



Innovative back microsurgery

Press release

2013 annual results

Acceleration in SpineJack® sales

Sales multiplied by 2.3 at €6.2m

Gross margin up +4 points to 67% of sales

Strengthened financial structure

€11.8m raised in January 2014

2014 outlook

**Acceleration in marketing deployment in Europe,
initial developments in the United States**

Toulouse, March 18, 2014 - VEXIM (FR0011072602 - ALVXM), a medical device company specializing in the minimally-invasive treatment of vertebral fractures, today announces its consolidated annual results to December 31, 2013.

Very dynamic activity

Jérôme Marzinski, Deputy CEO of VEXIM, says: *“These 2013 annual results confirm the high rate at which our flagship product the SpineJack® is being adopted, with close to 10,000 units implanted across our direct and indirect markets. The doubling of our sales is the result of solid marketing efforts, with 25 sales staff present in our five European direct sales subsidiaries. The reported loss is in line with our forecasts, and is due notably to the first half of 2013. The 2nd half of 2013 shows a reversal of the first half trend thanks to tight control over operations. This indicator will continue to improve.”*

<i>Consolidated statement (€ thousands)</i>	31.12.2013	31.12.2012
Sales	6,158	2,719
<i>of which France</i>	2,724	1,057
<i>of which International</i>	3,434	1,662
Gross profit	4,132	1,714
<i>Gross margin</i>	67%	63%
Operating expenses	-11,031	-8,495
Operating income (loss)	-6,899	-6,780
Net income (loss)	-6,877	-6,768

VEXIM recorded annual **sales** of €6.2m in 2013, multiplied by 2.3 compared with 2012. This impressive increase was a result of particularly strong SpineJack® sales in France (x2.6 over 12 months), but also abroad (x2.1 over 12 months).

Gross profit increased to €4.1m in 2013 (x2.4 over 12 months), with the **gross margin** representing 67% of annual sales, compared with 63% in 2012. This improvement of 4 percentage points confirms the upward trend observed in 2012 and can be explained by the positive impact of the direct marketing of the SpineJack®. Indeed, direct sales accounted for 91% of total sales in 2013, compared with 85% in 2012.

Within this context of dynamic activity, **operating costs** increased to €11.6m in 2013, and thus grew at half the pace of sales. This increase was notably due to the growth in sales and marketing expenditures, reflecting the ramping up of the Company's European commercial development.

VEXIM also intensified its training program in 2013, with a further 200 surgeons trained in the **SpineJack®** surgical procedure.

In 2013, there was an **operating loss** of €6.9m. Once the financial result and exceptional items are taken into account, **the net loss** was also €6.9m.

Strengthened financial structure

At December 31, 2013, VEXIM had a cash position of €1.7m. In January 2014, the Company successfully carried out a €11.8m capital increase without preferential subscription rights, which enabled it to strengthen its financial structure and to diversify its shareholding with Bpifrance, a solid long-term partner, becoming an 8.9% shareholder. VEXIM thus has the necessary financial means to pursue its development.

2013: a year of investment

Opening of two new subsidiaries

VEXIM created subsidiaries in two key European markets in early 2013, being Spain and the UK. The Company thus achieved its target of having a direct presence in Europe's 5 largest kyphoplasty and vertebroplasty markets a year ahead of its business plan.

Broadening of the product range

In February 2013, VEXIM announced the acquisition of an exclusive license for the development of a state-of-the-art system for mixing and injecting orthopedic cement. This exclusive system will allow the Company to address the vertebroplasty market, with its launch expected during 2014.

In December 2013, VEXIM also launched a new biomaterial for fixation promoting bone regeneration; InterfaceTM. This product represents a biological alternative to current orthopedic cements in the treatment of vertebral fractures due to trauma in patients with good bone quality, and therefore enables younger populations to be targeted.

Clinical breakthroughs and scientific publications

VEXIM has published the results of two clinical trials:

- The definitive results of a retrospective study on 77 patients confirmed the excellent long-term results of the SpineJack[®] in treating vertebral compression fractures, notably in terms of pain reduction, recovery of the patient's functional capacities, and maintenance of the anatomical restoration of the vertebra. These results have just been backed up by a second retrospective study of 178 patients published on March 10.
- The interim results of an international clinical study on 103 patients have confirmed the SpineJack[®]'s effectiveness even for the most complex vertebral fractures due to trauma in young patients.

Moreover, two prestigious journals have published biomechanical studies carried out by Dr. Antonio Krüger's teams (Marburg University, Germany) using the SpineJack[®]: the August 2013 edition of "The Clinical Biomechanics" and November's "The Spine Journal".

Strengthened management team

In October 2013, VEXIM appointed Jérôme Marzinski as Deputy CEO in order to efficiently coordinate VEXIM's development in its new markets.

2014 outlook: further aggressive growth across all of our markets

In 2014, VEXIM will continue to implement its successful strategy based on direct marketing development, training and clinical programs.

Acceleration in European deployment

Thanks to its increasingly solid European foothold, VEXIM will continue to deploy its technology in major hospitals by targeting physicians with an intense training program. The Company's objective is to train 300 physicians in the SpineJack® surgical procedure in 2014.

Initial developments in the United States

VEXIM intends to implement a development strategy in the American market through the marketing of its device for mixing and injecting orthopedic cement. Scheduled for late 2014 / early 2015, this development will be carried out with the support of a local partner with solid expertise in the American market.

Vincent Gardès, CEO of VEXIM, concludes: *"In 2013, VEXIM recorded some major strategic breakthroughs on a clinical level, a commercial level and in terms of investing in innovation. We are thus approaching 2014 with a solid competitive position on our target European markets and, thanks to January's strengthening of our equity capital, with the necessary resources to further accentuate our technological edge and break into the strategic US market."*

2014 preliminary financial agenda*:

Q1 2014 sales: April 15, 2014

H1 2014 sales: July 22, 2014

*Indicative dates, subject to potential modifications

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 Capital¹ 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 57 staff. It has its own sales teams in France, Germany, Italy, Spain, Switzerland and the United Kingdom, as well as distributors notably in Argentina, India, Taiwan, Belgium, South Africa, Colombia, Panama and in the following countries where the product is currently being registered: Mexico, Brazil, Venezuela, Chile, Ecuador and Peru. VEXIM has been listed on NYSE Alternext Paris since May 3, 2012. For further information, please go to www.vexim.com

SpineJack®², 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 until 2029.

¹ 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 FCPIs, the latter offering tax rebates (funds are blocked during 7 to 10 years). For further information, please visit www.truffle.fr and www.fcpi.fr.

² This medical device is a regulated health product that, with regard to these regulations, bears the CE mark. Please refer to the Instructions for Use.

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