2019 half-year results

- Consolidated accounts drawn up at net asset value
- Positive equity of €174 thousand
- Trading in the Company's shares remains suspended
- Shareholders' Meeting on October 21, 2019 regarding the Company's early dissolution

PARIS - October 14, 2019 – 6.00 pm CEST - STENTYS (FR0010949404 — STNT), a French group specialized in medical technologies for interventional cardiology, today announced is consolidated half-year results to June 30, 2019 at net asset value, as approved by the Board of Directors on October 11, 2019 with a view to the Shareholders' Meeting of the Company on October 21, 2019 that will be asked to approve the Company's early dissolution and voluntary liquidation. The 2019 half-year financial report is available on the Company's website, www.stentys.com, under Investors/Filings/Accounts & financial reports (http://www.stentys.com/investors/filings).

Following the announcement of July 22, 2019 presenting the Company's early dissolution project, the consolidated half-year financial statements to June 30, 2019 are not presented in accordance with the 'going concern' principle. They are presented at net asset value: the assets have been booked at realization value. Liabilities have been booked taking into account all operating costs until the effective dissolution date. This change in accounting method requires the use of assumptions, judgments and estimates that could have a significant impact on the drawing up of accounts at net asset value. No comparison with the usual annual or half-year financial statements would therefore be relevant.

In these conditions, equity following the voluntary liquidation – if approved by the Shareholders' Meeting of October 21, 2019 – would be **174 thousand euros**, bearing in mind that this estimate is subject to a significant number of uncertainties that are out of the Company's hands during the liquidation period.

NEXT STEPS

- **Trading in the Company's shares remains suspended**

Until there is better visibility on the realization of the assumptions adopted to draw up its accounts at net asset value, and on the dissolution project that shareholders will be asked to approve at the upcoming shareholders' meeting, the Company has requested that trading in its shares continue to be suspended. Trading could resume when it publishes its next financial statements, if conditions allow this.

- **Extraordinary Shareholders' Meeting on October 21, 2019, notably to vote on the early dissolution and voluntary liquidation of the Company**

Should the required quorum not be met, the Shareholders' Meeting on the second call would be held on November 14, 2019 and postal votes received for the first meeting would remain valid for the meeting on the second call.
Should the required quorum not be met at the Shareholders' Meeting on the second call, or should shareholders fail to approve the early dissolution of the Company at the Shareholders' Meeting of October 21, 2019, the Company would then in all likelihood seek the initiation of insolvency proceedings with a view to the Company's judicial liquidation.

- **Early dissolution and voluntary liquidation of the Company**

Should the Company's early dissolution project be approved by the Shareholders' Meeting, its liquidation would be implemented under the auspices of the liquidator designated by the Meeting. The length of the Company's liquidation period would depend primarily on the liquidator and Management's ability to liquidate the Company's assets and pay off its creditors.

The Company draws readers' attention to the following elements:

- **The value of certain asset and liability items has been assessed by the Company and is based on complex assumptions. If these assumptions were to change after the closing of these accounts, the financial situation presented in half-year accounts could be significantly affected. The value of inventories and trade receivables, €1,886 thousand and €2,567 thousand respectively, are particularly sensitive to these assumptions (see notes 5.5 and 5.6 of the appendices to the Company's consolidated accounts).**

- **With no offer received thus far, no unrealized gain resulting from any divestment of certain intangible assets such as Brand, Minvasys client relations, the Xposition technological platform or the Capella Peel Away license has been booked (see note 3 of the appendices to the Company's consolidated accounts).**

- **Trade payables include payables not invoiced for a number of years with respect to the Group's clinical programs and intellectual property rights for a total of €1,187 thousand (see note 6.5 of the appendices to the Company's consolidated accounts).**

- **The Company's liabilities include a debt of €1,171 thousand, recognized within the framework of IFRS 16, corresponding to all future rents with respect to the Group's leasing contracts through to the expiry of these commitments (notably including the future rent on premises occupied by the Group for €883 thousand)**

To provide a clear picture of its financial situation, the Company has drawn up the following table:

€ thousands	**June 30, 2019**
Available cash at June 30, 2019	**8,054**
Inventories and work in progress	1,886
Accounts receivable and related accounts	2,567
Other receivables	1,335
Other current financial assets	215
Assets to be realized before liquidation	**6,003**
Provisions for future costs	-7,425
Short-term financial debts	-1,171
Accounts payable and related accounts	-3,991
Other liabilities	-1,297
Forward liabilities	**-13,883**
Expected liquidating dividend	**174**

The Company draws readers' attention to the fact that the payment of a liquidating dividend is notably conditional on the realization of all asset items presented above before the end of the liquidation period, and could also be increased should the realization of those assets exceed expectations or the value of certain liabilities be lower than expected.

