



Innovative back microsurgery

**Press release**

**First-half 2013 results**

- **Sales continue to gain momentum: multiplied by 2.3 to €2.5 million**
- **The gross margin improves again: +5% to 63.7% of sales**
- **Equity capital strengthened by €2.5 million via an investment by Truffle Capital**

**Toulouse, September 11, 2013** - VEXIM (FR0011072602 - ALVXM), a medical device company specializing in the minimally-invasive treatment of vertebral fractures, today announces its consolidated first-half results for the period ending June 30, 2013, as approved by the Board of Directors at the meeting of September 11, 2013.

**Very strong sales momentum and an ongoing improvement in the gross margin**

<i>Consolidated statement (€ thousands)</i>	<b>June 30, 2013</b>	<b>June 30, 2012</b>
<b>Sales</b>	<b>2,533</b>	<b>1,081</b>
<i>of which France</i>	<i>1,135</i>	<i>452</i>
<i>of which International</i>	<i>1,398</i>	<i>629</i>
<b>Gross profit</b>	<b>1,614</b>	<b>653</b>
<i>Gross margin</i>	<i>63.7%</i>	<i>60.4%</i>
Operating expenses	(5,744)	(4,268)
<b>Operating income (loss)</b>	<b>(4,130)</b>	<b>(3,616)</b>
<b>Net income (loss)</b>	<b>(4,086)</b>	<b>(3,579)</b>

VEXIM generated first-half 2013 **sales** of €2.5 million, multiplied by 2.3 compared to the same period of last year. Sales growth accelerated during the first-half 2013 to 134% compared to 93% in the first half 2012. All in all, more than 6,300 SpineJack® units have been implanted since its launch, which shows how quickly this new technology has been adopted by spine surgeons in all countries covered by VEXIM. French sales were multiplied by 2.5, whereas international sales were multiplied by 2.2.

In the first half of 2013, **gross profit** was €1.6 million, multiplied by 2.5 compared to the same period a year earlier. The gross margin continued to improve to 63.7% at June 30, 2013, a gain of 5% on the first half 2012. This performance can be attributed to the growing importance of direct sales as a share of VEXIM total revenues, which rose to 94% at June 30, 2013, compared to 68% at June 30, 2012.

In this fast-growing environment, operating expenses only grew by 35% compared to the 1<sup>st</sup> semester 2012, to €5.7 million.

VEXIM successfully set up an effective sales organization in record time:

- new subsidiaries were opened in Spain and the UK as of early 2013;
- the sales organization was strengthened in Germany and Italy;
- the Marketing & Sales department took on new dimensions, with 31 employees at June 30, 2013, up from 21 at June 30, 2012.

VEXIM now has a fully operational European sales organization.

VEXIM generated an **operating loss** of €4.1 million at June 30, 2013, compared to a loss of €3.6 million at June 30, 2012.

After taking into account financial income and expenses and exceptional items, the **net loss** was €4.1 million.

### Equity capital strengthened

At June 30, 2013, VEXIM had cash and cash equivalents of €3.1 million. As announced in a press release on August 12, VEXIM strengthened its equity capital via a €2.5 million new share issue that was fully underwritten by the investment funds of Truffle Capital, the Company's historical shareholder. VEXIM now has greater financial flexibility to pursue its development.

### Ongoing growth strategy

After a first half rich in major developments, VEXIM intends to pursue growth via three strategic vectors:

- **Innovation:** thanks to the acquisition earlier this year of the exclusive worldwide license to an innovative injection system in the field of vertebroplasty, VEXIM is preparing to enter the vast US market<sup>1</sup>, as early as 2014.
- **Sales:** by creating two new subsidiaries in Spain and the UK, VEXIM has expanded its sales presence and now has direct coverage in five of the largest markets for the treatment of vertebral fractures in Europe, with strong growth potential.
- **Clinical trials:** VEXIM has set up an ambitious clinical program to continue enhancing the competitive advantages of the SpineJack® implant. The final results of retrospective studies and the intermediate results of observational registries should be presented during the second half of 2013. Two new studies will evaluate the effectiveness and performance of SpineJack® compared to balloon kyphoplasty (1<sup>st</sup> patient enrolled in March 2013) and conservative corset treatments.

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<sup>1</sup> The United States accounts for 60% of the vertebroplasty market in value. Source: Millennium Research Group, 2012 data

**Vincent Gardès, CEO of VEXIM, concludes:** *“Our first-half 2013 results show that we are continuing to develop while respecting the growth strategy presented at the time of our initial public offering. We have successfully set up an effective sales strategy, as illustrated by the robust growth of sales and the gross margin, based on building a direct presence in key European markets that are sources of future growth. Through our clinical program, we continue to provide complementary scientific proof to create broad support for the technological superiority of SpineJack® in the treatment of vertebral compression fractures. Lastly, we continue to innovate in other high potential areas, such as vertebroplasty, with the same goal of becoming the European leader in innovative back microsurgery.”*

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### Next press release:

- 2013 third-quarter sales: October 2013

#### About Vexim, the innovative back microsurgery specialist

Based in Balma, near Toulouse (France), Vexim is a medical device company created in February 2006. The Company has specialized in the creation and marketing of mini-invasive solutions for treating traumatic spinal pathologies. Benefitting from the financial support of its longstanding shareholders, Truffle Capital<sup>1</sup> and Banexi Venture, and from OSEO public subsidies, Vexim has designed and developed the SpineJack®, a unique implant capable of repairing a fractured vertebra and restoring the balance of the spinal column. The Company currently has 48 staff. It has its own sales teams in France, Germany, Italy, Spain, Switzerland and the United Kingdom, as well as distributors notably in Turkey, Argentina, India, Taiwan and in the following countries where the product is currently being registered: Mexico, Brazil, Colombia, Venezuela, Chile, Ecuador and Peru. Vexim has been listed on NYSE Alternext Paris since May 3<sup>rd</sup> 2012.

For further information, please go to [www.vexim.com](http://www.vexim.com)

#### SpineJack®<sup>2</sup>, 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 specialized range of instruments, inserting the implants into the vertebra is carried out by mini-invasive surgery, guided by X-ray, in approximately 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 spine surgery and worldwide patent protection through to 2029.

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

<sup>1</sup> Founded in 2001 in Paris, Truffle Capital is a leading independent European private equity firm. It is dedicated to investing in and building technology leaders in the IT, life sciences and energy sectors. Truffle Capital manages €550m via FCPRs and FCPs, the latter offering tax rebates (funds are blocked during 7 to 10 years). For further information, please visit [www.truffle.fr](http://www.truffle.fr) and [www.fcpi.fr](http://www.fcpi.fr).

<sup>2</sup> This medical device is a regulated health product that, with regard to these regulations, bears the CE mark. Please refer to the instructions leaflet.