

2018 Annual Results

- Consolidated annual revenues of €8.9 million, €10.7 million pro forma¹
- 8% improvement in the net loss
- 60% reduction in the operating cash burn
- Consolidated cash position of €9.9 million at December 31, 2018

PARIS - April 1, 2019 - 7.00 am CET - STENTYS (FR0010949404 – STNT), a French group specialized in medical technologies for interventional cardiology, today reports its annual results for the year ending on December 31, 2018, as approved by the Board of Directors on March 29, 2019.

Christophe Lottin, Chief Executive Officer of STENTYS, comments: “2018, marked by the acquisition of MINVASYS, was a transformative year for STENTYS. This first external growth operation has allowed us to expand our product portfolio and cope with the substantial pricing pressure and the commoditization of the stent market. We generated revenues of €9 million, a third of this in the final quarter, the most dynamic quarter of the year. Despite the integration costs inherent to this acquisition, our spending remained under control and our operating cash burn was cut by 60% over the year. Our financial structure was strengthened by the rights issue, and will enable us to continue the development of STENTYS on an interventional cardiology market that has become very restrictive.”

2018 annual results: 8% reduction in the net loss

€ thousands – IFRS ²	December 31, 2018	December 31, 2017
Revenues and other income	8,890	7,036
Cost of goods sold	-4,900	-3,493
Research & Development costs	-2,578	-2,377
Sales & Marketing costs	-4,689	-4,472
General & Administrative costs	-2,742	-2,141
Core operating loss (before share-based payments)	-6,019	-5,447
Other operating expenses/income	-119	-92
Share-based payment	-92	-139
Operating loss	-6,229	-5,678
Financial result	-2	-192
Tax	-57	0
Deferred tax	890	0
Net loss	-5,398	-5,870

¹ Pro forma data not yet reviewed by the statutory auditors, presented in accordance with IFRS 15 (mandatory application) with no difference compared with IAS 18 applied in 2017. 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 activity of the Group as if the acquisition had been completed on January 1, 2017.

² 2018 consolidated accounts have been audited and the certification of the auditor is pending.

During 2018, the main financial indicators of STENTYS have evolved as follows:

- a 26% increase in revenues to €8.9 million, versus €7.0 million in 2017, thanks to the acquisition of MINVASYS, whose activity was consolidated from May 1, 2018 (*the pro forma revenues³ of the Group totaled €10.7 million in 2018 versus €12.2 million in 2017, a 12% decrease*).
- a 10% increase in the core operating loss (before share-based payments), essentially due to the booking of an accelerated amortization of development costs capitalized between 2010 and 2013 and the Capella license acquired in 2014. Actually, the significant increases in the production prices of the Xposition S stent from suppliers in early 2019 have led the Company to revise its profitability horizon and accelerate the amortization of certain associated assets. Restated for this exceptional accounting impact, there would have been a 3% improvement in the operating loss compared with 2017. As reiterated in its reference document, since its creation the Group has opted for outsourced production in order to focus its resources on higher value-added and less capital-intensive activities. However, within an increasingly restrictive regulatory environment, this choice makes STENTYS more sensitive to tariff hikes by its production subcontractors.
- a 8% reduction in the net loss, mainly due to the recognition of deferred tax income of €890 thousand relating to the recognition of deferred tax within the framework of the allocation of the MINVASYS acquisition price.

In detail, operating costs broke down as follows:

- Cost of goods sold: the gross margin was 45% in 2018 versus 50% in 2017, affected by the inventory depreciations associated with previous generations of products and the Xposition S stent. Restated for these elements, the Group's gross margin was 50%, including 53% for products in the STENTYS range.
- Research & Development costs increased by 8% because of the accelerated amortization of certain assets as mentioned above.
- Sales & Marketing costs rose by 5%, essentially due to the consolidation of the MINVASYS activity from May 1, 2018. At constant scope, the Sales & Marketing costs of STENTYS decreased by 9%.
- General & Administrative costs increased by 28% to €601 thousand, the Company having incurred substantial costs associated with the integration of MINVASYS within the Group.

STENTYS had a workforce of 32 employees at December 31, 2018, versus 25 at December 31, 2017.

Financial structure strengthened by the €11.8 million raised in March 2018

At December 31, 2018, STENTYS had a cash position of €9.9 million, versus €8.8 million at December 31, 2017. This figure reflects the €11.8 million rights issue carried out in March 2018 to finance the MINVASYS acquisition and the substantial decrease in cash burn during the year thanks to the cost-reduction plan implemented by the Group.

Operating cash burn was €3.3 million in 2018 compared with €8.2 million in 2017, i.e. a 60% improvement.

2018 highlights

- **Acquisition of MINVASYS**
On April 30, 2018, the Company completed its acquisition of 100% of the shares and voting rights of MINVASYS, French specialist in innovative solutions for the treatment of cardiovascular disorders. This acquisition was completed with a view to creating a benchmark French group in interventional cardiology. The aim being to enable the Company to enhance its product portfolio and expand its commercial coverage. The acquisition, for €7.5 million, was paid for with €6.5 million in cash and €1 million in STENTYS shares, and was financed by a rights issue for a gross amount of €11.8 million carried out on March 13, 2018 (see press release of March 14, 2018).

³ Pro forma data not yet reviewed by the statutory auditors, presented in accordance with IFRS 15 (mandatory application) with no difference compared with IAS 18 applied in 2017. 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, 2017.

Details of this operation can be found in the Prospectus granted a visa by the AMF on February 20, 2018 under number 18-052 (available on the website of the Company).

- **Change in the Head Office**

On October 2, 2018, the Company transferred its head office to 17-19 avenue de la Métallurgie, Saint-Denis in order to unite the two companies of the Group under the same roof.

Strategy and 2019 outlook

Following the substantial price increases imposed by its subcontractors, as mentioned above, STENTYS has initiated a strategic thought process, the aim of which is to reduce the production costs of its products in order to maintain its competitive advantages.

In 2019, STENTYS plans to continue its commercial development, with the deployment of its new range across all its territories.

Upcoming publications and events

Revenues for the first quarter of 2019: Thursday April 11, 2019 (after market)

Shareholders General Meeting: Thursday May 16, 2019 from 4 pm CET at 21 place de la Madeleine, 75008 Paris, France

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

STENTYS

André Lerebours
CFO
Tel.: +33 (0)1 44 53 99 42
investor@stentys.com

NewCap

Investor Relations / Strategic Communications
Dusan Oresansky / Alexia Faure
Tel.: +33 (0)1 44 71 94 92
stentys@newcap.eu

STENTYS is listed on Compartment C of Euronext Paris
ISIN: FRO010949404 – Ticker: STNT

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.