



## PRESS RELEASE

# CARMAT launches a capital increase without shareholders' preferential subscription rights and with a 4-trading day priority subscription period on an irreducible basis to shareholders for an initial amount of €46 million

Paris, December 5, 2017 – 7 am CET

CARMAT (the "**Company**"), the designer and developer of the world's most advanced artificial heart project, aiming to provide a therapeutic alternative for people suffering from end-stage biventricular heart failure, today announces the launch of a capital increase without shareholders' preferential subscription rights by way of a public offering and with a priority subscription period, on an irreducible basis (*à titre irréductible*) only, to its existing shareholders (the "**Offering**"), for an initial amount of €46 million that may be increased to a maximum of €52.9 million in the event of the full exercise of the increase option (*clause d'extension*).

The Offering is intended to provide the Company with the means to continue its development and, in particular, in order of priority to finance the Pivotal study and the CE marking process, the development of its production capacities, the start of the clinical study in the United States and the commercial launch of its product.

**Stéphane Piat, Chief Executive Officer of CARMAT, comments:** *"Over the past months, CARMAT has significantly reinforced its development on both the clinical front, with the internationalization of the PIVOTAL study, and the industrial front, with the implementation of an efficient production tool and top-tier industrial partnerships to prepare for the large-scale manufacturing stages. Today, we are launching a capital increase in order to secure our final development stages before the marketing of our total artificial heart in Europe, scheduled for 2019. As our ambition is to provide an answer to a global health issue, we also intend to devote part of the amount raised to the initiation, next year, of clinical trials in the United States, a strategically important country in the adoption of cardiac devices. Lastly, we would like to thank our existing shareholders who already committed to subscribe for an amount of €34.5m and wish to involve all our shareholders in the acceleration of our project by enabling them to subscribe to this new financing round within the framework of a priority subscription period on an irreducible basis, in order to support CARMAT's development whilst retaining their equity stake in the Company."*

The Company's existing shareholders, registered as of December 5, will be granted a 4-trading day priority subscription period on an irreducible basis from December 6, 2017 to December 11, 2017 (inclusive). The shares not subscribed for in connection with the priority period and the new shares that may be issued pursuant to the exercise of the increase option will be subject to a global offering, comprised of an open price public offering in France (the "**Public Offering**") and a global placement (the "**Global Placement**") comprising a private placement in France primarily intended for qualified investors and an international private placement primarily intended for institutional investors in certain countries.

Orders placed in the Public Offering and Global Placement will be subject to clawback depending on the results of the subscriptions on an irreducible basis within the priority period.

The maximum subscription price of the new shares will be €20 per share. This maximum price does not predetermine under any circumstances the subscription price that may be set.

The maximum number of new shares that may be issued in connection with the capital increase is 4,000,000 new shares, *i.e.* 62.8% of the Company's share capital.

The definitive number of shares to be issued as well as the final price of the Offering will be determined at the end of the Global Placement, scheduled for December 12, 2017.

This Offering is managed by BNP Paribas and ODDO BHF SCA, acting as Global Coordinators, Lead Managers and Joint-Bookrunners. Portzamparc is acting as Co-Lead Manager (BNP Paribas, ODDO BHF SCA and Portzamparc together, the “**Managers**”).

**Intentions and subscription commitments of the main shareholders and new investors:**

Babalia (family office of Mr. Pierre Bastid), a shareholder holding 291,710 shares in the Company (*i.e.* 4.6% of the share capital), has irrevocably undertaken (i) to subscribe on an irreducible basis in the context of the priority subscription right for new shares for an amount of €2,106,029 and (ii) to place an order of €17,893,971 in the context of the Global Placement, *i.e.* a total amount of €20m.

Santé Holdings SRL (family office of Dr. Antonino Ligresti), a shareholder holding 188,882 shares in the Company (*i.e.* 3.0% of the share capital), has irrevocably undertaken (i) to subscribe on an irreducible basis in the context of the priority subscription right for new shares for an amount of €1,363,652 and (ii) to place an order of €8,636,348 in the context of the Global Placement, *i.e.* a total amount of €10m.

ALIAD (Air Liquide), a shareholder holding 26,983 shares in the Company (*i.e.* 0.4% of the share capital), has irrevocably undertaken (i) to subscribe on an irreducible basis in the context of the priority subscription right for new shares for an amount of €194,806 and (ii) to place an order of € 805,194 in the context of the Global Placement, *i.e.* a total amount of €1m.

