2019 Annual Results

- Consolidated accounts drawn up at net asset value
- Positive equity of €751 thousand
- Trading in the Company's shares remains suspended

PARIS - May 5, 2020 – 6.00 pm CEST - STENTYS (FR0010949404 — STNT), a French group specialized in medical technologies for interventional cardiology, today announced is consolidated annual results, at net asset value, as approved by the Board of Directors on May 4, 2020.
The 2019 annual financial report[1] will be available shortly on the Company's website, www.stentys.com, under Investors/Filings/Accounts & financial reports (http://www.stentys.com/investisseurs/documentation/).

Given the Company's decision to gradually stop its activity, the consolidated annual financial statements to December 31, 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 (set at December 31, 2020 for financial statement purposes). 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 stands at **751 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.

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 numerous assumptions. If these assumptions were to change after the closing of these accounts, the financial situation presented in annual accounts could be significantly affected. In particular, the value of the provision for operating losses, €4,917 thousand, is particularly sensitive to these estimates (see note 4.3 of the appendices to the Company's consolidated accounts).

- The Company's liabilities includes a debt of €443 thousand, recognized within the framework of IFRS 16 and 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 the Gennevilliers premises for €163 thousand. If an agreement were to be reached with the lessor, equity could be significantly revaluated.

- 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 3.2 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 royalties on patents licensed to the Company for a total of €884 thousand (see note 4.5 of the appendices to the Company's consolidated accounts).

- At June 30, 2019, the Company published its half-year accounts at net asset value. In these accounts, equity was reported at €174 thousand. These accounts were notably based on the assumption that activity would cease on November 30, 2019 and the Company would be liquidated on March 31, 2020. The Company's activity continued until March 2020 and the assumption of the Company's liquidation has been pushed back to December 31, 2020. Furthermore, certain commitments such as the Company's main commercial lease have been terminated. Within this context, equity at net asset value on December 31, 2019 improved to €751 thousand.

[1] *Audit procedures have been carried out, and the auditor's report certifying these accounts is in the process of being issued*

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

€ thousands	**December 31, 2019**
Available cash at December 31, 2019	**8,160**
Inventories and work in progress	340
Accounts receivable and related accounts	564
Other receivables	984
Other current financial assets	186
Assets to be realized before liquidation	**2,074**
Provision for operating losses	-4,917
Short-term financial debts	-443
Accounts payable and related accounts	-2,472
Other liabilities	-1,651
Forward liabilities	**-9,482**
Expected liquidating dividend	**751**

The Company draws readers' attention to the fact that any payment of a liquidating dividend is conditional on the Company's liquidation that could occur following the safeguard proceedings initiated vis-à-vis the Company.

The Company's liquidation schedule will depend on the outcome and timeframe of the safeguard proceedings, it being specified that a voluntary liquidation will have to be approved by an Extraordinary Shareholders' Meeting. Furthermore, the size of any liquidating dividend will vary depending on the conditions of the realization of the Company's assets and settlement of its liabilities.

Financial situation on December 31, 2019 at net asset value

€ thousands – IFRS	**December 31, 2019**	December 31, 2018[2]
Non-current assets	0	7,435
Current assets (excluding cash position)	2,073	8,386
Cash and cash equivalents	8,160	9,878
Total assets	**10,233**	25,700
Total equity	**751**	18,370
Non-current liabilities	0	980
Current provisions	4,917	7
Short-term financial debt	443	202
Other current liabilities	4,123	6,141
Total liabilities	**9,482**	7,330
Total liabilities and equity	**10,233**	25,700

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

Within the framework discussed above, assets were revalued at their net asset value. Total depreciations of €9,191 thousand were thus written down.

Inventories of finished product stocks were valued at their achievable value, in other words the value at which they were sold during the first quarter of 2020. This revaluation led to the writing down of income of €106 thousand. On the date on which accounts were closed, the Company no longer having regulatory clearance to market its products, unsold inventories were destroyed.

All expenses and income to come until the Company's liquidation (assuming a liquidation date of December 31, 2020) was estimated and booked on a specific line of the balance sheet for €4,917 thousand. This provision notably includes the redundancy costs of all its employees for a total of €1,764 thousand, operating costs until the Company's liquidation for €1,965 thousand, the direct costs associated with the Group's liquidation for €912 thousand and the net cost of commercial activity until its cessation for €275 thousand.

