

# Intrasense opens its share capital to the Guerbet Group, which announces its intent to file a voluntary tender offer under the same price conditions

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Intrasense (FR0011179886 - ALINS), a specialist in medical imaging software solutions ("Intrasense" or the "Company") announces that the Guerbet Group (FR0000032526 - GBT) has acquired a 39% stake in its share capital through a reserved share capital increase for a total amount of 8.8 million euros at an issuance price of 0.44 euro per share, representing a premium of 34.15% over the last closing price of the shares of Intrasense (the "Capital Increase").

Following this acquisition, Guerbet plans to file in the near future, on a voluntary basis, a proposed tender offer for the balance of the shares of Intrasense at a price of 0.44 euro per share, and for the securities giving access to the share capital of the Company (the "Offer"), in order to offer to Intrasense's shareholders, and to holders of securities giving access to the share capital of the Company, an immediate liquidity under the same price conditions, without any intent to delist Intrasense.

*"Our goal is to accelerate our growth dynamic by continuing to invest in innovation and maximizing the distribution of our solutions. The presence of a reference shareholder in our capital such as Guerbet responds to this challenge. It provides us with the ability to penetrate our target markets much more rapidly and efficiently through an enriched offering and the optimization of our visibility within the global medical imaging ecosystem. We are delighted with this opportunity for Intrasense and welcome the great complementarity of our proposals",* comments Nicolas Reymond, CEO of Intrasense.

*"Our acquisition of a stake in Intrasense is a concrete expression of our desire to leverage the digital imaging technology and algorithms that we have developed over the past several years. This strategic partnership will enable us to benefit from proven expertise in the integration of artificial intelligence into the clinical routine of practitioners in imaging and oncology",* said David Hale, CEO of Guerbet.

## A joint development project in Artificial Intelligence

Intrasense has recognized expertise in the field of software solutions that facilitate and secure diagnosis, decision making and therapeutic follow-up in medical imaging, in particular thanks to its clinical orchestration capabilities of artificial intelligence, within the daily practice of clinicians.

Guerbet, a leading global player in the medical imaging market, has diversified its activities in the digital sector in recent years, notably by developing innovative artificial intelligence algorithms enabling the detection of liver lesions, prostate and pancreatic cancers and bone metastases. In November 2022, Guerbet took over all the algorithms developed in the framework of its partnership with Merative (IBM Watson) as well as their intellectual property, giving it the strategic latitude necessary to plan the marketing of these solutions.

Guerbet's acquisition of a stake in Intrasense will enable Intrasense to enhance its product offering and benefit from the support of a major shareholder to carry out the investments required to implement its growth plan. It will enable Guerbet to enhance the value of its technology and artificial intelligence algorithms.

As part of this project, Intrasense and Guerbet plan to enter into a licensing agreement in the first half of 2023 that would enable Intrasense to integrate and market Guerbet's artificial intelligence algorithms within its software platforms, thereby complementing the various partnerships already concluded in oncology. A collaboration agreement has been in place since October 2022 to study the technical feasibility of this integration and the two companies have also recently entered into a non-binding agreement on the main terms and conditions of the envisaged licensing agreement. This agreement was negotiated *at arm's length*. More specifically, it will enable Intrasense to integrate the algorithms developed by Guerbet for the detection of liver lesions, prostate cancer, pancreatic cancer and bone lesions, into its Myrian product offering and into its new oncology product line. Intrasense will be responsible for the clinical validation and regulatory registration of the products for which it will be the legal manufacturer.

Integration of numerous artificial intelligence technologies from Guerbet and third parties is in line with the 'clinical routine tools' strategy already initiated by Intrasense. The delivery of this strategy will strengthen Intrasense's high value-added offering in the global imaging market.

As a world leader in medical imaging, Guerbet is recognized for its expertise and has a global marketing and sales presence. Intrasense will benefit from this unique insight into various markets around the world, notably through a stronger presence at major world imaging conferences.

Thanks to these numerous assets, Intrasense, an autonomous structure linked to Guerbet, aims to continue to grow in its markets.

