



The first connected diabetes management platform

Press release

## Financing with a total nominal amount of €1.5 million arranged through a convertible bond issue reserved for Yorkville

Paris, France, January 29, 2019 – Cellnovo Group (“**Cellnovo**” or the “**Company**” - CLNV: EN Paris), a medical technology company marketing the first connected diabetes management platform composed of an insulin micro-pump communicating via Bluetooth® with a locked-down Android™ smartphone, announces today a financing with a total nominal amount of €1.5 million through the issue of bonds convertible into new shares of the Company (“**CBs**”), entirely reserved to YA II PN LTD (the “**Investor**”), an investment fund managed by US investment management company Yorkville Advisors Global LP.

### Legal basis of the issue

The Company’s CEO, acting under delegation granted by the Company’s Board of Directors in its meeting held on January 15, 2019, itself acting upon delegation granted by shareholders during the Company’s combined annual general meeting held on May 24, 2018 (the “**AGM**”) in its twenty-fifth resolution, today decided to issue 150 CBs with a par value of €10,000 each to the Investor, in compliance with articles L. 225-129-2, L-225-129-4, L. 225-135, L-225-138 and L. 228-91 et seq. of the French Commercial code.

### Aims of the transaction

This financing is intended to strengthen Cellnovo's cash position in order to finance the Company's current expenses over the coming months and is part of the transactions announced in the Company's press release of January 14, 2019. In particular, it does not modify the terms of the loans granted by Kreos, nor the characteristics of the convertible bonds and warrants of the Company subscribed by Kreos and described in the aforementioned press release. It is specified that a minor mistake appears in said press release: in the summary table that summarizes the main terms of the first and second tranches of the loan concluded in July 2018, in line entitled "Final position after drawdown of the first and second tranches", the total sum of the first two tranches (third column) is equal to "€2,000,000 (or €6,000,000 in the event of conversion into OCAs)".

### Terms of the transaction - Timetable

The CBs were issued in a single tranche and will be fully subscribed by the Investor by January 31, 2019 at the latest. The main characteristics of the CBs are described in an appendix to this press release.

No request will be made to admit the CBs for trading on the Euronext Paris regulated market, and so they will not be listed.

As from their issuance and until all the outstanding CBs have been converted and/or redeemed, the Investor undertakes:

- not to request a seat on the Board of Directors; and
- not to hold, at any time, more than 4.99% of the Company’s outstanding shares. The calculation of this ratio shall only include shares already issued, and potential new shares resulting from the conversion of the outstanding CBs and held by the Investor shall not be taken into account.

The transaction does not give rise to the filing of a prospectus with AMF.

### **About Cellnovo (Euronext: CLNV)**

Cellnovo Group is global innovative medical technology company supporting the needs and desires of people with type 1 diabetes. Cellnovo has developed and markets a novel diabetes management system, which is a connected platform that aims to make life easier for people with type 1 diabetes. Cellnovo's insulin delivery system comprises a discreet, wearable micro-pump that communicates via Bluetooth® with a locked-down Android™ smartphone. This unique system allows optimal management of insulin dosing and delivery while ensuring freedom of movement and peace of mind. Thanks to the transmission of data in real time, the patient's status can be seamlessly monitored by family members and healthcare professionals. Cellnovo is currently participating in several major Artificial Pancreas projects with TypeZero, PEPPER and Diabeloop, to develop fully automated, closed-loop insulin delivery systems.

For more information go to [www.cellnovo.com](http://www.cellnovo.com)

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CLNV)



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**Key features of the CBs:**