Financial situation on June 30, 2019 at net asset value

€ thousands – IFRS[1]	**June 30, 2019**	December 31, 2018[2]
Non-current assets	0	7,435
Current assets (excluding cash position)	6,003	8,386
Cash and cash equivalents	8,054	9,878
Total assets	**14,057**	25,700
Total equity	**174**	18,370
Non-current liabilities	0	980
Current provisions	7,425	7
Short-term financial debt	1,171	202
Other current liabilities	5,288	6,141
Total liabilities	**13,883**	7,330
Total liabilities and equity	**14,057**	25,700

Within the framework discussed above, assets were revalued at their net asset value. Total depreciations of €10,145 thousand were thus written down.

Moreover, inventories of finished products were valued at their achievable value, in other words the value for which the Company believes it can sell these products. This revaluation led to the writing down of income of €942 thousand.

All expenses and income to come until the Company ceases activity estimated at November 30, 2019 and necessary to the effective liquidation of the Company estimated at March 31, 2019, were estimated and booked on a specific line of the balance sheet for €7,425 thousand. This provision notably incorporates personnel expenses including the wages until the departure plus the redundancy costs of all employees for a total of €4,942 thousand, costs waiting to be invoiced and incurred by the closing date of accounts, as well as the costs necessary for the Company's dissolution.

Other operating income and expenses associated with the Group's liquidation project were booked for a net figure of €220 thousand.

These adjustments have affected the Group's results to the tune of -€16,406 thousand and are indicated on the Other Operating Income and Expenses line of the income statement.

The Group has also applied IFRS 16 since January 1, 2019, and thus recognized a financial debt of €1,171 thousand, corresponding to future rent until the end of the Group's leases.

[1] *Consolidated half-year accounts have been the subject of a limited review.*
[2] *The acquisition of MINVASYS by STENTYS was completed on April 30, 2018 and its activity consolidated from May 1, 2018.*

2019 half-year results

€ thousands – IFRS[3]	**June 30, 2019**	June 30, 2018 pro forma[4]	June 30, 2018[5]
Revenues	5,063	5,506	3,639
Other income	50	10	2
Total income	**5,113**	**5,516**	**3,642**
Cost of goods sold	-2,831	-3,122	-2,070
Research & Development costs	-630	-1,036	-817
Sales & Marketing costs	-2,290	-2,612	-2,359
General & Administrative costs	-1,151	-1,585	-1,252
Share-based payment	0	-40	-40
Recurring operating loss	**-1,789**	**-2,878**	**-2,898**
Other operating income and expenses	-16,406	-112	-112
Operating loss	**-18,195**	**-2,990**	**-3,010**
Financial result	107	-127	-128
Net loss	**-18,089**	**-3,117**	**-3,138**

In the first half of 2019, STENTYS' key indicators progressed as follows:

- Revenues totaled €5.1 million, up 39% compared to June 30, 2018, thanks to the consolidation of the revenues of MINVASYS from April 30, 2018. However, this figure is down 8% compared with the €5,506 thousand of pro forma revenues[6] recorded in the first half of 2018;
- Heavily impacted by the procurement difficulties the group faced during the half, sales of the Xposition S stent fell 33% by value and 38% by volume in the second quarter of 2019;
- The gross margin excluding licensing income (other income) was 44% at June 30, 2019 vs. 43% at June 30, 2018. In the first half of 2018, the gross margin had fallen significantly due to provisions for inventory depreciation, written down in cost of goods sold. Despite the absence of depreciations in the first half of 2019, the gross margin was limited by tariff hikes imposed by the Group's subcontractors;
- Research and development costs were down 23% compared with the first half of 2018, due to the end of certain R&D projects;
- Sales & Marketing costs and General & Administrative costs were down 3% and 8% respectively as a direct result of the decrease in activity;
- The financial result includes translation differences associated with the American subsidiaries for €110 thousand, recycled in the income statement in anticipation of the subsidiary's closure;
- The Group had a cash position of €8.1 million at June 30, 2019, which we remind you is stable compared with the figure at September 30, 2019 (see the Company's press release of October 11, 2019) due to the receipt of payments for orders payed in cash and limited production in the third quarter of 2019.

