

Ikonisys has signed a financing agreement of up to €5.1m of aggregate principal amount to continue its commercial and development strategy and has drawn down a first tranche

Paris, October 5, 2022 – Ikonisys SA (Euronext Growth Paris: ALIKO), a company specializing in the early and accurate detection of cancers with a unique fully-automated solution for medical analysis labs (the “**Issuer**”), announces it has secured a financing program that could reach an aggregate nominal amount of €5.1 million with Atlas Capital Markets (the “**Investor**”), in the form of bonds convertible into new shares (“**OCA**”), with a par value of €10,000 each, with attached share subscription warrants (“**BSA**”, together referred to as “**OCABSA**”), and the drawn down of a first tranche of €500,000 of aggregate nominal amount on the date hereof. This financing can be drawn down in several tranches for the next 2 years, without any obligation to do so.

The purpose of this funding program is to provide the Company with additional resources to continue the commercial roll-out strategy of the Ikoniscope20 in the United States and Europe, through direct sales and accredited distributors as well as to continue the development of the Ikoniscope platform, adding additional reagents and applications, including AI-based analysis software.

Mario Crovetto, CEO of Ikonisys, comments: *“This transaction allows us to finance our needs in a flexible way, in addition to other possible available sources of financing, in order to pursue the company’s strategy in terms of commercialization, but also of development, with the ambition to continue pushing the boundaries of our state-of-art technology.”*

Legal framework of the transaction

The Issuer’s board of directors approved the entry into this financing program in its meeting dated October 4, 2022.

The securities to be issued in the framework of this financing agreement will give access to the Issuer’s share capital with cancellation of the shareholders’ preferential subscription rights. Such securities will be issued on the basis of the 9th resolution of the general meeting of the shareholders of Ikonisys dated June 16, 2022.

This financing program will not require the approval of a prospectus by the AMF.

Main characteristics of the OCA

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The OCA will be issued in several tranches.

The OCA pertaining to the first tranche, having an aggregate principal amount of €500,000, have been issued on the date hereof. Each subsequent tranche of OCA to be issued in the framework of this financing agreement will have an aggregate principal amount of €200,000.

It is specified that in the case where less than 20 OCA issued in the framework of the first tranche would have been converted by the Investor as at the date of the drawdown of the second tranche, the second tranche will be issued in two instalments, the aggregate principal amount of the first instalment of OCA being equal to the aggregate principal amount of the OCA of the first tranche then converted by the Investor. The second instalment of the second tranche may then be issued once the aggregate principal amount of the OCA of the first tranche converted by the Investor shall be at least equal to €200,000.

The tranches of OCABSA will be issued upon request of the Issuer, subject to standard conditions precedent described in Note 1 and no earlier than the expiry of a period of 30 trading days from the drawdown of any tranche.

The OCA will have a par value of €10,000. The subscription price of each OCA will be equal to their par value.

The OCA will be transferable subject to the prior approval of the Company, except upon occurrence of an event of default (as detailed in Note 2 below). The OCA will not be listed or admitted to trading on a financial market.

The OCA will not bear interest and will have a 24 months maturity period from their date of issuance. Holders of OCA may request at any time to convert them until their maturity date. On their maturity date, and if the OCA have not been converted yet, the OCA will be automatically converted into new shares on the maturity date.

Upon occurrence of an event of default (as detailed in Note 2 below), unconverted OCA may be redeemed by the Issuer, upon request of the Investor, at their nominal amount.

The Issuer shall have the right to redeem any OCA outstanding at their par value at any time.

The OCA may be converted in new shares at any time at the conversion ratio determined by the following formula:

$N = Vn / (Pr)$,

Where:

“N” is the number of new shares to be issued to the OCA holder

“Vn” is the nominal amount of the OCA, i.e. €10,000

“Pr” is the conversion price, i.e., 92% of the average of all the daily volume-weighted average prices of the shares over the 10 trading days preceding the date on which a conversion is requested (the “**Pricing Period**”), it being specified that 20 OCA pertaining to the first tranche shall have a fixed conversion price of €2.05 (the “**Conversion Price**”).

