-genetics.com).**

### **Legal Disclaimer**

This document constitutes neither an offer to buy nor to subscribe securities and neither this document nor any part of it should form the basis of any investment decision in Curetis.

The information contained in this press release has been carefully prepared. However, Curetis bears and assumes no liability of whatever kind for the correctness and completeness of the information provided herein. Curetis does not assume an obligation of whatever kind to update or correct information contained in this press release whether as a result of new information, future events or for other reasons.

This press release includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should", and include statements Curetis makes concerning the intended results of its strategy. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. Curetis' actual results may differ materially from those predicted by the forward-looking statements. Curetis undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by law.

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## APPENDIX

### **Main characteristics of the convertible notes**

The convertible notes have a principal amount of EUR 10,000 each and shall be issued at a subscription price per note equal to 96% of their principal amount. In addition, upon the issue of a tranche of convertible notes, a commitment fee of 4% of the aggregate principal amount of the relevant notes is paid by the Company to the Investor by deducting such fee from the aggregate subscription price of the convertible notes.

Convertible notes may be freely transferred, except to retail investors, and subject to applicable securities laws.

The convertible notes will not be listed or admitted to trading on any financial market.

Each convertible note shall have a maturity of 12 months from its date of issuance. Curetis has the right to extend such maturity by an additional 12-month period, while paying a cash fee equal to 5% of the principal amount of the relevant convertible notes. The maturity period can be extended up to four times provided that the resulting extended maturity date shall not exceed the maturity of the debt provided to the Company by the European Investment Bank and the extension fee is paid.

The convertible notes shall not accrue interest, except in the case of an event of default. The convertible notes shall accrue default interest at a rate of 15% per annum until the earlier of the date that the event of default is cured or the date on which the convertible notes have been fully converted or redeemed.

Upon conversion of one or more convertible notes into shares, the number of shares will be calculated by dividing the aggregate principal amount of the relevant convertible notes by 93% of the lowest daily volume weighted average price on Euronext in Amsterdam over the 10 trading days prior to the applicable conversion date. The number of shares to be issued upon a conversion of convertible notes is subject to a maximum specified by the Company in

the request for the disbursement of the tranche of convertible notes. Any excess entitlement on the basis of the conversion ratio will be settled in cash unless the Company elects to settle such excess in shares.

### **Main characteristics of warrants issued with the convertible notes**

Convertible notes (with the exception of the EUR 5 million first tranche) shall be issued with a number of warrants equal to 25% of the aggregate principal amount of such convertible notes divided by the relevant warrant exercise price (as set out below).

The exercise price of the warrants shall be equal to 135% of the lowest daily volume weighted average price on Euronext in Amsterdam over the 10 trading days prior to the date of the request by the Company for the disbursement of a tranche.

The warrants shall be freely transferable (except to retail investors), subject to applicable securities laws, and shall include customary provisions and protections, including full anti-dilution protection.

The warrants will not be admitted to trading on any financial market.

Warrants can be exercised for a period of 3 years from their respective issuance date. During such period, each warrant will give its holder the right to subscribe to one share.

The number of shares to be issued upon an exercise of warrants is subject to a maximum specified by the Company in the request for the disbursement of a tranche of convertible notes. Any excess entitlement on the basis of the warrant exercise ratio will be settled in cash unless the Company elects to settle such excess in shares.

### **New shares resulting from the conversion of convertible notes or the exercise of warrants**

The new shares to be issued upon the conversion of convertible notes or the exercise of warrants shall carry the same rights as the existing shares and will be admitted to trading on the regulated market of Euronext in Amsterdam and Euronext in Brussels.

The Company will maintain on its website ([www.curetis.com](http://www.curetis.com)) a table of the number of outstanding convertible notes, warrants and shares issued upon conversion of convertible notes or exercise of warrants.

### **Investor's commitments**

From the date of the agreement until the full conversion and / or redemption of all outstanding convertible notes, the Investor covenants and undertakes:

- not to request any seat on the Company's management board or the Company's supervisory board;
- alone or acting in concert, not to hold at any time a number of shares higher than 4.99% of the outstanding number of shares of the Company;
- not to send any conversion notice or warrant exercise notice for any convertible notes or warrants if a prospectus would be required for the admission to listing and trading of the shares to be issued upon such conversion or exercise, until such prospectus has been approved by the Dutch Authority for the Financial Markets.

### **Conditions to the funding of a tranche of convertible notes**

The funding of a tranche of convertible notes is subject to certain conditions:

- no material adverse change shall have occurred;
- no event of default or circumstance triggering an event of default being in existence;
- no suspension of trading of the shares on Euronext in Amsterdam during the 90 days preceding the request for the disbursement of a tranche;
- the closing price on the day prior to the sending of the request for the disbursement of a tranche shall be EUR 3.00 or greater;
- the combined average daily value of the shares on Euronext in Amsterdam and Euronext in Brussels during the week prior to the request for the disbursement of a tranche shall be EUR 150,000 or greater;
- upon each request, the Company shall have at least (a) two times coverage of shares authorized, available and approved for issuance upon conversion of the maximum amount of convertible notes of the tranche to be issued and any other outstanding convertible notes (calculated as if the conversion occurred on the date of the request for disbursement of the tranche); and (b) one time coverage of shares authorized, available and approved for issuance upon exercise of the maximum number of warrants to be issued.

A holder of convertible notes may require the Company to redeem all or any of its convertible notes if the Company fails to issue new shares in accordance with the terms of the agreement or if an event of default occurs which has not been cured within 10 calendar days. Unless converted or previously redeemed, convertible notes will be redeemed at 100% of their principal amount and interest, if any, on their maturity date.