



PRESS RELEASE

REGULATED INFORMATION/INSIDE INFORMATION
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Biocartis Announces Entry into Comprehensive Recapitalization Arrangements to Strengthen Cash Position and Support Growth

Mechelen, Belgium, 1 September 2022 – Biocartis Group NV (the "**Company**" or "**Biocartis**"), an innovative molecular diagnostics company (Euronext Brussels: BCART), is pleased to announce a comprehensive recapitalisation transaction (the "**Transactions**") that will provide adequate capital to support the Company's growth for the foreseeable future. The Transactions are supported by key existing investors, and are a significant milestone for the Company. The Transactions will provide for the following:

- Deleveraging via a partial equitization of the 4.00% convertible bonds due 2024 ("**Existing Convertible Bonds**") equal to 10% of notional amounts outstanding, and maturity extension by 3.5 years to November 2027.
- Allow holders of the Existing Convertible Bonds to exchange into new second lien secured convertible bonds ("**New Convertible Notes**"), subject to their commitment to participate pro-rata in a fully backstopped EUR 25 million investment into additional New Convertible Notes.
- Allow existing shareholders to participate in the growth of the Company by taking part in a fully covered rights issue of EUR 25 million, which is backstopped in full by certain new investors and KBC Securities (subject to a number of customary and transaction specific conditions).
- Certain existing holders of New Convertible Notes will provide a new senior secured term loan ("**New Convertible Term Loans**") that will provide the Company with approximately EUR 16 million of additional cash liquidity.

The Transactions are intended to provide the Company with approximately EUR 66 million of new money to help manage liquidity until the Company reaches operating breakeven.

Herman Verrelst, Chief Executive Officer of Biocartis, said: "*These financing arrangements represent a significant milestone for Biocartis. They provide us with an opportunity to strengthen our cash position by approximately EUR 66 million and fundamentally improve our financial structure by pushing out the maturity date on our convertible debt. Given the recent challenging conditions in the financing markets, we believe these arrangements represent an important validation of the Biocartis value proposition. Subject to the successful completion, and upon approval by our bondholders and shareholders, these agreements will provide the resources necessary to continue and execute our growth strategy towards profitability.*"

The Transactions are subject to the consent of the requisite majority of the holders of the Existing Convertible Bonds and existing shareholders of the Company, and conditional upon equity proceeds in the fully backstopped rights offering of at least EUR 25 million. The Company has already received binding agreements from (i) certain holders of Existing Convertible Bonds to fully backstop approximately EUR 41 million of capital in the New Convertible Notes and New Convertible Term Loans, and (ii) certain new investors and KBC Securities to backstop (subject to a number of customary and transaction specific conditions) all of the EUR 25 million rights issue.

The Company will call an extraordinary shareholders' meeting and a meeting of Existing Convertible Bond to request the necessary consents to effect the Transactions. The Company has already received commitment from 65% of holders of Existing Convertible Bonds. The Company believes that the Transactions are an important milestone for the Company to secure the financing necessary for its future growth which benefits all of its stakeholders and therefore encourages both shareholders and bondholders to grant the necessary consents to implement it. The Company intends to complete the Transactions by the end of the year.

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Amendments to Existing Convertible Bonds: The terms and conditions of the Existing Convertible Bonds are expected to be amended to provide for, among others, the following changes:

- 10.0% of the aggregate principal amount will be converted into shares of the Company at the existing conversion price of the Existing Convertible Bonds (i.e., EUR 12.8913) (the "**Equitization**") at (and subject to completion of) the completion of the Transactions¹.
- The maturity date will be extended by approximately 3.5 years (to 9 November 2027) if the Transactions occur. The maturity date will remain 9 May 2024 if the Transactions do not occur.
- Certain covenants, including the negative pledge, will be removed to permit the refinancing.
- Remaining coupons will be paid as Payment-In-Kind to preserve cash.
- The outstanding value of the Existing Convertible Bonds (including principal, capitalised interest, and accrued but uncapitalised interest) will be written down to zero if a change of control has occurred but the outstanding principal amount of secured debt is not paid in full in connection with that transaction.

