

Safe Orthopaedics' continues to improve results over the first six months of 2018

- Sales stable over first six-month period
- Cost control in a major business investments context
- Net income up 0.5 million euros
- Executive board enhanced

Eragny-sur-Oise, 28th September 2018, 6 pm CEST – SAFE ORTHOPAEDICS (FR0012452746 – SAFOR), Safe Orthopaedics (FR0012452746 – SAFOR), a company specialized in the development and marketing of implants and single-use instruments that improve the minimally invasive treatment of spinal fracture conditions, today announced its revenue for the six-month period ending on the 30th June 2018.

Safe Orthopaedics' 2018 six-month financial report will be available on the company's website (www.SafeOrtho.com) via Investors > Documentation > Regulatory information, from the 25th September 2018.

<i>Thousands of euros - IFRS Standards</i>	30/06/2018	30/06/2017
Revenue - France	904	803
Revenue - Rest of world	756	841
Total Adjusted Revenue ¹	1 660	1 644
Revenue from discontinued operations	0	0
Total Revenue	1 660	1 644
Purchases and inventory change	(844)	(839)
External expenses	(1 525)	(1 221)
Payroll	(1 726)	(1 659)
Other operational expenses	(321)	(406)
Ordinary operating income	(2 756)	(2 481)
Other revenue and operational expenses	(154)	(49)
Operating income	(2 910)	(2 530)
Financial result	200	(716)
Net Income	(2 710)	(3 245)

In the first six months of 2018, turnover remained stable (+1% at €1.66 million) despite a drop in export sales of 11%. This decreasing resulted from a slow down in sales in the United Kingdom (that coincided with the purchase of British sales force), in Middle Eastern and southern European. These issues known on this period led to corrective actions being taken to revitalise those areas.

The strengthening of our sales force in France, the purchase of a British sales force and the establishment of a partnership with a Japanese group, all constituted major investments in the first six months of 2018, and were all undertaken while maintaining cost control.

Consequently, ordinary operating income dropped by €275,000 over the period (-€2.75 million compared with -€2.48 million in the first six months of 2017). However, after taking into consideration the positive financial result of €200,000, linked to the impact of exchange rates on the intra-group balance sheet (US subsidiary), net income rose by €0.54 million to - €2.7 million compared to -€3.2 million the previous year.

On the 30th of June 2018, Safe Orthopaedics' cash position was €474,000 compared with €3.74 million at the end of June 2017. However, this amount does not include the €6.95 million fund raised at the beginning of July, in order to boost the development of new minimally invasive technologies; create new strategic partnerships similar to the one established in Japan; launch SteriSpine VA™, a new range dedicated to vertebral augmentation that opens up a new market in 2018 worth €72 million; and, strengthen its direct sales force in France, Germany and the United Kingdom.

“Safe Orthopaedics’ strategy of leading the spinal fracture treatment field has been boosted by our broader product portfolio as well as by the deployment of a direct sales force in France, Germany and the United Kingdom,” said Pierre Dumouchel, CEO and co-founder of Safe Orthopaedics. “The major developments in the first six months of 2018 and our successful fund-raising from institutional investors of reference at the beginning of July both aim to improve Safe Orthopaedics’ financial performance over the six-month periods to come.”

Safe Orthopaedics has also enhanced the expertise of its Executive Board with the appointment of Anne Reiser. Anne Reiser was a member of Mondial RedMed’s board in which she was President of the Emea-Apac-Japan region from 2014 to 2017, having previously been President of the European area. Her entire career has been spent in the medical device field with sector leaders such as Medtronic, Hollister, Zimmer, American Home Product and Mölnlycke. At Zimmer, Anne Reiser managed a traumatology, arthroscopy and spine portfolio. She has lived in France and Germany and is currently based in Dubai. *“I am very excited to join Safe Orthopaedics’ Executive board and I am looking forward to bringing my sectoral and geographic experience.”*

At the same time, Kurma partners, an early stage investor in Safe Orthopaedics, has resigned from its position on the board. *“Kurma partners may be resigning from the board but we continue to have full confidence in the strategy adopted by Safe Orthopaedics following the appointment of Pierre Dumouchel and his management team.”* said Thierry Laugel, president of the board and founder of Kurma Partners.

Forthcoming financial publication: turnover for the 3rd quarter of 2018 on Monday 8th October (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

Contacts

Safe Orthopaedics

François-Henri Reynaud
CFO

Tel.: +33 (0)1 34 21 50 00
investors@safeorthopaedics.com

NewCap

Valentine Brouchet
Investor Relations

Nicolas Merigeau
Press Relations

Tel.: +33 (0)1 44 71 94 94
SafeOrtho@newcap.eu

SAFOR
LISTED
EURONEXT

Ulysse Communication

Bruno Arabian / +33 (0)6 87 88 47 26 / barabian@ulyse-communication.com
Nicolas Daniels / +33 (0)6 63 66 59 22 / ndaniels@ulyse-communication.com