Truffle Capital, acting as asset management company for several funds that are shareholders of the Company holding together 715,369 shares in the Company (*i.e.* 11.2% of the share capital), has irrevocably undertaken to subscribe on an irreducible basis in the context of the priority subscription right for new shares for an amount of €1,000,000.

Groupe Therabel, a new investor (a Belgian pharmaceutical industrial) has irrevocably undertaken to place an order of €2,500,000 in the context of the Global Placement.

Overall, the subscription undertakings described above account for 75% of the aggregate initial amount of the capital increase (65.2% of the maximum amount of the capital increase in the event of full exercise of the increase option).

The Company is not aware of the intentions of its other shareholders or its other Board (*conseil d'administration*) members in relation to the capital increase.

**Lock-up undertakings**

The Company has agreed on a lock-up period starting from the approval (*visa*) granted by the French Financial Market Authority (*Autorité des marchés financiers* - “**AMF**”) on the Prospectus (as defined below) and expiring 180 calendar days following the settlement-delivery date of the new shares, subject to certain customary exceptions set out in the securities note (*note d'opération*) or to a possible waiver by the Global Coordinators, Lead Managers and Joint-Bookrunners and the Co-Lead Manager.

As part of the investment protocol signed on February 26, 2016, in connection with the Company's €50 million private placement, investors (ALIAD (Air Liquide), Cornovum, Babalia and Santé Holdings SRL) and historical shareholders (Matra Défense (Airbus Group), the funds managed by Truffle Capital, Professor Alain Carpentier and the Scientific Research Association of the Alain Carpentier Foundation) have undertaken not to sell their shares of the Company (shares held on that date as well as those subscribed in the context of the private placement), directly or indirectly, except with the prior consent of the investors and historical shareholders, until the earliest of the following two dates: (i) 2 years from the settlement-delivery of the reserved capital increase (*i.e.* April 28, 2018) and (ii) the date of the CE marking of the CARMAT heart.

It should nevertheless be noted that this commitment does not apply to the investment funds FCPI UFF Innovation 5 and FCPI Europe Innovation 2006 managed by Truffle Capital, whose sale of CARMAT securities would be necessary to enable them to meet their regulatory liquidity obligations (these funds hold respectively 35,318 shares and 175,272 shares at the date of the AMF's approval on the Prospectus).

There is no new lock-up undertakings related to the Offering.

## **Underwriting**

The Offering is not covered by an underwriting agreement.

Consequently, in the event of insufficient demand, the proposed capital increase may be limited to subscriptions received as they reach already 75% of the initial amount of the capital increase, which would not jeopardise the Company achieving its objectives.

## **Key terms of the capital increase**

### Issue amount and number of new shares to be issued

The initial amount of the capital increase (including the issue premium) is €46 million, which can be increased to €52.9 million in the event of the full exercise of the increase option, representing 15% of the initial amount.

Pursuant to the sixteenth resolution of the Company's general shareholders' meeting of April 27, 2017, the maximum number of new shares that may be issued in connection with the capital increase is 4,000,000, *i.e.* 62.8% of the Company's share capital.

### Offering structure and indicative timetable

The capital increase will be carried out without shareholders' preferential subscription rights but with an irreducible priority subscription period for the shareholders (only on the initial amount of the capital increase) of four consecutive trading days from December 6, 2017 to December 11, 2017 (inclusive) at 5:00 pm, granted to the shareholders registered as of December 5, 2017.

The new shares not subscribed for within the priority period, as well as the new shares to be issued, if applicable, in the event of exercise in whole or in part of the increase option, will be subject to a global offering, comprised of:

- An open price Public Offering in France, primarily intended for individuals, open from December 6, 2017 to December 11, 2017 (inclusive) at 5:00 pm (Paris time) for subscriptions made in person (*souscriptions aux guichets*) and at 8:00 pm (Paris time) for subscriptions made online (if this possibility is offered to them by their financial intermediary), and
- A Global Placement primarily intended for institutional investors open from December 6, 2017 to December 12, at 12:00 pm (Paris time), comprised of:
  - o a private placement in France primarily intended for qualified investors or persons providing investment management services for third-party portfolio management; and
  - o an international private placement primarily intended for institutional investors in certain countries.

Shareholders who wish to subscribe for more than the number of shares they can claim under the exercise of the priority period must place an order in the context of the Public Offering or the Global Placement, it being specified that the existing shareholders do not benefit from any priority in such case.

Orders placed in the Public Offering and Private Placement will be subject to clawback depending on the results of the subscriptions on an irreducible basis during the priority period.