The Company will launch a consent solicitation to Holders of the Existing Convertible Bonds to amend the terms of the Existing Convertible Bonds (including the partial Equitization of the Existing Convertible Bonds) as described above. To date, holders of 65% of the Existing Convertible Bonds have committed to vote in favour of such amendments. Holders of the Existing Convertible Bonds should contact their brokers or the Company if they have not received the relevant documentation in the coming days.

New Convertible Term Loans: Certain funds and accounts managed or advised by Highbridge Capital Management LLC and funds managed or advised by Whitebox Advisors LLC (together, the "**Backstoppers**") have committed to provide New Convertible Term Loans in an amount of EUR 30.0 million, comprised of EUR 15.7 million of cash to the Company plus EUR 13.7 million to fund the repurchase of Existing Convertible Bonds held by the Backstoppers, plus the amount required to fund the original issue discount of the New Convertible Term Loans. The New Convertible Term Loans pay a coupon equal to EURIBOR plus 8.75% (with a 1.5% floor). The New Convertible Term Loans benefit from (a) guarantees from the Company's wholly-owned subsidiaries Biocartis N.V. and Biocartis US, Inc. and (b) security in the form of senior all asset security from the Company, Biocartis N.V. and Biocartis US, Inc. and over the shares of Biocartis N.V. and Biocartis US, Inc. The loan is not callable by the borrower during the first year. Thereafter, the borrower may repay in cash or force equitize (in lieu of cash) the New Convertible Term Loans, subject to certain conditions as described below. The New Convertible Term Loans contain customary anti-dilution protection. If the Transactions occur, the New Convertible Term Loans will mature on 9 August 2026. If such transactions do not occur, the New Convertible Term Loans will mature on 15 March 2023, and the Backstoppers' cash commitments will be downsized to EUR 12.5 million; the Backstoppers will automatically exchange all of their holdings in the Existing Convertible Bonds and/or New Convertible Bonds for loans under the New Convertible Term Loan, with such debt remaining outstanding under and pursuant to the terms of the New Convertible Term Loan.

Lender Equitization: At any time and at the option of a lender, the lender may equitize the term loans at par plus accrued interest plus option redemption payment, and converted into freely tradable shares of the Company at a discount of 10% to a relevant volume weighted average trading price of the Company's shares prior to conversion, subject to a floor set at 20% above the price at which shares are issued in the proposed equity raise (the "**floor price**"), subject to specified adjustments.

Company Equitization: After the first year, and to the extent the Company's share price is greater than 150% of the floor price for five consecutive trading days, the Company may force an equitization of certain amounts of the New Convertible Term Loans, subject to various maximum conversion amounts.

Exchange of Existing Convertible Bonds: Holders of the Existing Convertible Bonds will be offered the right to participate in an exchange of Existing Convertible Bonds for New Convertible Bonds on the following terms and conditions:

- To be eligible for the exchange, a holder must commit to make a pro-rata investment in the Company by purchasing for cash its pro rata share of EUR 25 million of additional newly issued New Convertible Bonds that are offered by the Company (the "**New Money Amount**") and support the amendment to the terms of the Existing Convertible Bonds described above. Holders that exchange will be entitled to exchange their Existing Convertible Bonds holdings at EUR 1.00 / EUR 1.00 of current par value into the New Convertible Bonds (after the Equitization, which shall only occur if the Transactions are successful). Existing holders that do not provide additional funding pursuant to these terms will not be permitted to exchange, and their Existing Convertible Bonds will remain outstanding with the amended terms (subject to the approval of the amendment of the Existing Convertible Bonds as set out above).
- The Backstoppers have committed to purchase any portion of the New Money Amount of additional New Convertible Bonds that is not purchased by other holders of Existing Convertible Bonds. In exchange for this backstop commitment, the Backstoppers will receive a fee payable in freely tradable shares of the Company.

¹ The Backstoppers may reduce the minimum equity proceeds required to complete the Transactions in their sole discretion

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Details regarding the process of the exchange of Existing Convertible Bonds for New Convertible Bonds will be provided to holders of Existing Convertible Bonds, and the exchange is subject to various jurisdictional and securities-law related limitations.