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[3] *Consolidated half-year accounts have been the subject of a limited review.*

[4] *The acquisition of MINVASYS by STENTYS was completed on April 30, 2018 and its activity consolidated from May 1, 2018. This data was calculated to provide a comparable vision of the Group's activity as if the acquisition had been completed on January 1, 2018.*

[5] *The acquisition of MINVASYS by STENTYS was completed on April 30, 2018 and its activity consolidated from May 1, 2018.*

[6] *Pro forma data not reviewed by the statutory auditors, presented in accordance with IFRS 15. The acquisition of Minvasys by STENTYS was completed on April 30, 2018 and its activity consolidated from May 1, 2018. This data was calculated to provide a comparable vision of the Group's activity as if the acquisition had been completed on January 1, 2018.*

First-half 2019 highlights and recent events

- **Death of the Chief Executive Officer**

On May 10, 2019, the Company announced that its CEO, Mr. Christophe Lottin, had passed away following a serious illness that suddenly took a dramatic turn for the worse. On that same day, the Board of Directors decided that Mr. Michel Darnaud, Chairman of the Board, would take over as Chairman & CEO.

- **Early dissolution project**

On July 22, 2019, the Company announced that it had failed to find a strategic partner and that the Board had therefore decided to ask shareholders to vote on the early dissolution of the Company (see the press release of July 22, 2019). This press release resulted in the Company's shares being suspended from trading on the Euronext market in Paris.

- **Transitional provision relative to the approval to market the Amazonia SIR stent**

Within the framework of a CE marking renewal process, on August 2, 2019 the Company received a request from the French health authorities, following the announcement of its planned early dissolution, to suspend sales of its Amazonia SIR stent within the framework of a transitional regulatory provision. On October 7, 2019, the Company was authorized to resume sales of this product until January 8, 2020.

- **Non-renewal of the DEVOIR balloon distribution contract**

The Group markets a Sirolimus-coated coronary balloon within the framework of a distribution agreement signed in 2018 and due to expire in November 2019. This contract will not be renewed when it expires due to a unilateral decision by the manufacturer. Sales of this product totaled €388 thousand at June 30, 2019. The Group will continue to market the product until the contract expires.

- **WIN and SIZING studies discontinued**

Within the framework of its early dissolution project, the Company will not enroll any more new patients in the WIN or SIZING clinical registries in order to end these studies on October 30, 2019. Discontinuing these two studies will not lead to the booking of significant additional provisions.

Extraordinary Shareholders' Meeting of October 21, 2019

STENTYS will hold its Extraordinary Shareholders' Meeting on **October 21, 2019** at 4 pm CEST at the Bedford Hotel, 17 rue de l'Arcade, 75008 Paris.

Preparatory documents for this Meeting, including the postal voting form, are available on the Company's website, www.stentys.com, in the ***Investisseurs / Assemblée générale*** section of the French version.

If you are a STENTYS shareholder and wish to vote on the resolutions, you can:

- vote via your bank's web portal, if your bank subscribes to the VOTACCESS platform,
- vote by post, in accordance with the T&Cs indicated in the Participation Guide available on the STENTYS website,
- attend in person, by requesting an admission ticket.

Should the required quorum not be met, the Extraordinary Shareholders' Meeting on the second call would be held on **November 14, 2019 and postal votes will remain valid and taken into account.**

About STENTYS

The STENTYS group develops and markets minimally-invasive cardiovascular solutions for the needs of interventional cardiology. Its extensive range of innovative products, including drug-eluting stents, coronary and drug-eluting balloons as well as cardiovascular accessories, is marketed in over 60 countries. Thanks to its flagship product, Xposition S, the self-apposing stent that adapts to vessels with variable diameters and enables the treatment of complex arterial disorders, and to its portfolio of balloons and accessories, STENTYS covers all coronary indications.

Additional information is available at* www.stentys.com*.

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Forward-looking statements

This press release contains forward-looking statements about the Company that are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future which may not be accurate. Such forward-looking statements involve known and unknown risks which may cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the development and commercialization of the Company's products, market acceptance of the Company's products, its ability to manage growth, the competitive environment in relation to its business area and markets, its ability to enforce and protect its patents and proprietary rights, uncertainties related to the U.S. FDA approval process, slower than expected rates of patient recruitment for clinical trials, the outcome of clinical trials, and other factors, including those described in the Section 4 "Risk Factors" of the Company's 2016 Registration Document (*document de référence*) filed with the French *Autorité des Marchés Financiers* (AMF) on November 29, 2017 under number D.17-1084.