



## PRESS RELEASE

# CARMAT launches a capital raise of a minimum of €50m reserved for specialized and strategic investors

**Paris, September 18, 2019 – 5.45 pm (CEST)**

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart project, aiming to provide a therapeutic alternative for people suffering from end-stage biventricular heart failure (the "**Company**"), today announces the launch of a capital raise exclusively reserved for the categories of investors defined below, of a minimum amount of €50 million at a price of €19 per share (the "**Reserved Offering**").

The Company is planning to use the funds raised by this Reserved Offering to:

- finalize the PIVOTAL study by accelerating the enrollment of patients of the second cohort in existing centers and expanding it to additional clinical centers in other countries with a view to obtaining CE marking in 2020;
- initiate a clinical feasibility study in the United States, following the conditional approval granted by the FDA (Food and Drug Administration, the US health authority); and
- transform CARMAT into an industrial and commercial company and prepare the marketing of its products, notably with:
  - the ramping up of the pace of production and the continuous improvement of manufacturing processes at the Bois-d'Arcy plant,
  - the adaptation of its organization and its IT System, and
  - the strengthening of its marketing and sales structure.

### **Terms of the Reserved Offering**

The gross proceeds of the Reserved Offering should be of a minimum amount of €50 million. As at June 30, 2019, the Company had a consolidated cash position of €15.7 million. The Company's clinical, industrial and commercial development generates financial requirements that CARMAT estimates at approximately €120 million until it reaches its self-financing point, should the Company not be able to use the balance on the EIB loan (€20 million) or the contingent equity line subscribed to with Kepler Cheuvreux (€22 million). This Reserved Offering, combined with its current cash position (excluding the Kepler Cheuvreux equity line and the balance of the EIB loan), should allow the Company to achieve its strategic objectives as well as to cover its working capital requirements through to mid-2021.

The Reserved Offering will be carried out without pre-emptive rights for the existing shareholders of the Company, on the basis of article L. 225-138 of the French commercial code (*code de commerce*) in accordance with the resolutions of the Company's extraordinary general meeting of March 28, 2019 (the "**Shareholders' Meeting**") and the decisions adopted by the board of directors today. It should be noted that the directors having shown an interest in participating in the Reserved Offering did not take part in the voting during the board meeting.

The price per share of the Reserved Offering will be €19 (representing a discount of 11.2% on CARMAT's closing price on September 18, 2019, i.e. €21.30, and a discount of 16.0% on CARMAT's volume-weighted average price during the five trading sessions preceding the setting of the issue price, i.e. €22.61). The definitive number of new shares to be issued will be decided by the Company's chief executive officer, under and within the limits of the subdelegations of competence granted by the Company's board of directors on the date of this press release.

The book-building process will begin immediately and should close before the markets open tomorrow, subject to any early closing or extension. The Company will announce the results of the Reserved Offering in a press release as soon as possible after the book-building ends.

The Reserved Offering is open to two categories of beneficiaries, (i) French or foreign investment fund or company investing mainly or having invested more than €5 million in the 24 months prior to the planned offering in the healthcare and life sciences industry (in accordance with resolution 16 of the Shareholders' Meeting), and (ii) strategic or financial partners of the Company, located in France or abroad, that have entered into or are expected to enter into one or more commercial or financing partnership agreements (development, co-development, distribution, manufacturing, etc.) with the Company (or a subsidiary), as well as affiliates of these partners (in accordance with resolution 17 of the Shareholders' Meeting).

The Reserved Offering will be available, within the categories of investors defined above, (i) to institutional investors in France, outside France excluding the United States pursuant to Regulation S and the U.S. Securities Act of 1933 (the "**Securities Act**") and within the category of specialized investors referred to in the 16<sup>th</sup> resolution above-mentioned only, (ii) to qualified institutional investors in the United States as defined by Rule 144A of the Securities Act and in accordance with the registration exemption provided for in section 4(a)(2) of the Securities Act.

The current shareholders Matra Défense SAS (subsidiary of the Airbus group), Lohas S.à.r.l (family office of Pierre Bastid) and Therabel Healthcare Investment s.a. (subsidiary of the Therabel pharmaceutical group), which hold respectively 14.1%, 13.7% and 1.3% stakes in the Company, have pledged to subscribe to this Reserved Offering for €6.4 million, €3 million and €3.5 million respectively. Moreover, Santé Holdings SRL (family office of Dr. Antonino Ligresti), which holds a 7.3% stake, has pledged to subscribe proportionately to its current stake.