Other operating income and expenses associated with the Group's liquidation project were booked for a net figure of €127 thousand.

These adjustments have affected the Group's results to the tune of -€13,769 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 €443 thousand corresponding to future rent until the end of the Group's leases.

2019 annual results

€ thousands – IFRS	**December 31, 2019**	December 31, 2018 pro forma[3]	December 31, 2018[4]
Revenues	8,224	10,738	8,873
Other income	92	27	17
Total income	**8,316**	**10,765**	**8,890**
Cost of goods sold	-4,942	-5,942	-4,900
Research & Development costs	-1,011	-2,799	-2,578
Sales & Marketing costs	-3,758	-4,844	-4,689
General & Administrative costs	-2,584	-3,078	-2,742
Share-based payment	0	-92	-92
Recurring operating loss	**-3,979**	**-5,989**	**-6,110**
Other operating income and expenses	-13,652	-119	-119
Operating loss	**-17,632**	**-6,108**	**-6,229**
Financial result	27	-8	-2
Corporate tax and deferred tax	0	833	833
Net loss	**-17,605**	**-5,283**	**-5,398**

[3] *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.*
[4] *The acquisition of MINVASYS by STENTYS was completed on April 30, 2018 and its activity consolidated from May 1, 2018.*

During 2019, STENTYS' key financial indicators progressed as follows:

- Revenue totaled €8.2 million in 2019 compared with €8.9 million in 2018. After having fallen -12% pro forma[5] in 2018, 2019 saw a further decrease of -27% pro forma[4].
- Heavily impacted by the procurement difficulties the Group faced in 2019, sales of the Xposition S stent notably fell by -33%, -55% and -57% during the final three quarters of 2019.
- The gross margin excluding licensing income (other income) was 40% at December 31, 2019 versus 45% at December 31, 2018. In 2019, the gross margin fell significantly because of tariff hikes imposed by the Group's subcontractors.
- The Group continued its cost-cutting efforts in 2019. Operating expenses (excluding share-based payments) fell by 27% over the year:
    - Research & Development spending decreased by 61% compared with 2018, given the cessation of R&D projects and the accelerated amortization of development costs recognized in 2018;
    - Sales & Marketing and General & Administrative expenses were down 20% and 6% respectively as a result of the decrease in activity.
- The Group has focused on collecting its client receivables and, since the beginning of 2019, has been working with two debt collection companies. The change in the working capital of client receivables was thus €2.9 million in 2019 compared with €57 thousand in 2018.
- The previous effects greatly contributed to the improvement in operating cash burn of over 60%, from -€3.3 million in 2018 to -€1.2 million in 2019.
- The Group had a cash position of €8.2 million at December 31, 2019. This cash position remained relatively stable over the final two quarters of 2019 thanks to orders paid in cash and the Company's collection efforts.

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 the failure of its search for a strategic partner and the Board of Directors' decision to ask shareholders to vote on the early dissolution of the Company (see press release of July 22, 2019). This led to trading in the Company's shares on the Euronext market in Paris being suspended.

The Company requested, via an application lodged with the Bobigny Commercial Court on August 1, 2019, the appointment of a special purpose trustee to help the Company in its search for any solutions that would enable it to overcome its difficulties or, should that not be possible, assist the Company's preparations for its early dissolution. Within the framework of this special purpose trustee procedure, Me. Joanna Rousselet, in her official capacity and in agreement with the Company's management, attempted to find candidates to acquire the Company's shares or assets. Notices were thus published on the ASPAJ website, on the CNAMJ website, in Les Echos, in the Financial Times and on the Mayday website, with the latest date for tabling offers set at September 27, 2019. Thirteen candidates requested information pertaining to the Company, three of which indicated real interest. However, at the time of publication of this press release, no offer has been received.

Simultaneously to this bid process, the Company's Board of Directors, judging that the conditions for the Company's viability were no longer met, wanted to ask its shareholders to vote on the Company's early dissolution to allow its voluntary liquidation in the best possible conditions.

[5] *Pro forma data not yet 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.*

To this end, a Shareholders' Meeting was convened on October 21, 2019. However, the required quorum was not met (participation rate of 19.4%) and the Meeting was unable to deliberate. A second Shareholders' Meeting was therefore convened on November 14, 2019 to discuss the same agenda.