## Main characteristics of the Share Capital Increase

### Terms and conditions of the issuance

In the context of the Share Capital Increase, 20,000,000 new Intrasense shares (the "New Shares") were issued at an issuance price of 0.44 euro per share (including 0.05 euro of nominal value per share and an issuance premium of 0.39 euro per share) in favour of Guerbet, i.e. a premium of 34.15% compared to the closing price of the Intrasense share on January 10, 2023 (being the last trading day prior to the announcement of the Share Capital Increase) and of 35.21% compared to the volume-weighted average price during the fifteen (15) trading days prior to the pricing of the Share Capital Increase. This transaction represents a fund raising of a total gross amount of 8,800,000 euros (issuance premium included).

The New Shares have been issued by way of a share capital increase with cancellation of the shareholders' preferential subscription rights in accordance with the 13<sup>th</sup> resolution of the extraordinary general meeting of shareholders held on September 1, 2022 delegating to the Company's Board of Directors the power to carry out a share capital increase reserved for a category of persons in accordance with article L. 225-138 of the French Commercial Code.

The settlement-delivery of the New Shares and their admission to trading on Euronext Growth Paris are scheduled for January 13, 2023.

The New Shares will carry dividend rights and will be entitled, as from their issuance, to all distributions decided by the Company as from that date, will be traded on the same line as the existing shares (ISIN FR0011179886), and will be fully assimilated to the existing shares of the Company.

Following settlement-delivery of the New Shares, Guerbet will hold 39% of the share capital and 38.7% of the voting rights of Intrasense.

#### **Impact on the shareholder's situation**

The impact of the Share Capital Increase on the interest of a shareholder holding 1% of the Company's share capital (calculated on the basis of the number of shares making up the Company's share capital as of January 11, 2023) is as follows:

	<b>Shareholder's interest in %</b>	
	Non diluted basis	Diluted basis*
Before issuance of the 20,000,000 New Shares	1.00	0.93
After issuance of the 20,000,000 New Shares	0.61	0.58

\* in the event of (i) the exercise of instruments giving access to the capital representing a maximum number of 1,041,666 potential new shares, and (ii) the issuance of the 1,388,848 free shares allocated and likely to be issued at the end of their respective vesting periods under the 2021-01 to 2021-05 plans.

#### **Impact on shareholders' equity**

The impact of the Share Capital Increase on the proportion of consolidated shareholders' equity per share (calculated on the basis of consolidated shareholders' equity as at June 30, 2022 and the number of shares comprising the Company's share capital as at January 11, 2023) is as follows:

	<b>Portion of equity (in euros)</b>	
	Non diluted basis	Diluted basis*
Before issuance of the 20,000,000 New Shares	0.10	0.11
After issuance of the 20,000,000 New Shares	0.23	0.23

\* in the event of (i) the exercise of instruments giving access to the capital representing a maximum number of 1,041,666 potential new shares, and (ii) the issuance of the 1,388,848 free shares allocated and likely to be issued at the end of their respective vesting periods under the 2021-01 to 2021-05 plans.

### **Use of the proceeds of the issuance**

The proceeds of the Share Capital Increase will be used by Intrasense to strengthen its offer in its key areas, by continuing its efforts in research and development, also through the integration of new artificial intelligence algorithms, thus completing the various partnerships already concluded to date.

Intrasense's investment strategy is based on:

- A strengthening of the R&D teams around the integration of artificial intelligence and the development of product lines in radiology and oncology. In radiology, this will enable implementation of a brand-new version of the Myrian platform in the coming years, based on new cloud and SaaS technologies. In oncology, it will accelerate the functional enrichment of the solution currently under development;
- The integration of new artificial intelligence algorithms from technical and business partners, accelerating the enrichment of Intrasense's solutions;
- A strengthening of Intrasense's clinical competencies, in order to set up and execute clinical validation studies of new artificial intelligence solutions, notably in the framework of recent and upcoming agreements signed with partners;
- Maintaining sales and marketing efforts in France, Europe, China and new geographies such as Brazil;
- Significant efforts to ensure the launch of the new oncology product line to ensure its success.

The financing provided to Intrasense through the Share Capital Increase will allow the Company to strengthen and accelerate the execution of its strategy in the coming years.

### **Impact of the issuance in terms of liquidity risk management and funding horizon**

This Share Capital Increase will provide Intrasense with a financing horizon of more than 48 months after the completion of the transaction.

### **Changes in the shareholder structure following the Share Capital Increase**

The breakdown of the Company's share capital and voting rights before and after the Share Capital Increase is presented in **Appendix 1** to this press release.