New entrepreneur or family investors – CORELY BELGIUM SPRL and BRATYA SPRL (investment holding companies belonging to the Gaspard family, which owns Europe's leading office supplies distribution group LYRECO) and BAD 21 SPRL (investment holding company of Pierre-Edouard Stérin, founder of Smartbox) – have pledged to subscribe to the Reserved Offering for €15 million, €3.6 million and €7 million respectively, reflecting their confidence in the industrial project of CARMAT and their desire to support the Company over the long term alongside its current shareholders.

The subscription commitments received by the Company, as described above, thus represent a total amount of at least €42.2 million.

The settlement-delivery of the new shares and their admission to the Euronext Growth Paris organized multilateral trading system are scheduled for September 20, 2019.

The Reserved Offering is not subject to a prospectus requiring a visa from the AMF (*Autorité des Marchés Financiers*, the French financial market authority).

The attention of the public is drawn to the risk factors associated with the Company and its activity presented in Chapter 2 of the 2018 *document de référence* filed with the AMF under number D.19-0135 on March 12, 2019, which is available free of charge on the Company's website ([www.carmat.com](http://www.carmat.com)) and the AMF website ([www.amf-france.org](http://www.amf-france.org)). The occurrence of all or part of these risks could have a negative impact on the Company's activity, financial situation, results, development or outlook. The risk factors presented in that document are the same today.

Additionally, investors are invited to consider the following risks specific to this Reserved Offer: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued as part of the Reserved Offering, (ii) the volatility and liquidity of the Company's shares may

fluctuate significantly, (iii) sales of the Company's shares may take place on the market and have a negative impact on the market price its share, (iv) the Company's shareholders could suffer potentially significant dilution resulting from any future capital increases required to provide the Company with additional financing, and (v) as these shares are not intended to be listed on a regulated market, investors will not benefit from the guarantees associated with regulated markets.

In the context of the Reserved Offering, the Company has signed a lock-up commitment that comes into effect on the date of the signing of the placement agreement entered into between the Company and ODDO BHF SCA today and valid for 180 days from the date of settlement-delivery of the Reserved Offering, subject to certain customary exceptions. Certain directors and/or certain shareholders with a significant stake in the Company, together holding 47.3% of the Company's share capital, have also signed lock-up commitments taking effect on the date these commitments were signed and continuing for 90 days from the date of settlement-delivery of the Reserved Offering with respect to the Company's shares they hold, subject to certain customary exceptions.

ODDO BHF SCA is acting as the sole global coordinator and bookrunner of this transaction.

This press release does not constitute a prospectus within the meaning of the Prospectus directive, nor an offer to the public.

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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, composed of the implantable bioprosthesis and its portable external power supply system to which it is connected, 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.

**The first physiological artificial heart:** given its size, the use of highly biocompatible materials, its unique self-regulation system and its pulsatile nature, the CARMAT total artificial heart could, assuming the clinical trials are successful, potentially save the lives of thousands of patients each 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:** Matra Défense SAS (subsidiary of the Airbus Group), 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 (Lohas) and of Dr. Antonino Ligresti (Santé Holdings S.R.L.), Groupe Therabel 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

**Pascale d'Arbonneau**  
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 6 64 18 99 59  
[carmat@alizerp.com](mailto:carmat@alizerp.com)

**NewCap**  
Investor Relations &  
Strategic Communication

**Dusan Oresansky**  
**Alexia Faure**  
Tel.: +33 1 44 71 94 94  
[carmat@newcap.eu](mailto:carmat@newcap.eu)



Name: **CARMAT**  
ISIN code: **FR0010907956**  
Ticker: **ALCAR**

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*MIFID II Product Governance/Target Market: solely for the purposes of the requirements of article 9.8 of the EU Delegated Directive 2017/593 relating to the product approval process, the target market assessment in respect of the shares of Carmat has led to the conclusion in relation to the type of clients criteria only that: (i) the type of clients to whom the shares are targeted is eligible counterparties and professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("MiFID II"); and (ii) all channels for distribution of the shares of Carmat to eligible counterparties and professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the shares of Carmat (a "distributor") should take into consideration the type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the shares of Carmat and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes retail clients, the distributors have decided that the shares of Carmat will be offered, as part of the offer of the shares of Carmat, only to eligible counterparties and professional clients.*

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*No guarantee can be given as to any of the events anticipated by the forward-looking statements, which are subject to inherent risks, including those described in the Document de Référence registration document filed with the Autorité des Marchés Financiers under number D.19-0135 on March 12, 2019, as well as changes in economic conditions, the financial markets or the markets in which CARMAT operates. In particular, no guarantee can be given concerning the Company's ability to finalize the development, validation and industrialization of the prosthesis and the equipment required for its use, to manufacture the prostheses, satisfy the requirements of the ANSM, enroll patients, obtain satisfactory clinical results, perform the clinical trials and tests required for CE marking and to obtain the CE mark. CARMAT products are currently exclusively used within the framework of clinical trials.*