Any trading day where the Investor has sold more than 20% of the daily volumes of the shares on Euronext Growth shall be excluded from the Pricing Period.

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Main characteristics of the BSA

The total number of BSA issued within the framework of this financing will be calculated so that if all BSA are exercised, the total number of new shares to be issued by the Issuer to the holder of said BSA shall be equivalent to 15% of the total nominal amount of the OCA to be issued divided by the exercise price of such BSA.

The BSA shall be detached from the OCA immediately upon their issuance.

They may be transferable subject to the prior approval of the Company, except upon occurrence of an event of default (as detailed in Note 2 below).

The BSA will not be listed or admitted to trading on a financial market. They may be exercised within three years from the date of the financing agreement.

Each BSA will give its holder a right to subscribe one (1) new share, subject to legal adjustments.

The exercise price of the BSA will be calculated using the following formula:

$$Pe = 130\% \times P,$$

Where:

“Pe” is the exercise price of the BSA

“P” is the volume-weighted average price of the share on their date of issuance. It is specified that, with respect to the 34,155 BSA issued in the framework of the first tranche, “P” is equal to €1.6891.

Depending on the assumed volatility of the share price applied (3.04 %) and on the basis of the Issuer’s closing share price on October 4, 2022 (i.e. €1.70), the theoretical value of a BSA is equal to €0.4531.

Commitment of trading volume limitation by the Investor

The Investor committed not to sell Ikonisys shares representing more than 25% of the daily volumes on Euronext Growth Paris.

Commitment fees

As compensation for the Investor’s commitment to subscribe to the OCABSA tranches issued within the framework of the financing agreement, the Issuer paid the Investor commitment fees equal to €250,000, through the issuance of 25 additional OCA (with no BSA attached) on the date of issuance of the first tranche.

Such additional OCA may not be converted by the Investor until the expiry of a 4-month period from their date of issuance and may only be converted once all OCA issued in the framework of previous tranches shall have been converted.

Impact of the transaction in terms of managing liquidity risk and financing horizon

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As at December 31, 2021, the Company's consolidated cash and cash equivalents amounted to €1,516,526, as mentioned in the annual financial statements issued on April 29, 2022.

The financing program presented above, concerning a total nominal value of €5.1 million if made fully available to the Company, would enable the Company to meet its financing requirements for more than 12 months.

Main risks associated with the Issuer

The main risks associated with the Issuer are set out in the 2021 annual financial report for the financial year ended December 31, 2021, published on April 29, 2022, and available on the website of the Issuer (www.lkonisys.com).

Theoretical impact of the issuance of the OCABSA (on the basis of the Issuer's closing share price on October 4, 2022 (i.e. €1.70))

For illustration purposes, the impact of the issuance of OCABSA would be as follows:

- Based on the 9,481,727 shares outstanding and the equity as at December 31, 2021 (i.e. €20,013,576), the theoretical impact on equity per share would be:

Impact on equity per share (1)	Non-diluted basis	Diluted basis
Before issuance of OCABSA	€2.11	€2.02
After issuance of 264,195 new shares resulting from the conversion of the first tranche of OCA	€2.10	€2.02
After issuance of 264,195 new shares resulting from the conversion of the first tranche of OCA and the issuance of 34,155 shares resulting from the exercise of the first tranche of BSA	€2.11	€2.02
After issuance of 138,863 new shares resulting from the conversion of the OCA issued as payment of the commitment fees	€2.08	€1.99
After issuance of 3,306,527 new shares resulting from the conversion of all the OCA and BSA (including the OCA issued as payment of the commitment fees)	€2.02	€1.96

(1) Theoretical calculations made on the basis of the Issuer's closing share price on October 4, 2022, i.e. €1.70, and an OCA conversion price corresponding to 92% of the volume-weighted average price of the Shares over the 10 trading days preceding such date, i.e. €1.9569, and an exercise price of BSA of 130% of the volume-weighted average price of the Shares on such date, i.e. €2.1958. This dilution does not affect the final number of shares to be issued or their issue price, which shall be determined according to the share price, as described above. The diluted basis takes into account the exercise of all existing dilutive instruments that could result in the creation of an indicative maximum of 426,673 new shares.

