

STENTYS Reports 2016 First-Half Results

- Revenues up 40%
- Gross margin up to 59%
- 26% decrease in the operating loss
- Solid cash position of €18.1 million

PRINCETON, N.J. and PARIS - September 15, 2016 - STENTYS (FR0010949404 — STNT), a medical technology company commercializing the world's first and only Self-Apposing® coronary stent, today announces its half-year results to June 30, 2016, as approved by the Board meeting of September 15, 2016.

Christophe Lottin, Chief Executive Officer of STENTYS, comments: "The first half of the year was marked by an improvement in our results thanks to growth in revenue and a reduction in operating costs. We intend to continue along this line and work to reduce our operating losses during the year. With that in mind, we decided to immediately implement initial measures to reorganize some departments within STENTYS."

• 2016 first-half results

<i>€ thousands – IFRS*</i>	June 30, 2016	June 30, 2015
Revenues	3,644	2,606
Cost of goods sold	(1,490)	(1,231)
Research & Development costs	(1,979)	(1,857)
Sales & Marketing costs	(2,690)	(3,424)
General costs	(1,430)	(1,325)
Current operating loss (before share-based payments and exceptional income/expenses)	(3,944)	(5,232)
Share-based payments	(93)	(128)
Exceptional income/expenses (APPOSITION V)	3	(89)
Operating loss	(4,034)	(5,449)
Net loss	(4,107)	(5,421)

* Review procedures related to the consolidated accounts at the end of June 2016 have been carried out and the review report is currently under finalization.

The Company's P&L statement for the first half of 2016 was mainly characterized by the following trends:

- 40% increase in half-year sales to €3.6 million, following the continued marketing of the Xposition® portfolio;
- further improvement in gross margin during the first half of 2016, from 53% during H1 2015 to 59% in H1 2016, resulting from lower manufacturing costs of the Xposition® products compared to earlier generation stents;
- 24% reduction in net loss to -€4.1 million, compared to -€5.4 million a year earlier, thanks to a reduction in operating costs.

In detail, operating costs broke down as follows:

- Cost of goods sold: the manufacturing costs of the Xposition S being lower than those of the previous generation stents and the product mix having shifted towards the Xposition range in the first half of 2016, the gross margin saw a significant improvement (+600 bp).
- Research & Development: the R&D spending of €2 million includes a provision for inventory depreciation on previous generation stents for obsolescence.
- Sales & Marketing: the 21% decrease in these costs was due to the end of the contribution to the DESSOLVE III clinical trial, whose final patient was enrolled in December 2015.
- General and Administrative: between the first half of 2016 and first half of 2015, General and Administrative costs decreased by 18% when accounting for current expenses and increased slightly by 8% when including the provision associated with the change in CEO.

At June 30, 2016, STENTYS had 32 members of staff, compared with 31 a year earlier.

• **Cash position at June 30, 2016**

The Company had a cash position of €18.1 million¹ at June 30, 2016.

• **First-half highlights**

- Rights issue resulting in gross proceeds of €12.6 million: the proceeds of this successful issuance of 5,621,742 new shares will enable STENTYS to continue its development and its geographic expansion, firstly in Europe by extending its network of distributors and then by obtaining approvals in countries outside the CE Marking zone. The funds raised should also help finance further clinical trials in order to obtain data for the reimbursement of the Xposition S stent in France.
- CE Marking granted for the treatment of the left main coronary artery: when treating lesions of the left main coronary artery with conventional balloon-expandable DES, the artery's large diameter and significant tapering along the segment can result in structural deformations of the stent and significant malapposition. The STENTYS Self-Apposing stent adapts to vessels of varying diameters and perfectly fits the vessel wall along its entire length.

• **Strategy and outlook**

On July 4, 2016, the Company announced that its Board of Directors had appointed Christophe Lottin as its new CEO. Over the coming months, he will ensure the continuity of the strategy implemented by STENTYS focusing on two key areas:

1. Commercial and clinical development:

- sales ramp up in all countries in which the Company has a direct sales force or distributors for the Xposition stents;
- new markets opening;

¹ the cash position indicated in the press release of July 2016 included an escrow account of €0.2 million that is henceforth presented as financial assets.

- TRUNC clinical trial enrollment, which is assessing the self-apposing stent in the treatment of the left main coronary artery in 200 patients;
 - clinical studies initiation to obtain data for the reimbursement in France.
2. Improvement in structural costs: in the context of reducing operating costs further, the decision was made in July to reorganize some of the Company's operating functions, in particular its Clinical Affairs department, and to refocus its R&D activities in France.

- **Upcoming financial publication**

STENTYS expects to publish its revenues for the 3rd quarter of 2016 on **October 12, 2016**.

About STENTYS

STENTYS is developing and commercializing innovative solutions for the treatment of patients with complex artery disease. STENTYS' Self-Apposing[®] drug-eluting stents are designed to adapt to vessels with ambiguous or fluctuating diameters in order to prevent the malapposition problems associated with conventional stents. The APPOSITION clinical trials in the treatment of acute myocardial infarction showed a very low one year mortality rate and a faster arterial healing compared to conventional stents. The company's product portfolio also includes MiStent SES[®], a coronary DES whose new drug delivery mechanism is designed to match vessel response, and is marketed through STENTYS' commercial network in Europe, the Middle East, Asia and Latin America.

More information is available at www.stentys.com

Safe Harbor 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 2015 Registration Document (document de référence) filed with the French *Autorité des Marchés Financiers* (AMF) on August 30, 2016 under number D.16-804.

STENTYS

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ISIN: FR0010949404 – Ticker: STNT