The subscription price of the new shares offered under the priority period and the Public Offering will be equal to the subscription price of the new shares offered under the Global Placement (the "**Offering Price**"). The final number of shares to be issued as well as the final price of the Offering will be determined at the end of the Global Placement, scheduled for December 12, 2017, it being specified that pursuant to the sixteenth resolution of the Company's general shareholders' meeting on April 27, 2017, the Offering Price will be at least equal to the volume weighted average price of the last five trading days preceding the day on which the price for the new shares will be fixed, with a maximum discount of 30%.

## Availability of the prospectus

CARMAT informs it has filed with the AMF an update to its registration document - filed with the AMF on March 22, 2017 under number D.17-0200.

Paper copies of the registration document and the update to the registration document are available free of charge at the Company's registered office, located 36, avenue de l'Europe, Immeuble l'Etendard – Energy III, 78140 Vélizy-Villacoublay, on the Company's website ([www.carmatsa.com](http://www.carmatsa.com)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

The prospectus (the "**Prospectus**"), which received the AMF visa n°17-626 on December 4, 2017, consists of (i) the registration document of the Company filed with the AMF on March 22, 2017 under number D.17-0200 (the "**Registration Document**"), (ii) an update to the registration document of the Company filed with the AMF on December 4, 2017 under number D.17-0200-A01 (the "**Update to the Registration Document**") and (iii) a securities note (including a summary of the prospectus) (the "**Securities Note**").

Paper copies of the Prospectus are available free of charge at the Company's registered office, located 36, avenue de l'Europe, Immeuble l'Etendard – Energy III, 78140 Vélizy-Villacoublay. The Prospectus is also available on the Company's website ([www.carmatsa.com](http://www.carmatsa.com)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

Investors are advised to carefully consider the risk factors described in section 2 of the Company's Registration Document, as updated in the Update to the Registration Document, as well as in section 2 of the Securities Note before deciding whether to invest in the new shares. Should all or any part of these risk factors materialize, CARMAT's businesses, financials, results, development or prospects may be negatively affected.

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### About CARMAT: the world's most advanced total artificial heart project

**A credible response to end-stage heart failure:** CARMAT aims to eventually provide a response to a major public health issue associated with heart disease, the world's leading cause of death: chronic and acute heart failure. By pursuing the development of its total artificial heart, CARMAT intends to overcome the well-known shortfall in heart transplants for the tens of thousands of people suffering from irreversible end-stage heart failure, the most seriously affected of the 20 million patients with this progressive disease in Europe and the United States.

**The result of combining two types of unique expertise:** the medical expertise of Professor Carpentier, known throughout the world for inventing Carpentier-Edwards® heart valves, which are the most used in the world, and the technological expertise of Airbus Group, world aerospace leader.

**Imitating the natural heart:** given its size, the choice of structural materials and its innovative physiological functions, CARMAT's total artificial heart could, assuming the necessary clinical trials are successful, potentially benefit the lives of thousands of patients a year with no risk of rejection and with a good quality of life.

**A project leader acknowledged at a European level:** with the backing of the European Commission, CARMAT has been granted the largest subsidy ever given to an SME by Bpifrance; a total of €33 million.

**Strongly committed, prestigious founders and shareholders:** Airbus Group (Matra Défense), Professor Alain Carpentier, the Centre Chirurgical Marie Lannelongue, Truffle Capital, a leading European venture capital firm, ALIAD (Air Liquide's venture capital investor), CorNovum (an investment holding company held 50-50 by Bpifrance and the French State), the family offices of Pierre Bastid (Babalia) and of Dr. Antonino Ligresti (Santé Holdings S.R.L.) as well as the thousands of institutional and individual shareholders who have placed their trust in CARMAT.

For more information: [www.carmatsa.com](http://www.carmatsa.com)

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**CARMAT**  
**Stéphane Piat**  
Chief Executive Officer

**Benoît de la Motte**  
Chief Financial Officer  
Tel.: +33 1 39 45 64 50  
[contact@carmatsas.com](mailto:contact@carmatsas.com)

**Alize RP**  
Press Relations

**Caroline Carmagnol**  
Tel.: +33 1 44 54 36 66  
[carmat@alizerp.com](mailto:carmat@alizerp.com)

**NewCap**  
Investor Relations &  
Strategic Communication

**Dusan Oresansky**  
**Emmanuel Huynh**  
Tel.: +33 1 44 71 94 94  
[carmat@newcap.fr](mailto:carmat@newcap.fr)



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