- Based on the 9,481,727 shares outstanding, the theoretical impact on a shareholder holding a 1% stake in the Issuer's share capital prior to the transaction would be:

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Impact on a shareholder holding a 1% stake in the Issuer's share capital prior to the transaction (1)	Non-diluted basis	Diluted basis
Before issuance of OCABSA	1.00%	0.96%
After issuance of 264,195 new shares resulting from the conversion of the first tranche of OCA	0.97%	0.93%
After issuance of 264,195 new shares resulting from the conversion of the first tranche of OCA and the issuance of 34,155 shares resulting from the exercise of the first tranche of BSA	0.97%	0.93%
After issuance of 138,863 new shares resulting from the conversion of the OCA issued as payment of the commitment fees	0.96%	0.92%
After issuance of 3,306,527 new shares resulting from the conversion of all the OCA and BSA (including the OCA issued as payment of the commitment fees)	0.74%	0.72%

(1) Theoretical calculations made on the basis of the Issuer's closing share price on October 4, 2022, i.e. €1.70, and an OCA conversion price corresponding to 92% of the volume-weighted average price of the Shares over the 10 trading days preceding such date, i.e. €1.9569, and an exercise price of BSA of 130% of the volume-weighted average price of the Shares on such date, i.e. €2.1958. This dilution does not affect the final number of shares to be issued or their issue price, which shall be determined according to the share price, as described above. The diluted basis takes into account the exercise of all existing dilutive instruments that could result in the creation of an indicative maximum of 426,673 new shares.

Note 1: main conditions to the subscription of OCABSA by the Investor:

- No material adverse change has occurred;
- No authority (including the AMF) has opposed or is opposed to the issuance of the OCA (or their conversion) or BSA (or their exercise);
- The Issuer's shares are still listed and the listing of the Issuer's shares has not been suspended (and no risk of any such suspension has been identified);
- 15 trading days prior to the issuance of any tranche, the market capitalisation of the Issuer amounts to at least Euro 4,000,000;
- Except for the first tranche and the second tranche, the average of the daily volumes of the Ikonisys shares traded on Euronext Growth Paris during the fifteen (15) trading days prior to the relevant date of issuance amounts to at least €15,000.

Note 2: main events of default:

- Include the delisting of the shares, a failure to deliver or late delivery of shares to the Investor, and the occurrence of a material adverse change

About Ikonisys

Ikonisys SA is a cell-based diagnostics company based in Paris (France), New Haven (Connecticut, USA) and Milan (Italy) specialized in the early and accurate detection of cancer. The company develops, produces and markets the proprietary Ikoniscope20® platform, a fully-automated solution designed

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to deliver accurate and reliable detection and analysis of rare cells. Ikonisys has received FDA clearance for several automated diagnostic applications, which are also marketed in Europe under CE certification. Through its breakthrough fluorescence microscopy platform, the company continues to develop a stream of new tests, including liquid biopsy tests based on Circulating Tumor Cells (CTC).

For further information, please go to www.ikonisys.com

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Disclaimer

This press release contains forward-looking statements about the Issuer's prospects and development. These statements are sometimes identified by the use of the future tense, the conditional tense and forward-looking words such as "believe", "aim to", "expect", "intend", "estimate", "believe", "should", "could", "would" or "will" or, where appropriate, the negative of these terms or any other similar variants or expressions. This information is not historical data and should not be construed as a guarantee that the facts and data set forth will occur. This information is based on data, assumptions and estimates considered reasonable by the Issuer. It is subject to change or modification due to uncertainties relating to the economic, financial, competitive and regulatory environment. This information contains data relating to the Issuer's intentions, estimates and objectives concerning, in particular, the market, strategy, growth, results, financial situation and cash flow of the Issuer. The forward-looking information contained in this press release is made only as of the date of this press release. The Issuer does not undertake to update any forward-looking information contained in this press release, except as required by applicable law or regulation. The Issuer operates in a competitive and rapidly changing environment and therefore cannot anticipate all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the materialization of any one risk or combination of risks could cause results to differ materially from those expressed in any forward-looking information, it being recalled that none of this forward-looking information constitutes a guarantee of actual result

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