### **Risk factors**

Detailed information about the Company, including its business, financial information, results, prospects and related risk factors, can be found in Intrasense's 2022 Half Year Report and 2021 Annual Report. These documents are available on the Company's website (<https://intrasense.fr/>). Your attention is drawn to the risk factors relating to the Company and its business, which are set out in Note 10 to the consolidated half-year financial statements included in Intrasense's 2022 half-year report, and in Note 10 to the consolidated annual financial statements included in Intrasense's 2021 annual report.

In addition, investors are invited to take into consideration the following risks specific to the Share Capital Increase:

- the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued in the framework of the Share Capital Increase;
- the volatility and liquidity of the Company's shares could fluctuate significantly;
- sales of the Company's shares could occur on the market and have an adverse impact on the Company's share price;
- the Company's shareholders could suffer a potentially significant dilution from any future share capital increases made necessary by the Company's search for financing.

## Intent of Guerbet to file a voluntary tender offer for the balance of the shares of Intrasense

### Terms and conditions of the Offer

Following the completion of the Share Capital Increase, Guerbet plans to file a voluntary tender offer for the balance of the shares of Intrasense at a price of 0.44 euro per share and on the outstanding warrants.

The objective of the Offer will not be to delist the Intrasense shares, but to grow the company, to structure its shareholding to serve the development of its activity and to strengthen its governance. Consequently, no squeeze-out will be implemented at the end of the Offer, even if the legal and regulatory conditions are met.

The Offer will be financed by Guerbet through the use of its existing credit facilities and will not be subject to any regulatory approval or other conditions.

The Offer and the offeror's draft tender offer document will remain subject to review by the AMF, which will assess their compliance with the applicable legal and regulatory provisions.

### Appointment of an independent expert in connection with the proposed Offer

An investment agreement was signed today between the Company and Guerbet for the purposes of the completion of the Share Capital Increase and the launch of the Offer (the "**Investment Agreement**"). The Investment Agreement, the content of which will be detailed in Guerbet's draft tender offer document in the context of the proposed Offer, is intended to govern the terms and conditions of Guerbet's investment in the share capital of the Company as well as the governance of the Company following the Offer.

In accordance with article 261-1-III of the general regulations of the AMF, the Board of Directors of Intrasense set up an *ad hoc* committee on December 23, 2022, composed of the following members:

- Ms. Michèle Lesieur, independent director, Chair of the *ad hoc* committee;
- Ms. Anne Larpin, independent director;
- Mr. Patrice Rullier, independent director.

It is specified that the purpose of the *ad hoc* committee is (i) to propose to the Board of Directors the appointment of the independent expert, (ii) to ensure the follow-up of the work of the independent expert, and (iii) to prepare a draft reasoned opinion concerning the proposed Offer.

The Board of Directors met today and unanimously appointed, in accordance with the recommendation of the *ad hoc* committee, Paper Audit & Conseil, represented by Mr Xavier Paper, as independent expert. The latter will be in charge of drafting a report on the financial conditions of the proposed Offer, pursuant to article 261-1-I, 1°, 2°, 4° and 5° of the AMF's general regulations.

In accordance with the applicable stock exchange regulations, the independent expert will submit his final report at the end of a minimum period of twenty trading days from his appointment. In light of the conclusions of the independent expert's report, the Board of Directors of the Company will meet in order to decide on the interest of the Offer and on the consequences of the latter for the Company, its shareholders and its employees.

The report of the independent expert and the reasoned opinion of the Board of Directors of Intrasense will be included in the draft response document prepared by the Company, which will be filed with the Autorité des marchés financiers ("AMF") in order to obtain a declaration of compliance, in accordance with applicable regulations.

Guerbet and the Company will inform Intrasense's shareholders of key developments relating to the Offer as soon as possible.

## Update on fiscal year 2022 activity and outlook for Intrasense

On this occasion, Intrasense announces its first unaudited business results for the year 2022. The Group continues to grow outside of the war zone (around +11%). However, the Company is impacted by the geopolitical situation in Eastern Europe and the health situation in China. Therefore, the Company anticipates a consolidated turnover of circa €3.8M by December 31, 2022, with an overall decrease of approximately 9% in revenues compared to the previous year.

Intrasense is also diversifying its activities in new geographies such as Brazil. Despite the health situation, China performed well with a +25% growth in activity. These results therefore validate the choices made over the last few months, as well as the resilience and responsiveness of the Company.