Investor/Subscriber	YA II PN, LTD, an investment fund managed by US investment manager Yorkville Advisors Global, LP.
Single tranche	A single tranche of one million five hundred thousand euros (€1,500,000) fully subscribed by January 31, 2019 at the latest.
Subscription price	The nominal value of the CBs, i.e. €10,000 per CB.
Term	Twelve (12) months from the date of issuance of the CBs.
Interest rate	0% (or, in case a default event occurs, 15% per year payable in cash or in shares at the CB-holder's discretion)
Security	None
Transfer	The CBs (i) are freely assignable or transferable by the Investor to any of its affiliates and (ii) may not be assigned or transferred to any other third party without the Company's prior written agreement.
Redemption	At maturity, or in case a default event occurs, the Company must redeem any unconverted CBs.
Default event	Default events include a failure by Cellnovo to comply with the terms of the CB issue agreement (in particular, with respect to borrowing restrictions, the grant of guarantees and asset disposals), the delisting of Cellnovo shares and in case of a change in control of the Company.
Conversion of the principal amount	<p>Into ordinary shares of the Company, at any time during the conversion period, at the request of the CB-holder, at a price per share (the "<b>Conversion Price</b>") equal to:</p> <ol style="list-style-type: none"> <li>i. if the Market Price (as defined below) is lower than €2.35 on the conversion date: 92% of the Market Price, or</li> <li>ii. if the Market Price is equal to or higher than €2.35: 85% of the Market Price,</li> </ol> <p>provided that:</p> <ul style="list-style-type: none"> <li>• the "<b>Market Price</b>" shall be equal to the lowest average volume-weighted average price ("<b>VWAP</b>") of Cellnovo shares during the 10 stockmarket trading days preceding the relevant conversion date;</li> <li>• in any event, the Conversion Price shall not be lower than the higher of: (a) the par value of one share of the Company (currently €1.00) and (b) the minimum price set by the AGM in its 25th resolution, i.e. 80% of the average VWAP during the three stockmarket trading days preceding the conversion date (in each case, the "<b>Minimum Price</b>"); and</li> <li>• if the Conversion Price, calculated without taking into account the Minimum Price (the "<b>Theoretical Conversion Price</b>") is lower than the par value of a share of the Company, the Company shall pay to the CB-holder, in cash or additional new shares, at the Company's sole discretion, an indemnity equal</li> </ul>

	to the closing price of a Company share on the conversion date multiplied by the difference between (a) the amount to be converted divided by the Theoretical Conversion Price and (b) the amount to be converted divided by the par value of a Company share; provided that, in case of a payment in new shares, the total number of such shares shall not exceed 300,000 in the aggregate.
New shares	The new shares issued through the conversion of CBs will bear current dividend rights. They will confer the same rights as those attached to the Company's existing ordinary shares and will be admitted for trading on the regulated market of Euronext Paris.  The Company will maintain on its website (www.cellnovo.com) a tracking table of the CBs and the number of outstanding shares.
Potential dilution – Maximum number of shares	The maximum number of new shares that may be subscribed by the Investor on conversion of the CBs shall be limited to 1,500,000, representing around 7.84% of the share capital* on a non-diluted basis (or 1,800,000, representing around 9.26% of the share capital, if the theoretical Conversion Price is lower than the par value of one share in the Company and/or the Investor chooses to have any interest paid in shares).  * At the date of this press release, the Company has issued a total of 17,641,765 shares.

**Theoretical impact of the CB issue (based on a Market Price equal to the closing price of the Company's shares on January 28, 2019, i.e. €1.352):**

For illustrative purposes, the impact of the issuance of the CBs would be as follows:

- Impact of the issue on equity per share (calculated on the basis of the Company's consolidated equity at June 30, 2018 and the number of shares comprising the Company's share capital on January 29, 2019, i.e. 17,641,765):

	Consolidated equity per share at June 30, 2018	
	Non-diluted basis	Diluted basis <sup>(1)</sup>
Before issue	€0.914	€0.824
After the issuance of 1,205,942 new shares <sup>(2)</sup> resulting from the conversion of CBs	€0.935	€0.848

<sup>(1)</sup> assuming the exercise of all dilutive instruments currently existing, which could give rise to the creation of an indicative maximum of 1,920,294 new shares.

<sup>(2)</sup> Number of shares resulting from the conversion of bonds with a nominal value of €1,500,000 at a Conversion Price equal to 92% of the assumed Market Price.

- Impact of the issue on the equity interest of a shareholder holding 1% of the Company's share capital prior to the issue and not subscribing to it (calculations based on the 17,641,765 shares comprising the Company's share capital on January 29, 2019):

	Shareholder's stake (%)	
	Non-diluted basis	Diluted basis <sup>(1)</sup>
Before issue	1%	0.90%
After the issuance of 1,205,942 new shares resulting from the conversion of CBs	0.94%	0.85%

*(1) assuming the exercise of all dilutive instruments currently existing, which could give rise to the creation of an indicative maximum of 1,920,294 new shares.*