

Safe Orthopaedics delivers its strongest performance of 2018 in the final quarter, with revenue growth of 27% to €988,000

- ▶ Full-year revenues of €3.5 million, up 12%
- ▶ Growth of 27% in territories covered by direct sales forces
- ▶ €3.2 million in cash at December 31, 2018 and set to increase in 2019

Eragny-sur-Oise (France), January 17, 2019, 5:35p.m. Paris time – 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 fourth quarter of 2018 and for the 2018 financial year, together with its cash position at December 31, 2018.

<i>€ thousands</i>	2018 <i>(12 months)</i>	2017 <i>(12 months)</i>	Change
Direct sales (Fr., Ger., UK)	2,134	1,681	+27%
Indirect sales	1,337	1,429	-6%
Total revenues	3,471	3,110	+12%

Safe Orthopaedics' 2018 revenues came to €3,471 thousand, representing growth of 12% compared to 2017. The direct sales forces (France, Germany and the United Kingdom) powered this increase, generating €2,134 thousand in sales, a 27% rise compared to 2017 after the overhaul of the distributor network.

The Company recorded its best quarterly performance of 2018 in the fourth quarter when its revenues totaled €990,000, up 27% compared to the fourth quarter of 2017. Except for the second quarter of 2018, the company posted quarterly growth between +20% and +27%.

<i>€ thousands</i>	Q1 2018	Q2 2018 <i>(12 months)</i>	Q3 2018 <i>(12 months)</i>	Q4 2018 <i>(12 months)</i>
Direct sales (Fr., Ger., UK)	520 (+16%)	463 (+14%)	521 (+47%)	630 (+33%)
Indirect sales	411 (+30%)	266 (-46%)	302 (-9%)	358 (+16%)
Total revenues	931 (+22%)	729 (-17%)	823 (+20%)	988 (+27%)

Sales in France broke above the half a million euro mark for the first time in the fourth quarter. That 16% increase to €530,000, gave Safe Orthopaedics a 9% market share in the fracture segment in 2018. Management also confirmed that it has put in place the additional sales capabilities needed to make

gains in this strategic segment through the promotion of SteriSpine™ PS and SteriSpine™ VA technologies (launched in the third quarter¹).

In Germany, sales doubled to €84,000 in 2018. The replacement in October 2018 of the head of sales in Germany and further new appointments to the team helped to persuade various opinion leaders who led the vertebral fracture workshop held by Safe Orthopaedics at the DWG 2018 German Spine Congress in Wiesbaden.

In the United Kingdom, the acquisition of the sales force on June 1 helped increase direct sales by €180,000, making a significant contribution to Safe Orthopaedics' gross margin.

Global indirect sales moved higher in Europe (up 17% excluding the United Kingdom), were stable in Latin America and contracted in the rest of the world (down 17%) after strategic refocusing of the sales force in Europe.

€ thousands	Q4 2018 (3 months)	Q4 2017 (3 months)	Change
Direct sales (Fr., Ger., UK)	630	472	+33%
Indirect sales	358	308	+16%
Total revenues	988	780	+27%

“2018 was another positive year in Safe Orthopaedics’ development. We secured deeper financial resources, acquired a third direct sales force and reorganized our sales management through the appointment of a vice-president and country-level heads of sales. We are also pleased to report that our share of the fracture stabilization segment now stands at 9% in the French market, and we are very proud to be able to offer a full line of products following the launch of SteriSpine™ VA”, commented Pierre Dumouchel, Chief Executive Officer and Co-founder of Safe Orthopaedics. “As things stand, we are confident of maintaining a healthy pace of growth in 2019 thanks to our 21-person strong direct sales and marketing force and a network of distributors covering 20 countries, to be joined very shortly by Japan under a strategic partnership announced in June 2018. SteriSpine PS and VA technologies will also be enhanced and extended, to establish Safe Orthopaedics as the European leader in vertebral fractures.”

Cash position

At December 31, 2018, Safe Orthopaedics held €3.2 million in cash. The Company expects a cash inflow of around €1,450,000 from the repayment of the Research Tax Credit, the contractual payment due following approval of distribution arrangements in Japan and the release of the €450,000 bank loan granted by Banque Populaire Rives de Paris.

Next financial report

Full-year 2018 results and first-quarter 2019 revenues on April 26, 2019 (after market close)

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

About Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company that offers the safest technologies to treat spinal fractures. Delivered sterile, all implants and respective disposable instrumentation are available to the surgeon at any time, any place. These technologies enable minimally invasive approaches, reducing risks of cross contamination and infection in the interest of the patient. Protected by 17 patent families, the SteriSpine™ Kits are CE marked and FDA cleared. The company is based at Eragny-Sur-Oise (France), and has 43 employees.

For more information: www.SafeOrtho.com

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