Restated operating profit before depreciation and amortization (EBITDA) would be between €-2.3 million and €-2.9 million for the year 2022, including €-0.6 million IFRS 2 impacts. This operating result is the result of the investment policy decided in mid-2021 in the context of the development of the new product line related to oncology and remains monitored and controlled.

Intrasense's gross cash position is expected to be circa €+1.4 million on December 31, 2022, after taking into account the State Guaranteed Loan (SGL) of €547,000 obtained by Intrasense on December 23, 2022. Thus, Intrasense's cash position net of financial debt on December 31, 2022 should be circa €+1.0 million.



By 2026, Intrasense aims, through its strategy of integrating artificial intelligence technology from third parties, including Guerbet, at doubling its revenues compared to fiscal year 2022, and at reaching operational balance (in terms of EBITDA).

## Disclaimer

The Share Capital Increase did not give rise to the approval of a prospectus by the AMF. At the request of the Company, the listing of Intrasense shares will resume on January 12, 2023 at markets opening.

## About Intrasense

Founded in 2004, Intrasense develops and markets a unique medical device, Myrian®, a software platform that facilitates and secures diagnosis, decision making and therapeutic follow-up.

Thanks to Myrian®, more than 1,000 healthcare institutions in 40 countries benefit from a single, integrated platform for reading all types of images (MRI, CT, etc.). Enriched with expert clinical applications for specific pathologies, Myrian® offers a universal image

processing solution that can be integrated into all healthcare information systems. Intrasense has 55 employees, including 20 dedicated to Research and Development. Labelled as an "innovative company" by the BPI, it has invested more than 12 million euros in Research and Development since its creation.

Learn more at [www.intrasense.fr](http://www.intrasense.fr).

## About Guerbet

At Guerbet, we build lasting relationships to enable people to live better. This is our raison d'être. We are a global leader in medical imaging, offering a comprehensive range of pharmaceutical products, medical devices and digital and AI solutions for diagnostic and interventional imaging.

A pioneer in the field of contrast media for 95 years with more than 2,700 employees worldwide, we are constantly innovating and devote between 8% and 10% of our sales to research and development in five

centers in France, Israel and the United States. Guerbet (GBT) is listed in compartment B of Euronext Paris and achieved a turnover of 732 million euros in 2021.

Learn more at [www.guerbet.com](http://www.guerbet.com).

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## APPENDIX 1

### Changes in the shareholding structure following the Share Capital Increase

The breakdown of the Company's share capital and voting rights before the Share Capital Increase is as follows:

Shareholders	Non-diluted basis				Diluted basis			
	Shares	%	Voting rights	%	Shares	%	Voting rights	%
Legal entity/natural person >5%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Guerbet	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Management and board	15 925	0,1%	15 935	0,1%	1 404 773	4,2%	1 404 783	4,1%
Free float	31 264 489	99,8%	31 597 946	99,9%	32 306 155	95,7%	32 639 612	95,7%
Treasury shares	47 000	0,2%	0	0,0%	47 000	0,1%	47 000	0,1%
<b>TOTAL</b>	<b>31 327 414</b>	<b>100,0%</b>	<b>31 613 881</b>	<b>100,0%</b>	<b>33 757 928</b>	<b>100,0%</b>	<b>34 091 395</b>	<b>100,0%</b>

Following the Share Capital Increase, the breakdown of the Company's share capital and voting rights is as follows:

Shareholders	Non-diluted basis				Diluted basis			
	Shares	%	Voting rights	%	Shares	%	Voting rights	%
Legal entity/natural person >5%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Guerbet	20 000 000	39,0%	20 000 000	38,7%	20 000 000	37,2%	20 000 000	37,0%
Management and board	15 925	0,0%	15 935	0,0%	1 404 773	2,6%	1 404 783	2,6%
Free float	31 264 489	60,9%	31 597 946	61,2%	32 306 155	60,1%	32 639 612	60,3%
Treasury shares	47 000	0,1%	0	0,0%	47 000	0,1%	47 000	0,1%
<b>TOTAL</b>	<b>51 327 414</b>	<b>100,0%</b>	<b>51 613 881</b>	<b>100,0%</b>	<b>53 757 928</b>	<b>100,0%</b>	<b>54 091 395</b>	<b>100,0%</b>