

Safe Orthopaedics reports Q3 2018 revenues: to 823 thousand euros, +20% growth

- ▶ Growth of 19% in France
- ▶ Growth of 21% in the Rest of the World
- ▶ Replacement of the head of sales in Germany
- ▶ Accelerated recruitment of sales force in France and Germany

Eragny-sur-Oise, France, October 8, 2018 at 5:35pm CEST - Safe Orthopaedics (FR0012452746 – SAFOR), a company specialized in the design and marketing of single-use implants and instruments improving the minimally invasive treatment of spinal fracture conditions, is today announcing its revenues for the third quarter of 2018 and its cash position at September 30, 2018.

<i>in thousands of euros</i>	Q3 2018 <i>(3 months)</i>	Q3 2017 <i>(3 months)</i>	Change
France	400	336	+19%
Rest of the World	423	350	+21%
Total revenues	823	686	+20%

Safe Orthopaedics' third-quarter 2018 revenues came to €823 thousand. That represents growth of 20% compared to the third quarter of 2017, with the driving force for this increase coming from the direct sales forces (France, Germany and the United Kingdom), generating €512 thousand, or a 48% rise compared to 2017. Global distribution made headway in Europe (up 28%) and in Latin America (up 148%), but again experienced difficulties in the Middle East and Asia-Pacific (down 77%).

In France, the sales team underwent further changes. Sales territories were redefined to accommodate the new salespeople hired in the third quarter of 2018 and due to start during the fourth quarter. The sales team was also given the requisite training to promote SteriSpine™ VA, the new minimally-invasive treatment technology launched in the third quarter¹.

The conversion of the strategic centers continued in Germany, with the announcement that Holger Duerr has been appointed as head of sales in Germany. Holger Duerr is a seasoned veteran with 12 years' experience of the vertebral augmentation (kyphoplasty) market. He previously held sales positions with Kyphon and Dfine, and he was most recently Vexim's head of sales in Germany and Austria.

Sales grew in line with expectations in the United Kingdom following the acquisition of the sales force during June and transfer of customer accounts to the company from the former distributor.

¹ [Safe Orthopaedics announces the commercial launch of SteriSpine™ VA, a balloon for the Vertebral Augmentation](#)

<i>In thousands of euros</i>	Nine-months 2018 <i>(3 months)</i>	Nine-months 2017 <i>(3 months)</i>	Change
France	1,304	1,139	+14%
Rest of the World	1,179	1,192	-1%
Total revenue	2,483	2331	+7%

Notwithstanding a sluggish first six months, revenues grew 7% overall, with the main impetus coming from the direct sales forces (growth of 26%) despite a weak performance by distributors (contraction of 13%).

“Our revenues grew thanks to our focus on vertebral fractures for the past two years and the improvements we have made to our sales teams, including additional skills training and the appointment of an international vice-president and three country heads of sales”, commented Pierre Dumouchel, Chief Executive Officer and Co-founder of Safe Orthopaedics. “The combined promotion of SteriSPine PS (pedicular screw) and SteriSpine VA (balloon for vertebral augmentation) technologies has accelerated the pace of our 2018 growth since the beginning of the third quarter and will underpin our strategy for the next two years. Using the funds we raised in July, we will continue to strengthen our sales teams during the fourth quarter, expanding them to 17 salespeople from 10 at year-end 2017. We aim to deliver more consistent, robust growth and to improve our margins significantly through our direct distribution activities in France, Germany and the United Kingdom.

Cash position

At September 30, 2018, Safe Orthopaedics held €5 million in cash, compared to €5.2 million at September 30, 2017. The company anticipates a future payment of approximately €1 million from the repayment of the research tax credit and the contractual milestone payment related to the approval of the distribution in Japan.

Next financial report

Full-year 2018 revenues on January 17, 2019 (after market close)

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company that aims to offer the safest technologies for treating spinal fracture. Delivered sterile, all implants and single-use instruments are available to surgeons anytime, anywhere. These technologies facilitate minimally invasive methods which reduce the risk of cross-contamination and infection in the interest of the patient. Protected by 17 patent families, the SteriSpine™ Kits have CE marking and are FDA cleared. The company is based at Eragny-Sur-Oise (France) and has 37 employees.

For more information, visit: www.SafeOrtho.com

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