



TransMedics Group, Inc. Prices \$400 Million of Convertible Senior Notes Due 2028

May 9, 2023

ANDOVER, Mass., May 8, 2023 /PRNewswire/ -- TransMedics Group, Inc. ("TransMedics") (Nasdaq: TMDX), a medical technology company that is transforming organ transplant therapy for patients with end-stage lung, heart, and liver failure, today announced the upside and pricing of \$400 million aggregate principal amount of convertible senior unsecured notes that will mature on June 1, 2028, unless earlier redeemed, repurchased or converted. The offering was upsized from the previously announced offering size of \$300 million aggregate principal amount of notes. TransMedics has also granted the initial purchasers of the notes an option to purchase, within a 13-day period beginning on, and including, the initial issuance date of the notes, up to an additional \$60 million aggregate principal amount of notes. The sale of the notes to the initial purchasers is expected to settle on May 11, 2023, subject to customary closing conditions.

TransMedics estimates that the net proceeds of the offering will be approximately \$387.2 million (or approximately \$445.4 million if the initial purchasers' option to purchase additional notes is exercised in full), after deducting the initial purchasers' discounts and commissions and estimated offering expenses payable by TransMedics. TransMedics intends to use approximately \$45.3 million of the net proceeds from the offering to pay the cost of the capped call transactions described below. In addition, TransMedics intends to use the remaining net proceeds to expand its logistics network through potential partnerships and acquisitions and for general corporate purposes.

The notes will be senior unsecured obligations of TransMedics and bear cash interest at a rate of 1.50% per year, payable semiannually in arrears on June 1 and December 1 of each year, beginning on December 1, 2023. The notes will be convertible, only during certain periods and subject to certain circumstances, into cash, shares of TransMedics common stock, or a combination of cash and shares of TransMedics common stock, at TransMedics' election. The initial conversion rate for the notes is 10.6388 shares of TransMedics' common stock per \$1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately \$94.00 per share of TransMedics' common stock, representing an approximately 32.5% conversion premium based on the last reported sale price of TransMedics' common stock on May 8, 2023. Prior to June 8, 2026, the notes will not be redeemable. On or after June 8, 2026, TransMedics may redeem for cash all or a portion of the notes (subject to certain conditions), at its option, if the last reported sale price of TransMedics' common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which TransMedics provides notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

In connection with the pricing of the notes, TransMedics entered into privately negotiated capped call transactions with certain of the initial purchasers or their respective affiliates and certain other financial institutions (the "option counterparties"). The capped call transactions are expected generally to reduce the potential dilution to TransMedics' common stock upon conversion of any notes and/or offset any potential cash payments TransMedics is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap. To the extent any observation period for any converted notes does not correspond to the period during which the market price of TransMedics' common stock is measured under the terms of the capped call transactions, there could also be dilution and/or a reduced offset of any such cash payments as a result of the different measurement periods. The cap price of the capped call transactions will initially be \$141.88 per share, which represents a premium of 100.0% over the last reported sale price of TransMedics' common stock of \$70.94 per share on May 8, 2023, and is subject to certain adjustments under the terms of the capped call transactions. If the initial purchasers of the notes exercise their option to purchase additional notes, TransMedics expects to enter into additional capped call transactions with the option counterparties.

TransMedics has been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates expect to purchase shares of TransMedics' common stock and/or enter into various derivative transactions with respect to TransMedics' common stock concurrently with or shortly after the pricing of the notes. This activity could increase (or reduce the size of any decrease in) the market price of TransMedics' common stock or the notes at that time. In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to TransMedics' common stock and/or by purchasing or selling TransMedics' common stock or other securities of TransMedics' in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so on each exercise date for the capped call transactions, which are expected to occur on each trading day during the 40 trading day period beginning on the 41st scheduled trading day prior to the maturity date of the notes, or, to the extent TransMedics exercises the relevant election under the capped call transactions, following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the notes). This activity could also cause or avoid an increase or a decrease in the market price of TransMedics' common stock or the notes, which could affect the ability of holders to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of the notes, it could affect the number of shares of TransMedics' common stock and value of the consideration that holders will receive upon conversion of the notes.

The notes are being offered only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The offer and sale of the notes and any shares of common stock issuable upon conversion of the notes have not been, and will not be, registered under the Securities Act or any other securities laws, and the notes and any such shares cannot be offered or sold absent registration or except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of such jurisdiction.

About TransMedics Group, Inc.

TransMedics is the world's leader in portable extracorporeal warm perfusion and assessment of donor organs for transplantation. Headquartered in Andover, Massachusetts, the company was founded to address the unmet need for more and better organs for transplantation and has developed technologies to preserve organ quality, assess organ viability prior to transplant, and potentially increase the utilization of donor organs for the treatment of end-stage heart, lung, and liver failure.

Forward-Looking Statements

This press release contains forward-looking statements with respect to, among other things, statements about the estimated net proceeds of the offering and TransMedics' anticipated use of such net proceeds. These forward-looking statements are subject to a number of risks and uncertainties. Our management cannot predict all risks, nor can we assess the impact of all factors on the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in or implied by any forward-looking statements we may make. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated in or implied by the forward-looking statements. Factors that could cause actual results to differ materially include: risks and uncertainties related to the satisfaction of customary closing conditions related to the offering; the risk that TransMedics may not be able to consummate the proposed offering on the anticipated terms, or at all; and other factors described in our filings with the Securities and Exchange Commission (the "SEC"), including under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 27, 2023, and comparable disclosure in our subsequent filings with the SEC. We will make information available in our annual and quarterly reports and other filings with the SEC. The forward-looking statements in this press release speak only as of the date of this press release. Factors or events that could cause our actual results to differ may emerge from time to time, and we are not able to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.

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