

PRESS RELEASE

2013 half-year results

- Solid cash position of €8.5m at end-June 2013
- €6.7m received from Bpifrance / OSEO in July 2013, confirming the project's progress

Paris, September 2, 2013

CARMAT (FR0010907956, ALCAR), the designer and developer of the world's most advanced total artificial heart project, providing an alternative for people suffering from terminal heart failure, today announces its results for the first half¹ to June 30, 2013.

- **2013 half-year results**

In euros	H1 2013	H1 2012
Operating income		
of which: Operating subsidies	2,873,627	7,000
Total operating income	2,873,627	7,000
Operating expenses		
of which: Other purchases and external expenses	5,627,234	9,478,314
of which: Other operating expenses	3,012,305	3,089,537
Total operating expenses	8,639,539	12,567,851
Operating profit/loss	-5,765,912	-12,560,851
Financial profit/loss	-119,645	100,942
Exceptional items	17,262	25,812
Research tax credit	933,311	1,727,955
Net profit/loss	-4,934,984	-10,706,142

Over the 1st half of 2013, CARMAT recorded operating income of €2.9m, which consisted entirely of Bpifrance² subsidies. No other income was recorded by the Company over the 1st half of 2013, with CARMAT's total artificial heart project still in its development phase.

Operating expenses came to €8.6m over the half. The 31% decrease compared to the 1st half of 2012 is in line with this phase of the project's development and reflects the transition to clinical development on animals and preparations for the prosthesis' industrialisation, which both consume fewer services than the previous phase. During the 1st half, substantial efforts were devoted to system validation and animal testing, which required the production and the reprogramming of a large number of prostheses.

The operating loss thus came to -€5.8m. Once the financial loss (-€119.6k), exceptional items (€17.3k) and Research tax credit (€933.3k) are taken into account, the net loss for the 1st half of 2013 was -€4.9m.

¹ Half-year accounts to June 30, 2013 were approved by the Board on September 2, 2013.

² OSEO became Bpifrance on July 12, 2013.

- **Financial structure**

At June 30, 2013, CARMAT's shareholders' equity totalled €6m. This figure includes the capital increases resulting from the exercising of equity warrants by Kepler Cheuvreux during the 1st half of 2013 within the framework of the 1st drawdown on the contingent equity line. These operations gave rise to the creation of 9,200 ordinary shares with a unit nominal value of €0.04 and to the payment of a net issuance premium of €907,175.

At June 30, 2013 cash and marketable cash instruments totalled €8.5m. At the end of August 2013, CARMAT had a cash position of €10.5m, providing it with a solid base for the launch of the clinical phase of its project.

- **H1 2013 highlights and recent events**

- **Scientific communication**

An abstract concerning short-term animal implants was accepted by and published in the "*Journal of Heart and Lung Transplantation*" in April 2012³, simultaneously to its presentation by CARMAT at the International Society for Heart & Lung Transplantation's 33rd annual congress in Toronto, Canada.

- **Agreement with four heart surgery centres in four countries to carry out the first human implants**

Four world-renowned heart surgery centres in Belgium, Poland, Slovenia and Saudi Arabia have accepted to participate in the first human implants of CARMAT's bioprosthetic artificial heart. The patient selection process and the training of surgical teams are currently underway in these four countries.

- **Contingent equity line taken out with Kepler Cheuvreux**

In order to increase its financial flexibility, CARMAT set up this financing deal following the approval of its Shareholder Meeting of June 4, 2013. The shares subscribed to by Kepler Cheuvreux can be issued within two years at CARMAT's request in maximum tranches of 35,000 new shares, or 0.84% of the current share capital. The total number of new shares that could be issued over the coming two years will not exceed 200,000, or 4.81% of the current number of shares. For each tranche, the issuance price will depend on the average prevailing share price discounted by no more than 7%.

- **€6.7m received from Bpifrance in July 2013**

On July 10, 2013, CARMAT received €6.7m from Bpifrance. This payment validates the project's satisfactory progress, despite the fact that the ANSM has not yet given its approval, and includes:

- €2,873,627 in subsidies (out of €3,032,793 still to receive) written down as accruals at June 30, 2013, insofar as this subsidy corresponds to the entire subsidy allocated in advance to key-stage n°5 spending, which began back in July 2012;
- €3,771,913 in repayable advances (out of €10,764,169 still to receive), which will be written down under "Other shareholders' equity - Conditional advances" on the balance sheet at December 31, 2013.

Marcello Conviti, Chief Executive Officer of CARMAT, comments: "*The results for the 1st half of 2013 reflect the transition to a new stage in our development programme. Following many months devoted to preclinical trials, we are now ready to begin clinical testing, the most important phase for the project. The Bpifrance payment confirms the major efforts undertaken by our teams, and CARMAT currently has the necessary financial means to confidently embark on the first human trials.*"

Detailed and comprehensive information regarding the results for the first half of 2013 can be found in the half-year financial report to June 30, 2013, which is available in French on CARMAT's website (www.carmatsa.com), Investors / Documentation / Financial Reports.

³ Sub-Acute Animal Implantation of a Novel Bioprosthetic Artificial Heart. Latremouille C. et al, 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 prostheses 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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