However, on November 13, 2019, the Company received a conditional investment proposal from an entity associated with Alpha Blue Ocean (hereafter "ABO"), in the form of an offer to subscribe to an issuance by the Company of shares and convertible bonds with warrants attached (OCABSA) reserved for ABO.

In these conditions, to enable its shareholders to consider this proposal and allow the investor to submit a firm investment offer, the Company's Board of Directors decided to push back the Meeting of November 14, 2019 to November 29, 2019.

On November 27, 2019, the Company received a new investment offer (replacing the previous one) from European High Growth Opportunities Securitization Fund, an entity associated with ABO, in the form of a conditional proposal to subscribe to an issuance of shares and convertible bonds with warrants attached reserved for this investor.

Simultaneously, on November 28, 2019, the Company received a confidential and non-binding expression of interest from a third-party investor. This expression of interest concerned the Company's merger via shares with a non-listed company operating in a different sector of activity.

As a result, the Company's Board of Directors decided, on the morning of November 29, 2019, to postpone the Shareholders' Meeting due to take place on November 29, 2019 until December 18, 2019 to (i) enable the Company to look into the principle and feasibility of this expression of interest and (ii) allow the Company's shareholders to analyze the offer submitted by European High Growth Opportunities Securitization Fund.

In a letter dated December 5, 2019, the third-party investor informed the Company that it was withdrawing its expression of interest following a feasibility study into the envisioned merger operation.

On December 18, 2019, the Company's Board of Directors, in view of the latest elements at its disposal, felt that the conditions enabling it to successfully undertake a voluntary liquidation were no longer fulfilled, and therefore decided to cancel the Shareholders' Meeting of December 18, 2019 that was due to discuss the Company' voluntary dissolution.

The same day, the Company announced it was considering asking the commercial court to initiate insolvency proceedings.

All of the financial year's key events are presented in note 1 of the Company's 2019 consolidated accounts.

Recent events

- **Gradual winding up of the Company's activity**

As indicated in note 1.2 of the appendices to the 2019 consolidated accounts, the Group is no longer able to continue its activity under current conditions given the difficulties encountered. This is the reason why it wanted to wind up its activity within the framework of the Company's voluntary liquidation, as announced to the markets on July 22, 2019.

However, the total stopping of the Company's activity was postponed as a result of an investment proposal from European High Growth Opportunities Securitization Fund (see note 1.2 of the appendices to the 2019 consolidated accounts).

During this period, the Company was in a position to finance the continuation of its activity. However, its financial situation has inevitably been deteriorating over time given the losses it is generating.

As of the date of this press release, the Company has received no serious takeover offers and has failed to find a strategic partner.

It has therefore implemented measures to narrow its scope, i.e. to stop its historical activity and cut its structural costs, to avoid finding itself in an irreparably compromised situation.

On the date on which accounts were closed, all of the Group's employees were made redundant on economic grounds or resigned, apart from 4 employees.

- **Initiation of safeguard proceedings**

This narrowing of the scope has resulted in, and will lead to in the short term, costs (layoffs, lease terminations, termination of various contracts, etc.), whilst realizing and collecting the Company's assets (inventory divestment, collection of client receivables, etc.) will take more time.

The Company therefore wanted to benefit from the protection offered by safeguard proceedings to enable it to calmly realize and collect its assets before paying its various commitments. Otherwise, the Company, unable to cope with the costs engaged until it has realized and collected its assets, would risk finding itself in a cessation of payment situation.

Pursuant to its ruling of April 1, 2020, the Bobigny Commercial Court has initiated safeguard proceedings vis-à-vis the Company for an initial period of six months (see French press release of April 1, 2020).

Foreseeable developments

The purpose of safeguard proceedings is therefore to enable the Company to successfully narrow its scope in conditions that will allow it to eventually (i) meet its commitments and (ii) ultimately prepare, in the best possible conditions, its voluntary liquidation, which would be put to shareholders for approval.

In the event of a voluntary liquidation once safeguard proceedings have ended, the Company could then pay its shareholders a liquidating dividend (the extent of which, readers are reminded, remains uncertain).

The initiation of safeguard proceedings does not rule out a possible takeover operation should a serious investor present a credible project to take over the Company. In this respect, it is specified that the financial project submitted by ABO / European High Growth Opportunities Securitization Fund has not come to anything as of the date of this press release, due to feasibility constraints.

Within this context, there are no plans to resume trading in the Company's shares.

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.