



Innovative back microsurgery

Press release

Results for the 1st half of 2012

- **Buoyant increase in sales: +93% to €1.1m**
- **Doubling of the gross margin to €0.7m**
- **Solid cash position of €11.3m**

Toulouse, September 20th 2012 - Vexim (FR0011072602 - ALVXM), a medical device company specialising in minimally invasive treatment of vertebral fractures, today announces its consolidated first-half results¹ to June 30th 2012.

Buoyant increase in sales and the gross margin

In thousands of euros	30.06.2012	30.06.2011
Sales	1,081	573
- France	452	129
- Overseas	629	444
Gross margin	653	317
% of sales	60.4%	55.2%
Operating costs	4,268	3,256
Operating profit/loss	-3,535	-2,940
Net profit/loss	-3,579	-3,018

In the 1st half of 2012, **sales** increased by +93% compared to the 1st half of 2011, reaching €1.1m. This sharp increase validates the relevance of the direct sales deployment of the SpineJack® implant: French sales were multiplied by 3.5 over 12 months, whilst international sales recorded annual growth of +42%.

The **gross margin** increased at a faster pace than sales over the 1st half, doubling compared to June 30th 2011 to €0.7m. It thus represented 60.4% of sales, versus 55.2% at June 30th 2011. This improvement of 5.2 percentage points in 12 months is a result of the positive impact of the direct marketing of the SpineJack®. Furthermore, Vexim is ahead of its business plan with regards to the change in the share of direct sales, as the target initially set for the end of 2012, i.e. to achieve two thirds of revenue from direct sales, had already been achieved by June 30th 2012.

¹ Accounts were approved by the Board meeting of September 14th, 2012.

Under the impetus of dynamic first-half activity, **operating costs** totalled €4.3m over the period, compared to €3.3m a year earlier. Sales and Marketing costs, the Company's largest category of expenditure, did however remain in line with its European development plan. The workforce allocated to these two areas stood at 21 people at June 30th 2012, versus 9 people a year earlier. Within this framework, Vexim continued to considerably develop its training programme: over forty surgeons were trained in the use of Vexim's technology over the 1st half of the year alone.

There was thus an **operating loss** of €3.5m.

Once financial results and exceptional items are taken into account, the **net loss** was €3.6m.

The Company's financial structure is solid, with a strong **cash position** of €11.3m at June 30th 2012, a figure that includes the sum raised by the IPO carried out in April 2012. This financial solidity allows Vexim to calmly and confidently envisage the implementation of its strategy, which is based on innovation and the direct marketing of the SpineJack® in Europe.

Key first-half events

Extension of the SpineJack® range

Having obtained CE marking in January 2012, a new 4.2 mm diameter SpineJack® implant has been added to the existing range of implants (5 mm and 6.5 mm diameters). This new diameter makes it possible to treat pathologies on high thoracic vertebrae and, more generally, on all small vertebrae. Vexim thus has a comprehensive range of implants enabling 95% of vertebral compression fractures to be treated.

Success of the IPO

At the end of April 2012, Vexim successfully carried out its IPO on the NYSE Alternext in Paris, despite substantial financial market volatility during the placement period. Based on a mid-range price of €9.5, the issuing of 1,158,544 new shares allowed Vexim to raise €11m to deploy its growth strategy.

Strengthening of the Management team

Vexim has continued to expand its management team, appointing Marie-Pierre Hontas as Clinical Affairs Director in May. Her 20 years of experience in international clinical research, acquired in the pharmaceutical and medical device industries, will be a major strategic asset for steering Vexim's clinical programmes.

Opening of overseas subsidiaries

Within the framework of its European development strategy, presented at the time of the Company's IPO, Vexim opened two subsidiaries over the 1st half in order to deploy its own sales force in Germany and Italy, two major European vertebroplasty markets. The launch of the German subsidiary took place in early March 2012. At June 30th 2012, an operational sales team consisting of a sales director and 5 sales staff was already in place.

The Italian subsidiary, based in Milan, was launched in early June 2012 with the recruitment of a sales director and a vendor. The start of direct sales activity on this key market is already looking very promising.

Outlook

Vexim is continuing to follow its business plan in accordance with the commitments undertaken at the time of its IPO. The Company is striving to develop the two pillars of its strategy that are its innovation policy and marketing deployment. Regarding innovation, Vexim is pursuing its clinical programme with the observational register that will enable use of the SpineJack® to be increased in fresh trauma indications. Regarding marketing, the Company is seeing buoyant activity momentum on all of its markets, notably in France, Germany and Italy, where Vexim is continuing to structure its direct sales force.

Vincent Gardès, CEO of Vexim, comments: *“The 1st half of the current financial year saw rich and structuring events for Vexim in all areas of its activity: extension of its range of implants, success of its IPO and the raising of €11 million, strengthening of its management team and targeted international expansion. The 1st half financial performances, with sales and the gross margin both doubling, give us much confidence regarding the implementation of our business plan over the year as a whole.”*

Next press releases:

- Annual sales, in January 2013
- Annual results, in March 2013

About Vexim, the innovative back microsurgery specialist

Based in Balma, near Toulouse (France), Vexim is a medical device specialist created in February 2006 following its spinoff from Teknimed, a world leader in bone substitutes and surgical cements. Vexim has specialised in the creation and marketing of mini-invasive solutions for treating spinal pathologies. Benefitting from the financial support of its longstanding shareholders, Truffle Capital and Banexi Venture, and from OSEO public subsidies, Vexim has designed and developed the SpineJack®, a unique implant capable of repairing a deformed or fractured vertebra and correcting the anatomy of the spinal column. The Company currently has 35 staff. It has its own sales teams in France, Germany and Italy, as well as distributors in Spain, Portugal, Italy, Turkey, Argentina and South Africa.

For further information, please go to www.vexim.com

SpineJack®, a revolutionary implant for treating Vertebral Compression Fractures

The revolutionary aspect of the SpineJack® lies in its ability to restore a fractured vertebra to its original shape, restore the spinal column's optimal anatomy and thus remove pain and enable the patient to recover their functional capabilities. Thanks to a specialised range of instruments, inserting the implants into the vertebra is carried out in a mini-invasive manner, guided by X-ray, in less than 30 minutes, enabling the patient to be discharged shortly after surgery. The SpineJack® range consists of 3 titanium implants with 3 different diameters, thus covering 95% of vertebral compression fractures and all patient morphologies.

SpineJack® technology benefits from the support of international scientific experts in the field of spinal columns, good medical-expense reimbursement systems in Europe and worldwide patent protection through to 2029

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- **Name:** Vexim
- **ISIN code:** FR0011072602
- **Ticker:** ALVXM

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