

Safe Orthopaedics reports revenue growth of 10% in FY 2016*, with an acceleration in the fourth quarter

Upbeat performance in the fourth quarter of 2016

Revenue up 26%
 Continuing growth of 18% in France
 Acceleration in the pace of growth in exports to 36%

Ergny-sur-Oise, January 19, 2017 – SAFE ORTHOPAEDICS (FR0012452746 – SAFOR), a company offering innovative ranges of sterile implants combined with their single-use instruments for back surgery, has today released its revenue figures for the fourth quarter of 2016 and the financial year ended December 31, 2016.

"We are pleased with our performance in the fourth quarter of 2016, as both France and export markets (excluding the United States) delivered growth of +18% and +36% respectively. These upbeat trends reflected the redeployment of our sales force, the allocation of additional sales and marketing resources to our priority markets and a drive to strengthen our positions in traumatology", commented Pierre Dumouchel, Chief Executive Officer of Safe Orthopaedics. "In 2017, we plan to bolster our sales and marketing capabilities in Germany. Thanks to our longstanding commercial presence there, we have honed our knowledge of how the market works, and been able to approach certain key institutions and to secure the backing of highly renowned surgeons, such as Dr. Franke, who sits on our Scientific Board".

| in thousands of euros | Full-year 2016 | Full-year 2015 | Change |
|---|----------------|----------------|-------------|
| France | 1,182 | 1,016 | +16% |
| Rest of the world (excluding United States) | 1,086 | 1,055 | +3% |
| Total adjusted* revenue | 2,268 | 2,071 | +10% |
| United States (discontinued operations) | 100 | 454 | -78% |
| Total revenue | 2,368 | 2,525 | -6% |

*Adjusted for operations in the United States discontinued since March 1, 2016.

Over 2016 as a whole, adjusted revenue rose 10% to €2,268 thousand, up from €2,071 thousand in 2015.

Revenue continued to grow in France, rising 16% to €1,182 thousand in 2016 (vs. €1,016 thousand in 2015), despite traditionally modest sales and marketing resources. As a result of the refocusing drive launched in the first quarter, certain sales and marketing resources were reassigned to the region.

In the Rest of the world (excluding the United States), revenue growth was fairly sedate during FY 2016 (+3%). It was held back by disappointing performance in the third quarter of 2016.

| In thousands of euros | Q4 2016 | Q4 2015 | Change |
|--|------------|------------|------------|
| France | 327 | 278 | +18% |
| Rest of the world (excluding United States) | 316 | 233 | +36% |
| Total adjusted* revenue | 643 | 511 | +26% |
| United States (discontinued operations) | 0 | 83 | -100% |
| Total quarterly revenue | 643 | 594 | +8% |

*Adjusted for operations in the United States discontinued effective March 1, 2016.

In the fourth quarter of 2016, Safe Orthopaedics recorded revenue growth of 26% to €643 thousand adjusted for operations in the United States discontinued since March 1, 2016.

During this quarter, revenue in France surged 18% to €327 thousand. The additions to the sales force, with the recruitment of one salesperson in the second quarter and another in the fourth quarter of 2016, have started to pay off and should make an even larger contribution to growth in 2017.

In export markets, sales increased 36% as a result of the growth generated by longstanding distribution partners (especially in the United Kingdom) and the new distribution agreements entered into in 2016 (Mexico, Chile, South Africa).

Cash position

At December 31, 2016, Safe Orthopaedics held €3.6 million in cash and cash equivalents, compared with €5.9 million at December 31, 2015. Management believes that the Company holds sufficient funds to cover its operational needs until November 2017. The Company is currently studying various financing options.

Next report

Full-year 2016 results on April 28, 2017

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company that aims to make spinal surgeries safer by using sterile implants and associated single-use instruments. Through this approach, these products eliminate all risk of contamination, reduce infection risks and facilitate a minimally-invasive approach for trauma and degenerative pathologies—benefiting patients. Protected by 17 patent families, the SteriSpine™ kits are CE-marked and FDA approved. The company is based at Eagny-sur-Oise (Val d'Oise department), and has 30 employees.

For more information, visit: www.SafeOrtho.com

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