Issuance of New Convertible Bonds: The Company will issue New Convertible Bonds which will benefit from (a) security in the form of senior all asset security from the Company, Biocartis N.V. and Biocartis US, Inc. and over the shares of Biocartis N.V. and Biocartis US, Inc., and rank junior to the New Convertible Term Loans and the existing security, and (b) guarantees from the Company's wholly-owned subsidiaries Biocartis N.V. and Biocartis US, Inc. They will be issued in an amount of up to EUR 131.5 million (depending on the exchange participation and including the EUR 25 million upside), and mature in November 2026 if the Transactions herein occur and in May 2024 if such Transactions do not occur. The New Convertible Bonds will pay a 4.5% cash coupon semi-annually, and will be subject to a make-whole provision. The New Convertible Bonds will not be redeemable by the Company in the first year following their issuance, and can only be redeemed thereafter prior to the maturity date if the share price of the Company exceeds 150% of the conversion price determined for the New Convertible Bonds, which will be equal to 125% of the floor price of the New Convertible Term Loans. The issuance of New Convertible Bonds is subject to separate documentation and is subject to various jurisdictional and securities-law related limitations.

Buyback of Existing Convertible Bonds held by Backstoppers: As consideration for committing to provide the New Convertible Term Loans the Company will repurchase approximately 30% of the Backstoppers' holdings of Existing Convertible Bonds (prior to the Equitization), which will be at a discounted price of EUR82.50 per EUR100.00, if the Transactions complete.

Advisers: Cowen and KBC Securities are serving as financial advisors and Baker McKenzie is serving as legal counsel to the Company.

Further implementation:

- The transactions described above are subject to conditions and subject to finalizing additional contractual agreements. The New Convertible Term Loans becoming available on the terms described above are conditional on the approval of the amendment of the terms and conditions of the Existing Convertible Bonds, the exchange of Existing Convertible Bonds and the issuance of New Convertible Bonds, the buyback of Existing Convertible Bonds held by the Backstoppers, shareholder approval and the Company's equity raise. The Company intends to complete the Transactions by the end of the year. The Company intends to convene an extraordinary general shareholders' meeting in order to approve (amongst others) (a) the conversion feature of the New Convertible Term Loans and New Convertible Bonds, the extended conversion of the Existing Convertible Bonds, (b) the new equity raise, (c) the customary change of control provisions in the New Convertible Term Loans and instruments to be issued by the Company, and (d) the renewal of the powers of the Company's board of directors to increase the Company's capital pursuant to the authorised capital.
- In the event that shareholders do not approve these requests at the shareholder's meeting, the Transactions will not complete in full, the Company will not be recapitalised, various fees and expenses will be paid to the Backstoppers, certain terms of the New Convertible Terms Loans become more restrictive, and the Company will need to consider alternative arrangements, which may not be available on time or at all.

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About Biocartis

Biocartis (Euronext Brussels: BCART) is an innovative molecular diagnostics (MDx) company providing next generation diagnostic solutions aimed at improving clinical practice for the benefit of patients, clinicians, payers and industry. Biocartis' proprietary MDx Idylla™ platform is a fully automated sample-to-result, real-time PCR (Polymerase Chain Reaction) system that offers accurate, highly reliable molecular information from virtually any biological sample in virtually any setting. Biocartis is developing and marketing a continuously expanding test menu addressing key unmet clinical needs, with a focus in oncology, which represents the fastest growing segment of the MDx market worldwide. Today, Biocartis offers tests supporting melanoma, colorectal and lung cancer, as well as for SARS-CoV-2/flu/RSV and sepsis. More information: www.biocartis.com. Follow us on [@Twitter: @Biocartis_](https://twitter.com/Biocartis_).

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This announcement is not a prospectus for the purposes of Regulation 2017/1129, as amended (together with any applicable implementing measures in any Member State of the European Economic Area, the "Prospectus Regulation") or the Prospectus Regulation as it forms part of UK domestic law by virtue of the UK European Union (Withdrawal) Act 2018 and as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (each as amended) (the "UK Prospectus Regulation").

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The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended from time to time (the "U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold in the United States unless these securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. Biocartis has not registered, and does not intend to register, any portion of the offering of the securities concerned in the United States, and does not intend to conduct a public offering of securities in the United States.

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