



PRESS RELEASE

FY 2013 annual results

- Solid cash position of €16.9m as at December 31, 2013 compared with €11.1m as at December 31, 2012
- Approximately €7.5m expected in 2014, after completion of milestones¹
- Adequate funding to sustain the Company's activity until 2015

Paris, February 12, 2014

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart project, providing an alternative for people suffering from end-stage heart failure, today announces its annual results for the financial year ending on December 31, 2013.

• 2013 annual results*

In euros	31/12/2013	31/12/2012
Operating income		
- operating subsidies	2,873,627	10,500
- other operating income (reversal of provisions)	0	7,489
Total operating income	2,873,627	17,989
Operating expenses		
- other purchases and external expenses	13,376,375	16,467,584
- other operating expenses	5,613,876	5,935,918
Total operating expenses	18,990,251	22,403,502
Operating profit/loss	- 16,116,624	- 22,385,513
Financial profit/loss	-323,611	110,099
Exceptional items	25,219	70,290
Research Tax Credit	1,770,114	5,015,433
Net profit/loss	- 14,644,902	- 17,189,691

* Annual accounts were closed by the Board on February 11, 2014. Audit procedures relative to these accounts have been carried out. The auditor's report is currently being prepared.

In 2013, CARMAT benefited from operating income of €2.9m, which consisted entirely of Bpifrance subsidies. The Company's activity brought in no revenue in 2013, as CARMAT's total artificial heart project is still in its development phase.

Operating expenses totalled €19.0m over the year, including €13.4m of "other purchases and external expenses". This was a decrease on the 2012 figure, and corresponds to the major developments recorded in 2013 that notably led to

¹ Notably subject to the completion, in 2014, of milestones EC5 and EC6 of the Bpifrance agreement. These milestones correspond to the submission of the report on the clinical feasibility trial for 5,410,204 euros and the submission of the system design file (and the granting of conditional ANSM approval to begin the second series of clinical trials) for 290,486 euros, respectively.

the first-in-man implantation of the CARMAT heart. Once a Research Tax Credit of approximately €1.8m is taken into account, the 2013 annual net loss came to €14.6m, an improvement on the 2012 figure of €17.2m.

- **Financial structure**

The Company had a cash position of €16.9m as at December 31, 2013, compared with €11.1m as at December 31, 2012. This increase was notably the result of the payment of €6.7m by Bpifrance in July 2013 and drawdowns on the contingent equity line for a gross total of approximately €11.9m over the period (the balance of shares to be issued on that equity line was 83,200 as at December 31, 2013).

Taking into account a Research Tax Credit of approximately €1.8m to be received by July 2014, as well as Bpifrance payments of €5.7m (€0.16m in subsidies and €5.5m in repayable advances), dependent on the completion of the project's next milestones, CARMAT should receive a total of approximately €7.5m in 2014.

These added resources should enable CARMAT to fund its activities until 2015.

- **2013 highlights**

- **Scientific conferences**

Between April 24 and 27, 2013, CARMAT participated in the 33rd Annual Meeting of the ISHLT (International Society for Heart and Lung Transplant) in Toronto, Canada, during which an abstract concerning short-term implantations on animals was accepted and published in the April 2013 edition of the Journal of Heart and Lung Transplantation².

CARMAT also participated in the 27th Annual Meeting of the European Association for Cardio-Thoracic Surgery (EACTS) in Vienna, Austria, from October 5 to 9, 2013.

- **Agreements with international cardiac surgery centres**

In May, clinical cooperation agreements were signed with four renowned international cardiac surgery centres in Belgium, Poland, Slovenia and Saudi Arabia. The training at these centres is currently benefitting from feedback from the feasibility study currently being carried out in France.

- **Improved financial flexibility**

In order to secure its project's progress, in June CARMAT set up a contingent equity line with Kepler Cheuvreux, enabling up to 200,000 new shares to be issued over two years at a discount limited to 7%. As at December 31, 2013, 116,800 new shares had been issued.

In July, the Company received €6.7m from Bpifrance in the form of subsidies and repayable advances, confirming the project's satisfactory progress.

- **First-in-man implantation of the CARMAT heart**

In accordance with the approvals granted by the ANSM (*Agence nationale de sécurité du médicament et des produits de santé*, the French health authority) at the end of September 2013 and the *Comité de Protection des Personnes* (ethics committee), the first implantation of the CARMAT bioprosthetic artificial heart in a human was performed on December 18, 2013 at the Georges Pompidou European Hospital (*Hôpital Européen Georges Pompidou - HEGP*) in Paris, by the medical-surgical team headed by Professor Alain Carpentier and consisting of Professors Christian Latrémouille (HEGP), Daniel Duveau (Nantes University Hospital), Bernard Cholley (HEGP) and Doctor Denis Méléard (HEGP).

This is the first of four implantations to be carried out within the framework of the feasibility study. The patients' 30-day survival data will enable CARMAT to begin an extended pivotal study on 20 to 25 patients this year, in order to submit a CE marking file to the relevant bodies prior to obtaining marketing approval for its device in Europe, in 2015 at the earliest.

Marcello Conviti, Chief Executive Officer of CARMAT, concludes: *"2013 was a pivotal year for the CARMAT project. The first human implantation of our artificial heart at the end of the year enabled us to bring all of the research work and tests carried out over many years to fruition. I would like to thank all of our partners, shareholders and staff who have, directly or indirectly, contributed to the achievement of this medical first. Although we are only at the beginning of the road to clinical validation, the total commitment of each member of the team, whether a doctor or an engineer, makes us confident in the future of this unique and enthralling project."*

² Latremouille C. et al, Sub-Acute Animal Implantation of a Novel Bioprosthetic Artificial Heart. The Journal of Heart and Lung Transplantation Vol. 32, Issue 4, Supplement, Pages S174-S175

About CARMAT: the world's most advanced total artificial heart project.

The only credible response for all cases of end-stage heart failure, which is a real public health issue: CARMAT's aim is to be able to 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. Indeed, this disease currently affects over 100 million patients in developed countries. By pursuing the development of its total artificial heart, CARMAT intends to overcome the well-known shortfall in heart transplants for the tens of thousands of people suffering from heart failure.

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 EADS, world aerospace leader.

Imitating the natural heart: given its size, the choice of structural materials and its innovative physiological functions, CARMAT's total artificial heart could, assuming upcoming clinical trials are successful, potentially benefit the lives of tens of thousands of patients a year whilst ensuring there is no risk of rejection and providing them with an unparalleled 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: [Truffle Capital](#), a leading European venture capital firm, [EADS](#), the [Fondation Alain Carpentier](#), the [Centre Chirurgical Marie Lannelongue](#), and the thousands of institutional and individual shareholders who have placed their trust in CARMAT.

For more information: www.carmatsa.com

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Disclaimer

This press release and the information contained herein do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in CARMAT ("the Company") in any country. This press release contains forward-looking statements that relate to the Company's objectives. Such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties. Potential risks and uncertainties include, without limitation, whether the Company will be successful in implementing its strategies, whether there will be continued growth in the relevant market and demand for the Company's products, new products or technological developments introduced by competitors, and risks associated with managing growth. The Company's objectives as mentioned in this press release may not be achieved for any of these reasons or due to other risks and uncertainties.

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* registered with the *Autorité des Marchés Financiers* under number R.13-027 on May 30, 2013 and the *Note d'Opération* that was approved with visa no. 11-308 on July 11, 2011, 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

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